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CITY OF MORGAN CITY, LOUISIANA

Financial Report

Year Ended December 31, 1998

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Release Date **JUL 2 1 1999**

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Darnall, Sikes & Frederick

(A Corporation of Certified Public Accountants)

Eugene H. Darnall, CPA, Retired 1990

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

Jennifer S. Ziegler, CPA
Chris A. Miller, CPA
John P. Armato, CPA

Kathleen T. Darnall, CPA
Stephen R. Dischler, MBA, CPA
Alan M. Taylor, CPA
Christine A. Raspberry, CPA
Steven G. Moosa, CPA
Erich G. Loewer, Jr., CPA
Erich G. Loewer, III, CPA
Danny P. Pontill, CPA
Lamera T. Landry, CPA
Carla R. Fontenot, CPA
Raegan D. Stelly, CPA
Jason H. Watson, CPA

INDEPENDENT AUDITOR'S REPORT

Other Locations:

125 Rue Beauregard
Lafayette, LA 70508
318.232.3312

1231 E. Laurel Avenue
Lunice, LA 70535
318.957.4146

1201 Brashear Avenue
Suite 301
Morgan City, LA 70380
504.384.6264

404 Pete Meyer
Abbeville, LA 70510
318.893.5470

dsfpas.com

**The Honorable Timothy Matte, Mayor
and Members of the City Council
City of Morgan City, Louisiana**

We have audited the accompanying primary government financial statements of the City of Morgan City, Louisiana as of December 31, 1998 and for the year then ended. These primary government financial statements are the responsibility of the City's elected officials. Our responsibility is to express an opinion on these primary government financial statements based on our audit.

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

Governmental Accounting Standards Board Technical Bulletin 98-1, Disclosures about Year 2000 Issues, requires disclosure of certain matters regarding the year 2000 issue in order for financial statements to be prepared in conformity with generally accepted accounting principles. Such required disclosures include:

- any significant amount of resources committed to make computer systems and other electronic equipment year 2000-compliant;
- a general description of the year 2000 issue, including a description of the stages of work in process or completed as of the end of the reporting period to make computer systems and other electronic equipment critical to conducting operations year 2000-compliant; and
- the additional stages of work necessary for making the computer systems and other electronic equipment year 2000-compliant.

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The City of Morgan City, Louisiana has omitted such disclosures. We do not provide assurance that the City is or will be year 2000 ready, that the City's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the City does business will be year 2000 ready.

As discussed in Note 12 relative to the Morgan City Police Pension and Relief Fund, pension expense was not computed using an acceptable actuarial cost method and the actuarially computed value of unfunded pension benefit obligation is not available. Generally accepted accounting principles require that the provision for pension expense be computed using an acceptable actuarial cost method and that disclosure be made of the unfunded pension benefit obligation. The effect of this departure from generally accepted accounting principles on the primary government financial statements is not reasonably determinable.

A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments, and offices that are legally separate. Such legally separate entities are referred to as component units. In our opinion, except for the omissions of the information discussed in the preceding paragraphs, the primary government financial statements referred to above present fairly, in all material respects, the financial position of the primary government of the City of Morgan City, Louisiana as of December 31, 1998 and the results of its operations and cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with generally accepted accounting principles.

However, the primary government financial statements, because they do not include the financial data of component units of the City of Morgan City, Louisiana do not purport to, and do not, present fairly the financial position of the City of Morgan City, Louisiana as of December 31, 1998, and the results of its operations and cash flows of its proprietary fund types and nonexpendable trust funds for the year ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated March 11, 1999 on our consideration of the City of Morgan City, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the primary government financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the primary government financial statements of the City of Morgan City, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the primary government financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the primary government financial statements taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the primary government 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 primary government financial statements of the City of Morgan City, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the primary government financial statements and, in our opinion, is fairly presented in all material respects in relation to the primary government financial statements taken as a whole, except that

1. the insurance coverage data has not been audited by us and we express no opinion on it, and
2. information as to the number of metered utility customers presented on page 174 is based on unaudited data obtained from the City's records, on which we express no opinion.

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 a qualified opinion on the primary government financial statements of the City of Morgan City, Louisiana due to the fact that pension expense, relative to the Morgan City Police Pension and Relief Fund, was not computed using an acceptable actuarial cost method and that the actuarially computed value of unfunded pension obligation was not available.

A Corporation of Certified Public Accountants

**Morgan City, Louisiana
March 11, 1999**

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

CITY OF MORGAN CITY, LOUISIANA

Combined Balance Sheet - All Fund Types and Account Groups
December 31, 1998

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS AND OTHER DEBITS				
Cash	\$ 16,623	\$ 166,311	\$ 688	\$ 56
Interest-bearing deposits, at cost	698,131	1,006,701	1,440,145	347,500
Investments, at fair value	-	115,913	190,374	557,000
Receivables:				
Taxes	206,363	-	-	-
Accounts	-	7,729	-	-
Accrued interest	-	4,394	5,712	113
Other	138,937	-	-	-
Due from other funds	296,506	159,718	-	121,901
Due from other governmental units	114,256	-	-	3,050
Inventory, at cost	55,866	4,463	-	-
Prepaid insurance	-	-	-	-
Bond issue costs, net of amortization	-	-	-	-
Advances to other funds	-	-	-	143,628
Restricted assets:				
Cash	-	-	-	-
Interest-bearing deposits, at cost	-	-	-	-
Investments, fair value	-	-	-	-
Land	-	-	-	-
Buildings	-	-	-	-
Improvements other than buildings	-	-	-	-
Equipment	-	-	-	-
Utility plant and equipment	-	-	-	-
Accumulated depreciation	-	-	-	-
Construction in progress	-	-	-	-
Amount available in debt service funds	-	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-	-
Total assets and other debits	<u>\$ 1,526,682</u>	<u>\$ 1,465,229</u>	<u>\$ 1,636,919</u>	<u>\$ 1,173,248</u>

Proprietary Fund Types		Fiduciary	Account Groups		Totals	
Enterprise	Internal Service	Fund Types Trust and Agency	General Fixed Assets	General Long-Term Debt	(Memorandum Only)	
					1998	1997
\$ 37,477	\$ 207	\$ 148,627	\$ -	\$ -	\$ 369,989	\$ 414,567
2,655,414	96	189,188	-	-	6,337,175	5,547,937
-	584,317	395,786	-	-	1,843,390	1,897,432
-	-	-	-	-	206,363	225,367
1,679,400	-	-	-	-	1,687,129	2,031,025
-	-	5,018	-	-	15,237	13,033
61,132	-	-	-	-	200,069	224,428
3,133,599	850	86,831	-	-	3,799,405	3,148,649
-	-	-	-	-	117,306	324,147
219,701	-	4,900	-	-	284,930	278,475
228,160	-	-	-	-	228,160	308,328
77,852	-	-	-	-	77,852	96,537
1,500,000	-	-	-	-	1,643,628	2,627,679
206	-	-	-	-	206	197
4,491,421	-	-	-	-	4,491,421	4,612,936
394,967	-	-	-	-	394,967	374,686
-	-	-	1,551,018	-	1,551,018	1,551,018
-	-	-	5,365,901	-	5,365,901	5,365,901
-	-	-	3,543,818	-	3,543,818	3,143,105
-	39,238	-	3,437,808	-	3,477,046	3,084,723
57,538,794	-	-	-	-	57,538,794	56,432,292
(36,475,512)	(33,219)	-	-	-	(36,508,731)	(34,742,479)
7,547	-	-	-	-	7,547	387,835
-	-	-	-	1,257,182	1,257,182	1,333,359
-	-	-	-	1,250,448	1,250,448	1,559,282
<u>\$35,550,158</u>	<u>\$ 591,489</u>	<u>\$ 830,350</u>	<u>\$13,898,545</u>	<u>\$ 2,507,630</u>	<u>\$59,180,250</u>	<u>\$60,240,459</u>

(continued)

CITY OF MORGAN CITY, LOUISIANA

Combined Balance Sheet - All Fund Types and Account Groups (Continued)
December 31, 1998

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
LIABILITIES AND FUND EQUITY				
<i>Liabilities:</i>				
Accounts payable	\$ 71,438	\$ 21,650	\$ -	\$ 100,584
Contracts payable	-	-	-	-
Accrued liabilities	217,198	33,450	-	-
Retainage payable	-	-	-	3,050
Deferred revenue	-	-	-	-
Due to inmates	-	249	-	-
Due to other funds	463,291	391,955	66,111	11,102
Payable from restricted assets -				
Revenue bonds	-	-	-	-
Accrued interest	-	-	-	-
Advances from other funds	-	143,628	-	-
Compensated absences	-	-	-	-
Customers' deposits	-	-	-	-
General obligation bonds and notes payable	-	-	-	-
Utility revenue bonds payable	-	-	-	-
Total liabilities	<u>751,927</u>	<u>590,932</u>	<u>66,111</u>	<u>114,736</u>
<i>Fund equity:</i>				
Contributed capital	-	-	-	-
Investment in general fixed assets	-	-	-	-
Retained earnings -				
Reserved for revenue bond retirement	-	-	-	-
Unreserved:				
Designated for self-insurance claims	-	-	-	-
Undesignated	-	-	-	-
Total retained earnings	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances -				
Reserved for inventory	55,866	4,463	-	-
Reserved for advances	-	-	-	143,628
Reserved for debt service	-	-	1,570,808	-
Reserved for perpetual care	-	-	-	-
Unreserved:				
Designated for subsequent periods' expenditures	-	-	-	-
Undesignated	718,889	869,834	-	914,884
Total fund balances	<u>774,755</u>	<u>874,297</u>	<u>1,570,808</u>	<u>1,058,512</u>
Total fund equity	<u>774,755</u>	<u>874,297</u>	<u>1,570,808</u>	<u>1,058,512</u>
Total liabilities and fund equity	<u>\$ 1,526,682</u>	<u>\$ 1,465,229</u>	<u>\$ 1,636,919</u>	<u>\$ 1,173,248</u>

The accompanying notes are an integral part of this statement.

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt	1998	1997
\$ 93,863	\$ -	\$ 1,593	\$ -	\$ -	\$ 289,128	\$ 544,077
-	-	-	-	-	-	18,073
387,656	-	151,664	-	-	789,968	1,055,114
-	-	-	-	-	3,050	-
-	150,000	-	-	-	150,000	150,000
-	-	-	-	-	249	1,155
2,727,394	84,250	55,302	-	-	3,799,405	3,148,649
1,082,611	-	-	-	-	1,082,611	1,007,611
126,730	-	-	-	-	126,730	149,978
1,500,000	-	-	-	-	1,643,628	2,627,679
186,985	-	-	-	172,630	359,615	343,335
792,492	-	-	-	-	792,492	775,827
-	-	-	-	2,335,000	2,335,000	2,695,000
<u>5,304,633</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,304,633</u>	<u>6,387,244</u>
<u>12,202,364</u>	<u>234,250</u>	<u>208,559</u>	<u>-</u>	<u>2,507,630</u>	<u>16,676,509</u>	<u>18,903,742</u>
<u>15,310,596</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,310,596</u>	<u>15,527,807</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>13,898,545</u>	<u>-</u>	<u>13,898,545</u>	<u>13,476,718</u>
3,016,361	-	-	-	-	3,016,361	2,744,578
-	351,220	-	-	-	351,220	352,154
<u>5,020,837</u>	<u>6,019</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,026,856</u>	<u>4,626,571</u>
<u>8,037,198</u>	<u>357,239</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,394,437</u>	<u>7,723,303</u>
-	-	4,900	-	-	65,229	64,302
-	-	-	-	-	143,628	594,785
-	-	-	-	-	1,570,808	1,497,036
-	-	414,690	-	-	414,690	390,209
-	-	202,201	-	-	202,201	186,952
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,503,607</u>	<u>1,875,605</u>
<u>-</u>	<u>-</u>	<u>621,791</u>	<u>-</u>	<u>-</u>	<u>4,900,163</u>	<u>4,608,889</u>
<u>23,347,794</u>	<u>357,239</u>	<u>621,791</u>	<u>13,898,545</u>	<u>-</u>	<u>42,503,741</u>	<u>41,336,717</u>
<u>\$ 35,550,158</u>	<u>\$ 591,489</u>	<u>\$ 830,350</u>	<u>\$ 13,898,545</u>	<u>\$ 2,507,630</u>	<u>\$ 59,180,250</u>	<u>\$ 60,240,459</u>

CITY OF MORGAN CITY, LOUISIANA

**Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -
All Governmental Fund Types and Expendable Trust Fund
Year Ended December 31, 1998**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Revenues:				
Taxes	\$ 3,407,063	\$ 1,409,674	\$ -	\$ -
Licenses and permits	714,537	-	-	-
Intergovernmental	520,339	609,798	-	787,107
Charges for services	32,847	524,140	-	-
Fines and forfeits	161,656	20,420	-	-
Miscellaneous	<u>120,921</u>	<u>70,765</u>	<u>73,794</u>	<u>38,448</u>
Total revenues	<u>4,957,363</u>	<u>2,634,797</u>	<u>73,794</u>	<u>825,555</u>
Expenditures:				
Current -				
General government	1,495,421	-	-	-
Public safety:				
Police	2,173,268	231,378	-	-
Fire	1,345,543	-	-	-
Public works	830,712	41,229	-	-
Culture and recreation	174,277	1,200,411	-	-
Supporting services	-	-	-	787,107
Capital outlay	203,030	411,157	-	-
Debt service -				
Principal retirement	-	-	360,000	-
Interest and fiscal charges	-	-	151,040	-
Total expenditures	<u>6,222,251</u>	<u>1,884,175</u>	<u>511,040</u>	<u>787,107</u>
Excess (deficiency) of revenues over expenditures	<u>(1,264,888)</u>	<u>750,622</u>	<u>(437,246)</u>	<u>38,448</u>
Other financing sources (uses):				
Operating transfers in	2,165,520	765,178	511,018	-
Operating transfers out	<u>(743,845)</u>	<u>(1,498,786)</u>	<u>-</u>	<u>(35,000)</u>
Total other financing sources (uses)	<u>1,421,675</u>	<u>(733,608)</u>	<u>511,018</u>	<u>(35,000)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>156,787</u>	<u>17,014</u>	<u>73,772</u>	<u>3,448</u>
Fund balances, beginning (as originally reported)	617,968	857,283	1,497,036	1,055,064
Cumulative effect of change in accounting principle	-	-	-	-
Fund balances, beginning (as restated)	<u>617,968</u>	<u>857,283</u>	<u>1,497,036</u>	<u>1,055,064</u>
Fund balances, ending	<u>\$ 774,755</u>	<u>\$ 874,297</u>	<u>\$ 1,570,808</u>	<u>\$ 1,058,512</u>

The accompanying notes are an integral part of this statement.

Fiduciary Fund Type	Totals	
	(Memorandum Only)	
	1998	1997
Expendable		
Trust		
\$ -	\$ 4,816,737	\$ 4,458,220
-	714,537	690,099
-	1,917,244	1,279,956
2,273	559,260	516,616
-	182,076	137,420
<u>193,327</u>	<u>497,255</u>	<u>705,290</u>
<u>195,600</u>	<u>8,687,109</u>	<u>7,787,601</u>
-	1,495,421	1,436,092
-	2,404,646	2,112,365
-	1,345,543	1,232,941
-	871,941	830,536
65,171	1,439,859	1,354,911
-	787,107	348,366
21,749	635,936	919,311
-	360,000	340,000
-	<u>151,040</u>	<u>175,412</u>
<u>86,920</u>	<u>9,491,493</u>	<u>8,749,934</u>
<u>108,680</u>	<u>(804,384)</u>	<u>(962,333)</u>
64,000	3,505,716	3,568,728
<u>(159,000)</u>	<u>(2,436,631)</u>	<u>(2,448,478)</u>
<u>(95,000)</u>	<u>1,069,085</u>	<u>1,120,250</u>
<u>13,680</u>	<u>264,701</u>	<u>157,917</u>
148,143	4,175,494	3,954,284
-	-	<u>63,293</u>
<u>148,143</u>	<u>4,175,494</u>	<u>4,017,577</u>
<u>\$ 161,823</u>	<u>\$ 4,440,195</u>	<u>\$ 4,175,494</u>

CITY OF MORGAN CITY, LOUISIANA

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget (GAAP Basis) and Actual -
All Governmental Fund Types
Year Ended December 31, 1998

	General Fund		Variance - Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Taxes	\$ 3,401,000	\$ 3,407,063	\$ 6,063
Licenses and permits	706,450	714,537	8,087
Intergovernmental	389,485	520,339	130,854
Charges for services	33,000	32,847	(153)
Fines and forfeits	172,500	161,656	(10,844)
Miscellaneous	<u>81,900</u>	<u>120,921</u>	<u>39,021</u>
Total revenues	<u>4,784,335</u>	<u>4,957,363</u>	<u>173,028</u>
Expenditures:			
Current -			
General government	1,481,206	1,495,421	(14,215)
Public safety:			
Police	2,135,023	2,173,268	(38,245)
Fire	1,320,649	1,345,543	(24,894)
Public works	839,416	830,712	8,704
Culture and recreation	162,313	174,277	(11,964)
Supporting services	-	-	-
Capital outlay	262,700	203,030	59,670
Debt service -			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>6,201,307</u>	<u>6,222,251</u>	<u>(20,944)</u>
Excess (deficiency) of revenues over expenditures	<u>(1,416,972)</u>	<u>(1,264,888)</u>	<u>152,084</u>
Other financing sources (uses):			
Operating transfers in	2,175,000	2,165,520	(9,480)
Operating transfers out	<u>(768,030)</u>	<u>(743,845)</u>	<u>24,185</u>
Total other financing sources (uses)	<u>1,406,970</u>	<u>1,421,675</u>	<u>14,705</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(10,002)</u>	<u>156,787</u>	<u>166,789</u>
Fund balances, beginning (as originally reported)	617,968	617,968	-
Cumulative effect of change in accounting principle	-	-	-
Fund balances, beginning (as restated)	<u>617,968</u>	<u>617,968</u>	-
Fund balances, ending	<u>\$ 607,966</u>	<u>\$ 774,755</u>	<u>\$ 166,789</u>

The accompanying notes are an integral part of this statement.

Special Revenue Funds			Debt Service Funds			Capital Projects Funds		
Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
\$ 1,432,000	\$ 1,409,674	\$ (22,326)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
532,165	609,798	77,633	-	-	-	823,342	787,107	(36,235)
497,000	524,140	27,140	-	-	-	-	-	-
35,000	20,420	(14,580)	-	-	-	-	-	-
<u>85,800</u>	<u>70,765</u>	<u>(15,035)</u>	<u>72,000</u>	<u>73,794</u>	<u>1,794</u>	<u>43,650</u>	<u>38,448</u>	<u>(5,202)</u>
<u>2,581,965</u>	<u>2,634,797</u>	<u>52,832</u>	<u>72,000</u>	<u>73,794</u>	<u>1,794</u>	<u>866,992</u>	<u>825,555</u>	<u>(41,437)</u>
-	-	-	-	-	-	-	-	-
230,700	231,378	(678)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
36,780	41,229	(4,449)	-	-	-	-	-	-
1,180,014	1,200,411	(20,397)	-	-	-	-	-	-
-	-	-	-	-	-	780,600	787,107	(6,507)
400,300	411,157	(10,857)	-	-	-	-	-	-
-	-	-	360,000	360,000	-	-	-	-
-	-	-	<u>150,260</u>	<u>151,040</u>	<u>(780)</u>	-	-	-
<u>1,847,794</u>	<u>1,884,175</u>	<u>(36,381)</u>	<u>510,260</u>	<u>511,040</u>	<u>(780)</u>	<u>780,600</u>	<u>787,107</u>	<u>(6,507)</u>
<u>734,171</u>	<u>750,622</u>	<u>16,451</u>	<u>(438,260)</u>	<u>(437,246)</u>	<u>1,014</u>	<u>86,392</u>	<u>38,448</u>	<u>(47,944)</u>
782,030	765,178	(16,852)	511,015	511,018	3	-	-	-
<u>(1,208,741)</u>	<u>(1,498,786)</u>	<u>(290,045)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(35,000)</u>	<u>(35,000)</u>	<u>-</u>
<u>(426,711)</u>	<u>(733,608)</u>	<u>(306,897)</u>	<u>511,015</u>	<u>511,018</u>	<u>3</u>	<u>(35,000)</u>	<u>(35,000)</u>	<u>-</u>
<u>307,460</u>	<u>17,014</u>	<u>(290,446)</u>	<u>72,755</u>	<u>73,772</u>	<u>1,017</u>	<u>51,392</u>	<u>3,448</u>	<u>(47,944)</u>
857,283	857,283	-	1,497,036	1,497,036	-	1,055,064	1,055,064	-
-	-	-	-	-	-	-	-	-
<u>857,283</u>	<u>857,283</u>	<u>-</u>	<u>1,497,036</u>	<u>1,497,036</u>	<u>-</u>	<u>1,055,064</u>	<u>1,055,064</u>	<u>-</u>
<u>\$ 1,164,743</u>	<u>\$ 874,297</u>	<u>\$ (290,446)</u>	<u>\$ 1,569,791</u>	<u>\$ 1,570,808</u>	<u>\$ 1,017</u>	<u>\$ 1,106,456</u>	<u>\$ 1,058,512</u>	<u>\$ (47,944)</u>

CITY OF MORGAN CITY, LOUISIANA

Combined Statement of Revenues, Expenses, and Changes in Retained Earnings/Fund Balance -
Proprietary Fund Types and Similar Trust Fund
Year Ended December 31, 1998

	Proprietary Fund Types		Fiduciary Fund Types	
	Enterprise	Internal Service	Pension Trust	Nonexpendable Trust
Operating revenues:				
Charges for services	\$ 15,902,302	\$ 226,529	\$ -	\$ 2,988
Contributions	-	-	47,236	-
Other	485,178	-	-	-
Total operating revenues	<u>16,387,480</u>	<u>226,529</u>	<u>47,236</u>	<u>2,988</u>
Operating expenses:				
Personal services	1,664,326	-	-	-
Supplies and materials	360,239	-	-	-
Fuel costs	8,823,057	-	-	-
Contractual services and cost of services rendered	1,095,706	256,343	-	-
Repairs and maintenance	838,930	-	-	-
Other	37,465	-	-	2,713
Depreciation	1,764,802	1,450	-	-
Benefit payments	-	-	47,236	-
Total operating expenses	<u>14,584,525</u>	<u>257,793</u>	<u>47,236</u>	<u>2,713</u>
Operating income (loss)	<u>1,802,955</u>	<u>(31,264)</u>	<u>-</u>	<u>275</u>
Nonoperating revenues (expenses):				
St. Mary Parish - land rental reimbursement	9,214	-	-	-
Dividend income	-	-	-	21,558
Interest income	210,791	30,006	2,092	1,225
Net change in fair value of investments	-	-	-	7,288
Interest and fiscal charges	(504,560)	-	-	-
Total nonoperating revenues (expenses)	<u>(284,555)</u>	<u>30,006</u>	<u>2,092</u>	<u>30,071</u>
Income (loss) before operating transfers	1,518,400	(1,258)	2,092	30,346
Operating transfers in (out)	<u>(1,067,752)</u>	<u>4,532</u>	<u>-</u>	<u>(5,865)</u>
Net income	450,648	3,274	2,092	24,481
Add: Depreciation on fixed assets acquired by federal and state grant revenues externally restricted for capital acquisitions and construction that reduces contributed capital	<u>217,212</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase in retained earnings	<u>667,860</u>	<u>3,274</u>	<u>2,092</u>	<u>24,481</u>
Retained earnings/fund balance, beginning (as originally reported)	7,369,338	353,965	43,186	390,209
Cumulative effect of change in accounting principle	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Retained earnings/fund balance, beginning (as restated)	<u>7,369,338</u>	<u>353,965</u>	<u>43,186</u>	<u>390,209</u>
Retained earnings/fund balance, ending	<u>\$ 8,037,198</u>	<u>\$ 357,239</u>	<u>\$ 45,278</u>	<u>\$ 414,690</u>

The accompanying notes are an integral part of this statement.

Totals (Memorandum Only)	
1998	1997
\$ 16,131,819	\$ 16,228,725
47,236	46,070
<u>485,178</u>	<u>553,736</u>
<u>16,664,233</u>	<u>16,828,531</u>
1,664,326	1,558,960
360,239	332,798
8,823,057	8,424,720
1,352,049	1,608,910
838,930	909,854
40,178	34,619
1,766,252	1,707,175
<u>47,236</u>	<u>46,070</u>
<u>14,892,267</u>	<u>14,623,106</u>
<u>1,771,966</u>	<u>2,205,425</u>
9,214	9,214
21,558	19,629
244,114	243,209
7,288	7,789
<u>(504,560)</u>	<u>(575,919)</u>
<u>(222,386)</u>	<u>(296,078)</u>
1,549,580	1,909,347
<u>(1,069,085)</u>	<u>(1,120,250)</u>
480,495	789,097
<u>217,212</u>	<u>215,406</u>
<u>697,707</u>	<u>1,004,503</u>
8,156,698	7,156,702
<u>-</u>	<u>(4,507)</u>
<u>8,156,698</u>	<u>7,152,195</u>
<u>\$ 8,854,405</u>	<u>\$ 8,156,698</u>

CITY OF MORGAN CITY, LOUISIANA

Combined Statement of Cash Flows - Proprietary Fund Types and Similar Trust Fund
Year Ended December 31, 1998

	Proprietary Fund Types	
	Enterprise	Internal Service
Cash flows from operating activities:		
Operating income (loss)	<u>\$ 1,802,955</u>	<u>\$ (31,264)</u>
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	1,764,802	1,450
Net change in fair value of investments	-	-
Changes in current assets and liabilities:		
(Increase) decrease in accounts receivable	382,649	-
Increase in accrued interest receivable	-	-
Increase in inventory	(5,528)	-
Increase in prepaid expenses	80,168	-
Increase (decrease) in accounts payable	(19,636)	-
Increase (decrease) in accrued liabilities	(113,642)	(10,439)
Increase (decrease) in compensated absences	41,291	-
Total adjustments	<u>2,130,104</u>	<u>(8,989)</u>
Net cash provided (used) by operating activities	<u>3,933,059</u>	<u>(40,253)</u>
Cash flows from noncapital financing activities:		
Cash received from other funds	851,656	42,300
Cash paid to other funds	(756,569)	(850)
Operating transfers in from other funds	1,099,925	4,532
Operating transfers out to other funds	<u>(2,167,677)</u>	<u>-</u>
Net cash provided (used) by noncapital financing activities	<u>(972,665)</u>	<u>45,982</u>
Cash flows from capital and related financing activities:		
Acquisition of plant and equipment	(1,091,765)	(5,658)
Principal paid on revenue bond maturities	(1,105,000)	-
Interest paid on revenue bonds/leases	(413,303)	-
Grant received from parish	9,214	-
Contributed capital	-	-
Increase in customer meter deposits	<u>16,665</u>	<u>-</u>
Net cash used by capital and related financing activities	<u>(2,584,189)</u>	<u>(5,658)</u>
Cash flows from investing activities:		
Purchase of interest-bearing deposits and investments	(256,669)	(30,004)
Proceeds from the sale and maturities of interest - bearing deposits and investments	238,925	-
Interest on interest-bearing deposits and investments	<u>210,791</u>	<u>30,006</u>
Net cash provided (used) by investing activities	<u>193,047</u>	<u>2</u>
Net increase (decrease) in cash and cash equivalents	569,252	73
Cash and cash equivalents, beginning of period	<u>6,513,937</u>	<u>230</u>
Cash and cash equivalents, end of period	<u>\$ 7,083,189</u>	<u>\$ 303</u>

Fiduciary Fund Types		Totals	
Pension Trust	Nonexpendable Trust	(Memorandum Only)	
		1998	1997
\$ -	\$ 275	\$ 1,771,966	\$ 2,205,425
-	-	1,766,252	1,707,175
-	(7,288)	(7,288)	-
-	-	382,649	(234,838)
(49)	(643)	(692)	-
-	-	(5,528)	(7,111)
-	-	80,168	(14,596)
-	-	(19,636)	(25,786)
-	-	(124,081)	(841,474)
-	-	41,291	(1,062)
(49)	(7,931)	2,113,135	582,308
(49)	(7,656)	3,885,101	2,787,733
-	-	893,956	1,022,779
-	-	(757,419)	(1,155,593)
-	-	1,104,457	1,068,790
-	(5,865)	(2,173,542)	(2,189,040)
-	(5,865)	(932,548)	(1,253,064)
-	-	(1,097,423)	(490,011)
-	-	(1,105,000)	(1,040,000)
-	-	(413,303)	(478,492)
-	-	9,214	9,214
-	-	-	40,000
-	-	16,665	26,200
-	-	(2,589,847)	(1,933,089)
-	(21,587)	(308,260)	(136,841)
-	-	238,925	558,038
2,092	30,071	272,960	234,236
2,092	8,484	203,625	655,433
2,043	(5,037)	566,331	257,013
41,554	21,706	6,577,427	6,320,414
\$ 43,597	\$ 16,669	\$ 7,143,758	\$ 6,577,427

(continued)

CITY OF MORGAN CITY, LOUISIANA

Combined Statement of Cash Flows - Proprietary Fund Types and Similar Trust Fund (Continued)
Year Ended December 31, 1998

	Proprietary Fund Types	
	Enterprise	Internal Service
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet -		
Cash and cash equivalents beginning of period -		
Cash - unrestricted	\$ 20,821	\$ 136
Interest-bearing deposits - unrestricted	1,982,279	94
Cash - restricted	197	-
Interest-bearing deposits - restricted	4,612,936	-
Less: Interest-bearing deposits and investments with maturity over three months	<u>(102,296)</u>	<u>-</u>
Total cash and cash equivalents	<u>6,513,937</u>	<u>230</u>
Cash and cash equivalents, end of period -		
Cash - unrestricted	37,477	207
Interest-bearing deposits - unrestricted	2,655,414	96
Cash - restricted	206	-
Interest-bearing deposits - restricted	4,491,421	-
Less: Interest-bearing deposits and investments with maturity over three months	<u>(101,329)</u>	<u>-</u>
Total cash and cash equivalents	<u>7,083,189</u>	<u>303</u>
Net increase (decrease)	<u>\$ 569,252</u>	<u>\$ 73</u>

The accompanying notes are an integral part of this statement.

Fiduciary Fund Types		Totals	
Pension Trust	Nonexpendable Trust	(Memorandum Only)	
		1998	1997
\$ 1,509	\$ 21,706	\$ 44,172	\$ 58,920
40,045	-	2,022,418	2,577,934
-	-	197	244
-	-	4,612,936	3,791,354
-	-	(102,296)	(108,038)
<u>41,554</u>	<u>21,706</u>	<u>6,577,427</u>	<u>6,320,414</u>
1,509	16,669	55,862	44,172
42,088	-	2,697,598	2,022,418
-	-	206	197
-	-	4,491,421	4,612,936
-	-	(101,329)	(102,296)
<u>43,597</u>	<u>16,669</u>	<u>7,143,758</u>	<u>6,577,427</u>
<u>\$ 2,043</u>	<u>\$ (5,037)</u>	<u>\$ 566,331</u>	<u>\$ 257,013</u>

CITY OF MORGAN CITY, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Morgan City (City) was incorporated under charter in 1871. Effective June 8, 1987, the City adopted a Home Rule Charter and 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, certain social services (including urban redevelopment and housing) and general administration services. The City owns and operates two enterprise activities: a utilities system which generates and distributes electricity and provides gas and water services and a utilities system which provides sanitation and sewer services.

The accounting and reporting policies of the City of Morgan City conform to generally accepted accounting principles (GAAP) as applicable to governments, except for the exclusion of component units from the reporting entity. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

Generally accepted accounting principles require that the financial statements of the reporting entity include the primary government and its component units, entities for which the primary government is considered to be financially accountable. Determination of an entity as a component unit was based on various factors such as budget adoption and approval, taxing authority, election or appointment of governing board, fiscal dependency, responsibility for debt, claim of the primary government to the component units financial resources, and other general oversight responsibility. This report includes all funds and account groups of the primary government only. Entities which were determined to be component units of the City, but have not been included in these financial statements, include the City Court of the City of Morgan City, the City Marshal of the City of Morgan City and the St. Mary Public Trust Financing Authority. Each of these entities issues their own separate financial statements. Complete financial statements for each of the individual component units may be obtained from the entity's administrative offices.

B. Related Organizations

Related organizations are entities for which a primary government is not financially accountable (because it does not impose will or have a financial benefit or burden relationship) even though the primary government appoints a voting majority of the organization's governing board. The City's officials are responsible for appointing the members of the governing board of the Housing Authority of the City of Morgan City. However, the City's accountability for the Housing Authority of the City of Morgan City does not extend beyond making the appointments.

CITY OF MORGAN CITY, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Fund Accounting

The accounts of the City of Morgan 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 seven generic fund types and three broad fund categories as follows:

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 specified purposes.

Debt service funds

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

Capital projects funds

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

PROPRIETARY FUNDS -

Enterprise funds

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through

CITY OF MORGAN CITY, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Internal service funds

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis.

FIDUCIARY FUNDS -

Trust and agency funds

Trust and agency funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These include pension trust, expendable trust, nonexpendable trust and agency funds. Pension trust funds and nonexpendable trust are accounted for in essentially the same manner as proprietary funds since capital maintenance is critical. Expendable trust funds are accounted for in essentially the same manner as governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

D. Fixed Assets and Long-Term Liabilities

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

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

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental 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. The expenditures for infrastructure during the current year were \$154,909. No depreciation has been provided on general fixed assets.

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

CITY OF MORGAN CITY, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus, and all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets.

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

Plant	30 - 50 years
Distribution system	30 years
Equipment	4 - 20 years

E. 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 fund types and expendable trust funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year end. Sales taxes are considered "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 in which they are billed and collected. Fees and nontax revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

All proprietary funds, pension trust and nonexpendable trust funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned and their expenses are recognized when they are incurred. Unbilled utility service receivables are recorded at year end.

CITY OF MORGAN CITY, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Proprietary Fund Type Accounting

Proprietary fund types follow generally accepted accounting principles (GAAP) prescribed by the Governmental Accounting Standards Board and all applicable FASB pronouncements.

G. Budgets and Budgetary Accounting

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

1. At least ninety (90) days prior to the beginning of each fiscal year, the Mayor submits a proposed operating budget to the Council.
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 the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance at least fifteen (15) days 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). Budgets for the debt service and capital projects funds are adopted in total by fund type rather than by individual funds. Budgeted amounts are as originally adopted or as amended from time to time by the City Council. Such amendments were not material in relation to the original appropriations.

H. Encumbrances

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

CITY OF MORGAN CITY, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Cash and Interest-Bearing Deposits

Cash and interest-bearing deposits include amounts in demand deposits and time deposits. Interest-bearing deposits are stated at cost, which approximates market.

J. Investments

Under state law, the City may deposit funds with a fiscal agent 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 United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

Investments are reported at fair market value as determined by quoted market prices. If quoted market prices are not available, fair value is estimated by determining the fair value of investments possessing similar yield, maturity, repayment and risk characteristics. At December 31, 1998 and 1997, there were no investments whose fair values were required to be estimated.

K. Statement of Cash Flows

For purposes of the statement of cash flows, the proprietary funds consider all highly liquid interest-bearing deposits with a maturity of three months or less when purchased to be cash equivalents.

L. Short-Term Interfund Receivables/Payables

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

M. Inventory

Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory in the General Fund and Special Revenue Funds consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed or used. Reported inventories are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

CITY OF MORGAN CITY, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Interfund Transactions

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

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

O. 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.

P. Bad Debts

Uncollectible amounts due for ad valorem taxes, customers' utility receivables, and special assessments are charged off 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 accounts receivable was made due to immateriality.

Q. Vacation and Sick Leave

Vacation is provided to all full-time employees and is earned based on length of service. Employees with one to five complete years of service earn two calendar weeks (ten working days). Employees with six to ten complete years of service earn two calendar weeks plus two additional working days (twelve working days). Employees with over ten complete years earn three calendar weeks plus one additional day for each year over ten years of employment not to exceed thirty calendar days (twenty-two working days). Vacation is recorded as an expenditure of the period in which paid. Vacation must be taken in the year earned and cannot be carried over. Sick leave is earned by employees based upon length of service. For example, employees with one to ten years of service earn fourteen days sick leave per year. Employees with over ten years earn fourteen days plus one additional day for each year of employment over ten years up to twenty-two days. Sick leave is cumulative

CITY OF MORGAN CITY, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

from year to year. Unused sick leave, at the termination of employment by either retirement or separation "in good standing", shall be paid according to a specific schedule as set forth in the City's employee leave policy. The schedule sets forth that employees with zero to nine years of employment shall receive payment for none of their accumulated unused sick leave upon separation. Employees with ten to nineteen years of service shall receive payment for 33 percent of their accumulated unused sick leave up to a maximum of 60 days. Employees with twenty to twenty-four years of service shall receive 66 percent of their accumulated unused sick leave up to a maximum of 90 days. Employees with at least 25 years of service shall receive 100 percent of their accumulated unused sick leave up to a maximum of 120 days. Upon the death of an employee eligible for retirement, the designated beneficiary of the employee shall receive one-half of the accrued sick leave due to the employee.

R. Bond Discount and Bond Issue Costs

Bond discount and bond issue costs are being amortized by the straight-line method over the life of the related bond issue.

S. Capitalization of Interest Expense

It is the policy of the City of Morgan City to capitalize material amounts of interest resulting from borrowings in the course of the construction of fixed assets. There was no interest capitalized during the fiscal year ended December 31, 1998.

T. Fund Equity

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

Specific reservations and designations of the fund equity accounts are summarized below.

Reserved for advances and inventory -

These reserves were created to represent the portion of the fund balance that is not available for expenditures within the next budgetary period.

Reserve for debt service and revenue bond retirement -

These reserves were created to segregate a portion of the fund equity accounts for debt service. The reservations were established to satisfy legal restrictions imposed by various bond agreements.

CITY OF MORGAN CITY, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Designated for subsequent periods' expenditures -

These designations were created to disclose funds tentatively required for future uses.

U. Reporting Changes

The City of Morgan City implemented Governmental Accounting Standards Board (GASB) Statement No. 31 during the year ended December 31, 1998. Implementation of this statement required the City to report its investments at fair market value. The statement required that, for comparative purposes, the City should restate the opening fund equity of the earliest period presented and report the changes in fair value during the current period and all comparative prior periods as a component of investment income. Therefore, the beginning fund equity for the year ended December 31, 1997 has been restated to reflect the effect of reporting investments at fair value in periods prior to the year ended December 31, 1997.

V. 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.

W. 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 government's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

X. 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.

CITY OF MORGAN CITY, LOUISIANA

Notes to Financial Statements

NOTE 2 CASH AND INTEREST-BEARING DEPOSITS

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 December 31, 1998, the City has cash and interest-bearing deposits (book balances) totaling \$11,198,791, as follows:

Demand deposits	\$ 370,195
Money market interest-bearing demand deposits	9,568,502
Certificates of deposit	<u>1,260,094</u>
Total	<u>\$11,198,791</u>

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 December 31, 1998 are as follows:

Bank balances	<u>\$11,544,048</u>
---------------	---------------------

At December 31, 1998, the deposits are secured as follows:

Federal deposit insurance	\$ 963,314
Pledged securities (Category 3)	<u>12,849,278</u>
Total federal deposit insurance and pledged securities	<u>13,812,592</u>
Excess	<u>\$ 2,268,544</u>

Pledged securities in Category 3 is comprised of uninsured and unregistered investments with securities held by the pledging institution, 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.

CITY OF MORGAN CITY, LOUISIANA

Notes to Financial Statements

NOTE 3 INVESTMENTS

The City can invest in securities of the United States Government unless such an investment is expressly prohibited by law. The carrying amounts and approximate market values of investments are summarized as follows:

	Description	Interest Rate	December 31, 1998	
			Market Value/ Carrying Amount	Cost
Special Revenue Fund:				
Morgan City Archives Fund				
	2,559 shares Whitney National Bank Stock (donated)	N/A	\$ 95,963	\$ 13,050
	FHLMC	6.00%	19,950	20,025
Debt Service Fund:				
Sales Tax Revenue Refunding Bonds, Series 1987 and 1994				
	FHLMC#251389	7.50%	15,954	15,658
	FHLMC#299882	7.00%	72,964	71,868
	GNMA Pool #011905X	8.00%	16,050	15,659
	FNMA Pool #260208	6.00%	85,406	85,228
Capital Projects Fund:				
City Hall Construction Fund				
	Louisiana Asset Management Pool	Various	557,000	557,000
Enterprise Fund:				
Electric Gas and Water Utility Fund				
	Louisiana Asset Management Pool	Various	60,581	60,581
	Louisiana Asset Management Pool	Various	334,386	334,386
Internal Service Fund:				
Self-Insurance Fund				
	Louisiana Asset Management Pool	Various	584,317	584,317
Nonexpendable Trust Fund:				
Cemetery Trust Fund				
	The One Group Intermediate Bond Fund	5.99%	1,826	1,833
	Ultra Short Term Income	5.45%	1,099	1,100
	Government Bond Fund	5.66%	385,199	374,596
	Ltd. Volatility Bond Fund	5.61%	5,228	5,243
	Income Bond Fund	6.03%	2,434	2,444
			<u>\$2,238,357</u>	<u>\$ 2,142,988</u>

CITY OF MORGAN CITY, LOUISIANA

Notes to Financial Statements

NOTE 3 INVESTMENTS (CONTINUED)

Investments in the amount of \$1,536,284 at December 31, 1998 are in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section I150.165, the investment in LAMP is not categorized in the three risk categories provided by GASB Codification Section I50.164 because the investment is in the pool of funds and thereby not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, and is governed by a board of directors comprised of representatives from various local governments and state wide professional organizations. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U. S. Treasury, the U. S. government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balance.

NOTE 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 the taxpayers in November or December. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

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

For the year ended December 31, 1998, taxes of 16.22 mills were levied on property with assessed valuations totaling \$52,684,370 and were dedicated for general government services.

Total taxes levied in 1998 were \$854,541. Taxes receivable at December 31, 1998 were \$206,363.

CITY OF MORGAN CITY, LOUISIANA

Notes to Financial Statements

NOTE 5 INTERFUND RECEIVABLES/PAYABLES

Such balances at December 31, 1998 were:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Due to/from other funds:		
General Fund	\$ 296,506	\$ 463,291
Special revenue funds -		
City Recreation Program Fund	4,447	23,299
Library Commission Fund	4,335	31,059
Municipal Auditorium Fund	1,094	81,148
State Prisoners' Fund	3,133	-
Wharf Fund	64,547	-
Emergency Management Fund	-	1,362
Lake End Park Concession Fund	940	42,459
Morgan City Archives Fund	837	9,073
Fire Apparatus Purchase Fund	80,000	80,000
Road and Royalty Fund	-	80,050
Cemetery	-	43,177
Main Street Fund	-	328
Seafood Processing Grant Fund	385	-
Debt service funds -		
Sales Tax Revenue Refunding Bonds Series 1993	-	66,111
Capital projects funds -		
Lake End Park Construction Fund	11,000	11,102
City Hall Complex Construction Fund	110,901	-
Enterprise funds -		
Electric, Gas, and Water Utility Fund	403,915	2,727,394
Sanitation and Sewer Utility Fund	2,729,684	-
Internal Service fund -		
Self-insurance fund	850	84,250
Trust Fund -		
Police Pension and Relief Fund	9	-
Expendable trust funds -		
Morgan City Young Fund	19,500	21,724
Schreier House Fund	217	3,825
Morgan City Museum House Fund	-	3,417
Morgan City Beautification Fund	13,258	-
Swamp Garden Fund	185	206
Agency funds -		
Payroll Fund	53,662	22,163
Disbursement Fund	-	3,967
Total due to/from other funds	<u>3,799,405</u>	<u>3,799,405</u>

CITY OF MORGAN CITY, LOUISIANA

Notes to Financial Statements

NOTE 5 INTERFUND RECEIVABLES/PAYABLES (CONTINUED)

	Interfund Receivables	Interfund Payables
Advances to/from other funds:		
Special revenue funds -		
City Recreation Program Fund	-	50,000
Fire Apparatus Purchase Fund	-	93,628
Capital projects fund -		
City Hall Complex Construction Fund	143,628	-
Enterprise funds -		
Electric, Gas and Water Utility Fund	-	1,500,000
Sanitation and Sewer Utility Fund	1,500,000	-
Total advances to/from other funds	1,643,628	1,643,628
Total interfund receivables/payables	\$ 5,443,033	\$ 5,443,033

NOTE 6 DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at December 31, 1998, consisted of the following:

Funds due from State of Louisiana for video poker distributions	\$ 32,368
Funds due from Housing Authority Special Police Patrol	3,881
Funds due from Department of Justice for D.A.R.E. grant	13,807
Funds due from U.S. Dept. of Justice, Cops Grant	52,266
Funds due from State of Louisiana -Department of Transportation	3,523
Funds due from State of Louisiana for Indian Gaming Mitigation	8,411
Funds due from State of Louisiana for LCDBG grant	3,050
	\$ 117,306

NOTE 7 RESTRICTED ASSETS - PROPRIETARY FUND TYPE

Restricted assets consisted of the following at December 31:

	1998
Revenue bond sinking fund	\$1,217,846
Revenue bond reserve fund	1,911,222
Capital additions and contingencies fund	1,096,634
Revenue bond construction fund	660,892
	\$4,886,594

CITY OF MORGAN CITY, LOUISIANA

Notes to Financial Statements

NOTE 8 FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance January 1, 1998	Additions	Deletions	Balance December 31, 1998
Land	\$ 1,551,018	\$ -	\$ -	\$ 1,551,018
Buildings	5,365,901	-	-	5,365,901
Improvements other than buildings	3,143,105	400,713	-	3,543,818
Equipment	3,051,143	386,665	-	3,437,808
Construction in progress	<u>365,551</u>	<u>-</u>	<u>365,551</u>	<u>-</u>
Total general fixed assets	<u>\$ 13,476,718</u>	<u>\$ 787,378</u>	<u>\$ 365,551</u>	<u>\$ 13,898,545</u>

A summary of the proprietary fund type property, plant and equipment at December 31, 1998 follows:

	Enterprise Funds		Internal Service Fund
	Electric, Gas and Water Utility Fund	Sanitation and Sewer Utility Fund	Central Garage Funds
Real estate	\$ 11,290	\$ -	\$ -
Buildings	86,242	-	-
Electric power generating plant	18,956,343	-	-
Electric power transmission equipment	9,220,600	-	-
Gas system	7,417,204	-	-
Water system	8,385,608	-	-
Communication equipment	188,547	-	-
Automotive equipment	817,693	-	-
Office furniture and equipment	409,787	-	-
Sewer system and equipment	-	4,417,759	-
Sanitation equipment	-	1,479,422	-
Wastewater treatment plant	-	6,148,299	-
Garage equipment	-	-	39,238
Construction in progress	<u>7,547</u>	<u>-</u>	<u>-</u>
Total	45,500,861	12,045,480	39,238
Less: Accumulated depreciation	<u>31,240,994</u>	<u>5,234,518</u>	<u>33,219</u>
Net	<u>\$ 14,259,867</u>	<u>\$ 6,810,962</u>	<u>\$ 6,019</u>

CITY OF MORGAN CITY, LOUISIANA

Notes to Financial Statements

NOTE 9 LONG-TERM DEBT

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. The City also issues bonds where the income derived from the acquired or constructed assets are pledged to pay debt service. General obligation bonds and revenue bonds outstanding at December 31, 1998, are summarized as follows:

General Obligation Bonds:

\$1,130,000 Sales Tax Revenue Refunding Bonds Series 1993, due in annual installments of \$125,000 to \$145,000 through November 1, 2002; interest at 5.50 to 5.80 percent; secured by a pledge of the City's 1 percent sales tax.	\$ 540,000
\$2,145,000 Sales Tax Revenue Bonds, Series 1994, due in annual installments of \$260,000 to \$340,000 through December 1, 2004; interest at 5.57 percent; secured by a pledge of the City's 3/4 percent sales tax.	<u>1,795,000</u>
Total	<u>\$ 2,335,000</u>

Utility Revenue Bonds:

\$1,200,000 Utility Revenue Bonds dated March 1, 1974; due in annual installment of \$90,000 March 1, 1999; interest at 5.90 percent	\$ 90,000
\$8,260,000 Utility Revenue Refunding Bonds, Series 1988, due in annual installments of \$1,020,000 to \$1,190,000 through March 1, 2000; interest at 7.00 to 7.15 percent.	2,210,000
\$4,665,000 Utility Revenue Refunding Bonds, Series 1996, due in annual installments of \$70,000 to \$1,500,000 through March 1, 2003; interest at 4.50 to 5.00 percent.	<u>4,425,000</u>
Total	6,725,000
Less: Unamortized bond discount and deferred amount on refunding	<u>337,756</u>
Net Utility Revenue Bonds payable	<u>\$ 6,387,244</u>

CITY OF MORGAN CITY, LOUISIANA

Notes to Financial Statements

NOTE 9 LONG-TERM DEBT (CONTINUED)

The annual requirements to amortize all bonded debt outstanding as of December 31, 1998, including interest payments of \$1,361,554 are as follows:

<u>Year Ending December 31,</u>	<u>General Obligation Bonds</u>	<u>Utility Revenue Bonds</u>	<u>Total</u>
1999	\$ 515,462	\$ 1,518,367	\$ 2,033,829
2000	514,104	1,519,152	2,033,256
2001	516,572	1,532,345	2,048,917
2002	517,439	1,534,913	2,052,352
2003	356,762	1,537,500	1,894,262
2004 - 2007	<u>358,938</u>	<u>-</u>	<u>358,938</u>
	<u>\$ 2,779,277</u>	<u>\$ 7,642,277</u>	<u>\$ 10,421,554</u>

The various bond indentures contain significant limitations and restrictions as to 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 coverages (see Note 10). The City is in compliance with all such significant limitations and restrictions at December 31, 1998.

Changes in Long-Term Liabilities:

During the year ended December 31, 1998, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance January 1, 1998</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 1998</u>
Compensated absences	\$ 197,641	\$ -	\$ (25,011)	\$ 172,630
General obligation debt	<u>2,695,000</u>	<u>-</u>	<u>(360,000)</u>	<u>2,335,000</u>
	<u>\$ 2,892,641</u>	<u>\$ -</u>	<u>\$ (385,011)</u>	<u>\$ 2,507,630</u>

NOTE 10 FLOW OF FUNDS; RESTRICTIONS ON USE - UTILITIES REVENUES

Under the terms of the bond indentures on outstanding Utilities System bonds, all income and revenues (hereinafter referred to as revenue) of every nature, earned or derived from operation 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 principal payment 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.

CITY OF MORGAN CITY, LOUISIANA

Notes to Financial Statements

NOTE 10 FLOW OF FUNDS; RESTRICTIONS ON USE - UTILITIES REVENUES (CONTINUED)

There shall also be set aside into a "Revenue Bond Reserve Fund" an amount equal to the highest combined principal and interest requirements on the bonds for any succeeding fiscal year. Such amount may be used only for the payment of maturing bonds and interest 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" in an amount equal to 5 percent of the gross revenues of the Utilities system for the preceding month, excluding fuel adjustment. Funds may be used for the making of extensions, additions, improvements, renewals and replacements to the system which are necessary to keep the system in operating condition and for which money is not available as a maintenance and operation expense. However, a balance of \$10,000 must be maintained for the making of emergency repairs or replacements.

All revenue received in any fiscal year and not required to be paid in such fiscal year into any of the above noted funds shall be regarded as surplus and may be used for any lawful corporate purpose.

NOTE 11 DEDICATION OF PROCEEDS AND FLOW OF FUNDS - SALES AND USE TAXES

The City of Morgan City collects sales taxes under three sales tax levies as follows:

- A. Proceeds of a 1% sales and use tax levied by the City in 1966 (1998 collections \$1,561,739; 1997 collections \$1,583,296) are accounted for in the General Fund and are dedicated to the following purposes:

Construction, acquisition, maintenance, and repair of streets; capital improvements; public works and buildings including fixtures and equipment; payment of all obligations which have been or may be issued; paying or supplementing salaries of all municipal employees; operation of recreational facilities; and acquisition, maintenance, and operating expenses of equipment.

- B. Proceeds of a 3/4% sales and use tax levied by the City in 1973 (1998 collections \$1,409,674; 1997 collections \$1,429,038) are accounted for in the Pollution Abatement Fund - a special revenue fund - and are authorized for the following usage:

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 in St. Mary Parish; and to pay debt service requirements on bonds issued for sewerage or solid waste collection purposes.

CITY OF MORGAN CITY, LOUISIANA

Notes to Financial Statements

NOTE 11 DEDICATION OF PROCEEDS AND FLOW OF FUNDS - SALES AND USE TAXES
(CONTINUED)

- C. Proceeds of a 3/10% sales and use tax levied by the City in 1981 (1998 collections \$622,516; 1997 collections \$632,975) are accounted for in the General Fund and are dedicated as follows:

For any lawful purpose of the City as established by the then current budgets of the City adopted in compliance with law.

- D. Proceeds of a 1/2% sales and use tax levied by the City in 1998 (1998 collections \$371,245) are accounted for in the General Fund and are dedicated to the following purposes:

Increased salaries for police department and also for operating and maintaining the police department.

NOTE 12 RETIREMENT COMMITMENTS

Eligible employees of the City participate in one of the following retirement systems: Municipal Employees' Retirement System of Louisiana, Municipal Police Employees' Retirement System, Firefighters' Retirement System, Parochial Employees' Retirement System, Federal Social Security System or Morgan City Police Pension and Relief Fund. Each of these retirement systems is 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 9.25 percent of their annual covered salary to the system while the City is required to contribute the statutory rate of 5.75 percent of the total annual covered salary. The City's contributions to the system for the years ended December 31, 1998, 1997 and 1996 were \$165,340, \$167,450 and \$169,284, 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 Blvd., Baton Rouge, Louisiana 70809.

B. Municipal Police Employees' Retirement System

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 December 31, 1998, 1997 and 1996 were \$105,714, \$95,063 and \$89,001, respectively, equal to the required contribution for each year.

CITY OF MORGAN CITY, LOUISIANA

Notes to Financial Statements

NOTE 12 RETIREMENT COMMITMENTS (CONTINUED)

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, 8401 United Plaza Blvd., Baton Rouge, Louisiana 70809-2250.

C. Firefighters' Retirement System

Plan members are required to contribute 8.0 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 December 31, 1998, 1997 and 1996 were \$83,474, \$83,434 and \$82,087, 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 Firefighters' Retirement System, P. O. Box 94095, Baton Rouge, Louisiana 70804.

D. Parochial Employees' Retirement System

Plan members are required to contribute 9.5 percent of their annual covered salary to the system while the City is required to contribute the statutory rate of 7.75 percent of the total annual covered salary. The City's contributions to the system for the years ended December 31, 1998, 1997 and 1996 were \$8,434, \$6,219 and \$6,453, 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 Parochial Employees' Retirement System, P. O. Box 14619, Baton Rouge, Louisiana 70898-4619.

E. Federal Social Security System

During the fiscal year ended December 31, 1998, there were also some employees who participated in the Federal Social Security System. The City's contribution to the system was 7.65 percent (including 1.45 percent for Medicare taxes) which amounted to \$12,018. Additionally, the City contributed \$48,948 for its 1.45 percent share of salaries of employees who are required to pay Medicare only. The City's contributions to the Federal Social Security System for the years ended December 31, 1997 and 1996 were \$55,733 and \$47,369, respectively.

F. Morgan City Police Pension and Relief Fund

In 1977, Morgan City policemen joined the State of Louisiana Municipal Police Employees' Retirement System. However, the City is still responsible for paying retirement benefits from City funds to eligible retired members, in accordance with the policies, terms, and rates of the Morgan City Police Pension and Relief Fund, a single

CITY OF MORGAN CITY, LOUISIANA

Notes to Financial Statements

NOTE 12 RETIREMENT COMMITMENTS (CONTINUED)

- employer pension employee's retirement system (PERS) which was in effect prior to joining the State System, until the retired member reaches the age of 50. Upon attaining age 50, retirement benefits will be paid exclusively by the state system. The City is obligated to pay pension benefits when they become payable to the retired employees. An actuarial study has not been performed to determine the City's unfunded pension benefit obligation. Generally accepted accounting principles require that the provision for pension expense be computed using an acceptable actuarial cost method.

The City's contributions to the Morgan City Police Pension and Relief Fund for the years ended December 31, 1998, 1997 and 1996 were \$47,236, \$46,070 and \$92,907, respectively.

NOTE 13 LONG-TERM LEASE COMMITMENTS

The City leases land under operating lease agreements as follows:

- A. A lease commencing December 11, 1974, for land to be used for a sewerage treatment facility. The annual rental for the first ten years was \$29,664 per year, payable yearly in advance. The rental for the four ten-year renewal periods is fixed at ten percent of the appraised value of the leased premises. It is the City's intention to pay this rental from the Sanitation and Sewer Utility Fund. Based on 1990 projections of population, the St. Mary Parish Council will reimburse the City for 31.06% of the rental fee. The City has exercised its option to renew the lease for an additional 10 year period at a rental of \$29,664 per year.
- B. A lease commencing December 1, 1983, for land to be used for the construction, maintenance and operation of a sewerage collection station with an annual rental of \$1,200. The rental is for a period of 40 years.
- C. A lease commencing January 1, 1979, for land to be used for recreational purposes with an annual rental of \$8,000. The primary term of this lease is for fourteen (14) years expiring December 31, 2000. Current annual rental on the lease is \$8,890.
- D. A lease commencing January 1, 1998, for land to be used for storage purposes. The primary term is for five (5) years expiring December 31, 2002. The lease contains an option to extend the term for a second five year term. Current annual rental on the lease is \$7,347.

Lease expenditures amounted to \$39,754 for the year ended December 31, 1998. Minimum future rental payments under non-cancelable operating leases having remaining terms in excess of one year as of December 31, 1998 for each of the next five years and in the aggregate are:

CITY OF MORGAN CITY, LOUISIANA

Notes to Financial Statements

NOTE 13 LONG-TERM LEASE COMMITMENTS (CONTINUED)

<u>Year Ended December 31,</u>	<u>Amount</u>
1999	\$ 47,101
2000	47,101
2001	38,211
2002	38,211
2003	30,864
Subsequent to 2003	<u>53,664</u>
Total minimum future rental payments	<u>\$ 255,152</u>

NOTE 14 EXPENDABLE TRUST FUNDS - RESTRICTED FUND BALANCES

The H & B Young Fund, a charitable foundation, has made cash contributions to the City, for specific purposes, which will be administered under one fund called the Morgan City Young Fund. At December 31, 1998, there was a balance in this fund which amounted to \$3,339, detailed as follows:

<u>Purposes</u>	<u>Amount</u>
Swamp Garden/Tourist Center annual operations	\$ 4,778
Gathright House restoration	(103)
Morgan City Recreation Complex	(5,000)
Morgan City Municipal Auditorium	4,940
Lake End Park	(4,154)
Main Street Project	(1,500)
Morgan City Archives	3,000
Industrial Park marker	2,000
Turn of the Century House	<u>(622)</u>
	<u>\$ 3,339</u>

NOTE 15 NATURAL GAS PURCHASES

The City purchased natural gas for resale from Texaco Natural Gas, Inc. during 1998 in the amount of \$619,975. These purchases were made pursuant to a natural gas sales and purchase contract dated November 1, 1997 which expires on October 31, 2000.

CITY OF MORGAN CITY, LOUISIANA

Notes to Financial Statements

NOTE 16 LOUISIANA ENERGY AND POWER AUTHORITY

On October 1, 1982, the City entered into a power sales contract for electricity with Louisiana Energy and Power Authority (LEPA). LEPA, a political subdivision of the State of Louisiana, is to provide a 20 percent ownership interest in a power station for the generation and transmission of electric power for its members, one of which is the City. Each member is required to purchase its respective entitlement share of generated electricity. The aggregate entitlement shares of all members equals 100%, of which the City's share is 21%. Each member is required to pay on a monthly basis for its entitlement share of power capability project energy scheduled by the member and its share of project energy-related costs.

The power sales contract will continue in effect until all bonds issued by LEPA have been provided for or the date the agreement is terminated and settlement completed. However, in no event will the contract continue beyond July 1, 2032. The City's share of power (capital) costs and energy (fuel) costs for the year ended December 31, 1998 was \$3,386,520 and \$2,261,740, respectively.

On October 1, 1989, the following three additional agreements became effective between the City of Morgan City and LEPA:

- A. The power supply agreement requires the City to purchase all electric power and energy from LEPA. Each month the City is billed a demand charge for billing demand and an energy charge for all energy used. For the fiscal year ended December 31, 1998, the City's demand and energy charges were \$3,847,716 and \$4,355,366, respectively. These costs are included in operating expenses - fuel costs in the Combined Statement of Revenues, Expenses, and Changes in Retained Earnings/Fund Balance - Proprietary Fund Types and Similar Trust Fund.
- B. The capacity purchase and operating agreement requires that the City sell and make available to LEPA the purchased capacity of the member's generating facilities. LEPA pays \$.50 per month for each kilowatt of purchased capacity, which amounted to \$324,665 for the year ended December 31, 1998.
- C. The agreement for the purchase of Rodemacher Unit No. 2 dependable capacity requires the City to sell to LEPA the output from its entitlement share of project capability, as required to be purchased under the power sales contract dated October 1, 1982. During the year ended December 1998, the City's entitlement share of power (capital) costs and energy (fuel) costs which was sold to LEPA was \$3,386,520, and \$2,261,740, respectively.

The three above-mentioned agreements are effective from October 1, 1997 through December 31, 2000.

CITY OF MORGAN CITY, LOUISIANA

Notes to Financial Statements

NOTE 17 PENDING LITIGATION

There are several lawsuits presently pending against the City of Morgan City as of December 31, 1998. They consist of the following:

- A. A suit involves an individual who dove into the shallow water owned by the State of Louisiana and leased to the City, severely damaging his cervical spine and resulting in quadriplegia. A judgment was rendered on January 24, 1997 in favor of the plaintiff, which was appealed. The Court of Appeal upheld the liability against the City but reduced the amount of damages. Appeal was filed with the Louisiana Supreme Court which remanded the case for further review by the Court of Appeal of the amount of damages. The judgement against the City became final in October 1997; however, Louisiana law prohibits the seizure of public property. Therefore, no accrual for loss was recorded in the financial statements at December 31, 1998.
- B. Regarding all other suits pending, legal counsel and elected officials are of the opinion that any unfavorable outcome in these cases would be within the limits of the City's insurance coverage.

NOTE 18 INDIVIDUAL FUND DEFICITS REQUIRING DISCLOSURE

The following individual fund deficit which is not apparent from the face of the combined financial statements requires disclosure:

Special revenue funds:
Fire Apparatus Fund

\$84,768

It is anticipated that the above deficit will be funded by excess revenues in subsequent periods or by appropriations from the General Fund or Utility Funds.

NOTE 19 CONTRIBUTED CAPITAL

Amounts contributed to the enterprise funds for acquisition or construction of fixed assets are 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 Combined Statement of Revenues, Expenses, and Changes in Retained Earnings/Fund Balance - Proprietary Fund Types and Similar Trust Fund.

The sources of contributed capital used to acquire and construct facilities for the enterprise funds are as follows:

CITY OF MORGAN CITY, LOUISIANA

Notes to Financial Statements

NOTE 19 CONTRIBUTED CAPITAL (CONTINUED)

	<u>Municipality</u>	<u>State and Federal Revenue Sharing Funds</u>	<u>Federal, State and Parish Grants</u>	<u>Totals</u>
Total contributed capital	\$ 11,279,027	\$ 107,757	\$ 5,664,516	\$ 17,051,300
Less: Accumulated amortization	<u>-</u>	<u>73,634</u>	<u>1,667,070</u>	<u>1,740,704</u>
Net contribution capital	<u>\$ 11,279,027</u>	<u>\$ 34,123</u>	<u>\$ 3,997,446</u>	<u>\$ 15,310,596</u>

NOTE 20 EXCESSES OF EXPENDITURES OVER APPROPRIATIONS IN INDIVIDUAL FUNDS

The following individual funds had excesses of expenditures over appropriations which were not within the allowable five percent variance and are not apparent from the combined financial statements:

	<u>Actual Expenditures</u>	<u>Budget Appropriations</u>	<u>Excess</u>
Special Revenue Funds:			
Wharf Fund	\$ 29,717	\$ 27,830	\$ 1,887
Road and Royalty Fund	229,552	210,000	19,552
Library Commission Fund	141,918	129,813	12,105
Cemetery Fund	15,712	10,750	4,962
Lake End Park Concession Fund	<u>267,381</u>	<u>242,179</u>	<u>25,202</u>
Totals	<u>\$ 684,280</u>	<u>\$ 620,572</u>	<u>\$ 63,708</u>

CITY OF MORGAN CITY, LOUISIANA

Notes to Financial Statements

NOTE 21 SEGMENT INFORMATION

The City of Morgan City maintains two enterprise funds with departments which provide electric, gas, water, sanitation and sewer services.

Segment information for the year ended December 31, 1998 was as follows:

	Electric, Gas and Water Utility	Sanitation and Sewer Utility	Total Enterprise Funds
Net working capital	\$ 1,162,891	\$ 3,643,079	\$ 4,805,970
Plant and equipment, net of accumulated depreciation	14,259,867	6,810,962	21,070,829
Total assets	23,512,624	12,037,534	35,550,158
Bonds and other long-term liabilities	7,701,945	82,165	7,784,110
Total equity	11,475,918	11,871,876	23,347,794
Operating transfers in (out)	(2,117,677)	1,049,925	(1,067,752)
Net income (loss)	(89,878)	586,095	496,217

Operating results of individual utility departments accounted for in the Enterprise Funds for the year ended December 31, 1998 were as follows:

	Electric Department	Gas Department	Water Department	Sanitation and Sewer Department	Total Enterprise Funds
Operating revenues	<u>\$11,874,863</u>	<u>\$1,635,645</u>	<u>\$1,523,059</u>	<u>\$1,353,913</u>	<u>\$16,387,480</u>
Operating expenses:					
Depreciation	872,622	228,993	272,054	391,133	1,764,802
Other	<u>9,369,652</u>	<u>1,068,388</u>	<u>879,069</u>	<u>1,502,614</u>	<u>12,819,723</u>
Total operating expenses	<u>10,242,274</u>	<u>1,297,381</u>	<u>1,151,123</u>	<u>1,893,747</u>	<u>14,584,525</u>
Operating income (loss)	1,632,589	338,264	371,936	(539,834)	1,802,955
Nonoperating revenues (expenses)	<u>(143,403)</u>	<u>(166,615)</u>	<u>(4,972)</u>	<u>30,435</u>	<u>(284,555)</u>
Income (loss) before operating transfers	<u>\$ 1,489,186</u>	<u>\$ 171,649</u>	<u>\$ 366,964</u>	<u>\$ (509,399)</u>	<u>\$ 1,518,400</u>

CITY OF MORGAN CITY, LOUISIANA

Notes to Financial Statements

NOTE 22 SELF-INSURANCE FUND

The City of Morgan City set up a Self-Insurance (internal service) Fund for payment of possible future claims. At December 31, 1998, the fund had a total of \$351,220 of cash and interest-bearing deposits which are designated for future self-insurance claims. The City's liability for asserted and unasserted claims arising during 1998 is not considered material and is not recognized in the accounts at December 31, 1998.

SUPPLEMENTAL INFORMATION

SCHEDULES OF INDIVIDUAL FUNDS AND ACCOUNT GROUPS

GENERAL FUND

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

CITY OF MORGAN CITY, LOUISIANA
General Fund

Comparative Balance Sheet
December 31, 1998 and 1997

	1998	1997
ASSETS		
Cash	\$ 16,623	\$ 15,915
Interest-bearing deposits, at cost	698,131	762,426
Receivables:		
Ad valorem taxes	206,363	225,367
Other	138,937	129,901
Due from other funds	296,506	225,443
Due from other governmental units	114,256	65,974
Inventory, at cost	55,866	55,866
Advances to other funds	-	362,813
Total assets	\$ 1,526,682	\$ 1,843,705
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 71,438	\$ 100,095
Accrued liabilities	217,198	329,227
Due to other funds	463,291	263,521
Advances from other funds	-	532,894
Total liabilities	751,927	1,225,737
Fund balances:		
Reserved for inventory	55,866	55,866
Reserved for advances	-	362,813
Unreserved, undesignated	718,889	199,289
Total fund balances	774,755	617,968
Total liabilities and fund balances	\$ 1,526,682	\$ 1,843,705

CITY OF MORGAN CITY, LOUISIANA
General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Revenues:				
Taxes	\$ 3,401,000	\$ 3,407,063	\$ 6,063	\$ 3,029,182
Licenses and permits	706,450	714,537	8,087	690,099
Intergovernmental	389,485	520,339	130,854	404,221
Charges for services	33,000	32,847	(153)	31,343
Fines and forfeits	172,500	161,656	(10,844)	137,420
Miscellaneous	81,900	120,921	39,021	138,075
Total revenues	<u>4,784,335</u>	<u>4,957,363</u>	<u>173,028</u>	<u>4,430,340</u>
Expenditures:				
Current -				
General government:				
Administrative	1,302,564	1,315,082	(12,518)	1,267,566
Purchasing	67,980	70,324	(2,344)	66,846
Planning and zoning	110,662	110,015	647	101,680
Public safety:				
Police	2,135,023	2,173,268	(38,245)	1,915,427
Fire	1,320,649	1,345,543	(24,894)	1,232,941
Public works:				
Streets and drainage	743,451	733,764	9,687	709,120
Cemetery	95,965	96,948	(983)	93,771
Culture and recreation	162,313	174,277	(11,964)	150,636
Capital outlay	262,700	203,030	59,670	206,199
Total expenditures	<u>6,201,307</u>	<u>6,222,251</u>	<u>(20,944)</u>	<u>5,744,186</u>
Deficiency of revenues over expenditures	<u>(1,416,972)</u>	<u>(1,264,888)</u>	<u>152,084</u>	<u>(1,313,846)</u>

(continued)

CITY OF MORGAN CITY, LOUISIANA
General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual (Continued)
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Other financing sources (uses):				
Operating transfers in	\$ 2,175,000	\$ 2,165,520	\$ (9,480)	\$ 2,165,853
Operating transfers out	<u>(768,030)</u>	<u>(743,845)</u>	<u>24,185</u>	<u>(863,390)</u>
Total other financing sources (uses)	<u>1,406,970</u>	<u>1,421,675</u>	<u>14,705</u>	<u>1,302,463</u>
 Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	 (10,002)	 156,787	 166,789	 (11,383)
 Fund balance, beginning	 <u>617,968</u>	 <u>617,968</u>	 <u>-</u>	 <u>629,351</u>
 Fund balance, ending	 <u>\$ 607,966</u>	 <u>\$ 774,755</u>	 <u>\$ 166,789</u>	 <u>\$ 617,968</u>

CITY OF MORGAN CITY, LOUISIANA
General Fund

Statement of Revenues Compared to Budget (GAAP Basis)
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Revenues:				
Taxes -				
Sales	\$ 2,586,000	\$ 2,555,500	\$ (30,500)	\$ 2,216,271
Ad valorem	<u>815,000</u>	<u>851,563</u>	<u>36,563</u>	<u>812,911</u>
Total taxes	<u>3,401,000</u>	<u>3,407,063</u>	<u>6,063</u>	<u>3,029,182</u>
Licenses and permits -				
Beer and liquor	36,500	30,305	(6,195)	36,530
Occupational	625,000	633,377	8,377	603,624
Building	30,600	34,973	4,373	34,319
Chain store	8,350	9,022	672	6,971
Other	<u>6,000</u>	<u>6,860</u>	<u>860</u>	<u>8,655</u>
Total licenses and permits	<u>706,450</u>	<u>714,537</u>	<u>8,087</u>	<u>690,099</u>
Intergovernmental -				
State of Louisiana				
Beer taxes	20,200	24,983	4,783	23,187
Tobacco taxes	70,835	70,835	-	70,835
Video Poker	180,000	197,233	17,233	175,577
Indian gaming mitigation	52,500	86,342	33,842	63,389
Other	5,000	-	(5,000)	6,902
St. Mary Parish Council:				
Fire insurance tax	25,950	25,947	(3)	25,201
Other	10,000	33,345	23,345	14,125
U.S. Department of Justice:				
COPS grant	-	52,266	52,266	-
D.A.R.E. program	<u>25,000</u>	<u>29,388</u>	<u>4,388</u>	<u>25,005</u>
Total intergovernmental	<u>389,485</u>	<u>520,339</u>	<u>130,854</u>	<u>404,221</u>

(continued)

CITY OF MORGAN CITY, LOUISIANA
General Fund

Statement of Revenues Compared to Budget (GAAP Basis) (Continued)
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Charges for services - Swamp Garden	\$ 33,000	\$ 32,847	\$ (153)	\$ 31,343
Fines and forfeits	172,500	161,656	(10,844)	137,420
Miscellaneous -				
Property rentals	14,575	13,716	(859)	17,145
Cemetery lot sales	34,000	49,884	15,884	65,507
Donations	1,700	1,706	6	2,869
Notice fees	625	1,681	1,056	1,822
Sales of fixed assets	-	725	725	1,179
Subpoena collections	12,500	11,770	(730)	10,670
Interest earned	8,500	8,908	408	8,065
Other sources	10,000	32,531	22,531	30,818
Total miscellaneous	81,900	120,921	39,021	138,075
 Total revenues	 \$ 4,784,335	 \$ 4,957,363	 \$ 173,028	 \$ 4,430,340

CITY OF MORGAN CITY, LOUISIANA
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis)
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Expenditures:				
General government -				
Administrative:				
Personal services -				
Salaries and wages:				
Administration	\$ 459,286	\$ 460,900	\$ (1,614)	\$ 436,579
City Court	152,150	157,867	(5,717)	135,488
Hospitalization	35,649	45,622	(9,973)	34,181
Retirement and unemployment	<u>42,579</u>	<u>43,432</u>	<u>(853)</u>	<u>41,362</u>
Total personal services	<u>689,664</u>	<u>707,821</u>	<u>(18,157)</u>	<u>647,610</u>
Supplies and materials -				
Auto expense	2,000	2,086	(86)	1,981
Miscellaneous	25,000	40,464	(15,464)	30,572
Office	<u>18,800</u>	<u>14,346</u>	<u>4,454</u>	<u>14,334</u>
Total supplies and materials	<u>45,800</u>	<u>56,896</u>	<u>(11,096)</u>	<u>46,887</u>
Contractual services -				
Engineering, inspection, zoning, civil defense, and public relations	22,000	41,191	(19,191)	25,234
Insurance and bonds	150,000	116,057	33,943	150,070
Intergovernmental contributions	37,000	21,176	15,824	15,817
Professional fees	67,000	81,604	(14,604)	95,050
Publishing council proceedings	8,500	8,628	(128)	9,570
Shrimp festival contribution	1,000	-	1,000	-
Telephone expenses	11,600	12,457	(857)	9,880
Utilities	250,000	246,814	3,186	233,585
Insurance loss claims	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,188</u>
Total contractual services	<u>547,100</u>	<u>527,927</u>	<u>19,173</u>	<u>541,394</u>
Repairs and maintenance	<u>20,000</u>	<u>22,438</u>	<u>(2,438)</u>	<u>31,675</u>
Total administrative	<u>1,302,564</u>	<u>1,315,082</u>	<u>(12,518)</u>	<u>1,267,566</u>

(continued)

CITY OF MORGAN CITY, LOUISIANA
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis) (Continued)
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Purchasing:				
Personal services -				
Salaries and wages	\$ 51,543	\$ 51,817	\$ (274)	\$ 49,328
Hospitalization	4,000	4,536	(536)	3,959
Retirement and unemployment	<u>3,237</u>	<u>3,295</u>	<u>(58)</u>	<u>3,224</u>
Total personal services	<u>58,780</u>	<u>59,648</u>	<u>(868)</u>	<u>56,511</u>
Supplies and materials -				
Miscellaneous	500	319	181	2,172
Office	1,500	1,465	35	1,467
Gasoline, oil and supplies	<u>-</u>	<u>-</u>	<u>-</u>	<u>303</u>
Total supplies and materials	<u>2,000</u>	<u>1,784</u>	<u>216</u>	<u>3,942</u>
Contractual services -				
Telephone	1,200	1,432	(232)	1,367
Utilities	<u>5,000</u>	<u>6,173</u>	<u>(1,173)</u>	<u>3,650</u>
Total contractual services	<u>6,200</u>	<u>7,605</u>	<u>(1,405)</u>	<u>5,017</u>
Repairs and maintenance	<u>1,000</u>	<u>1,287</u>	<u>(287)</u>	<u>1,376</u>
Total purchasing	<u>67,980</u>	<u>70,324</u>	<u>(2,344)</u>	<u>66,846</u>

(continued)

CITY OF MORGAN CITY, LOUISIANA
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis) (Continued)
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Planning and zoning:				
Personal services -				
Salaries and wages	\$ 90,500	\$ 91,043	\$ (543)	\$ 85,052
Hospitalization	7,660	8,696	(1,036)	7,344
Retirement and unemployment	5,902	6,014	(112)	5,811
Other	<u>1,000</u>	<u>446</u>	<u>554</u>	<u>1,203</u>
Total personal services	<u>105,062</u>	<u>106,199</u>	<u>(1,137)</u>	<u>99,410</u>
Supplies and materials -				
Office	1,000	747	253	775
Auto expenses	1,500	160	1,340	-
Miscellaneous	1,600	1,676	(76)	725
Small tools	<u>200</u>	<u>154</u>	<u>46</u>	<u>16</u>
Total supplies and materials	<u>4,300</u>	<u>2,737</u>	<u>1,563</u>	<u>1,516</u>
Contractual services -				
Dues and subscriptions	<u>1,200</u>	<u>966</u>	<u>234</u>	<u>682</u>
Repairs and maintenance	<u>100</u>	<u>113</u>	<u>(13)</u>	<u>72</u>
Total planning and zoning	<u>110,662</u>	<u>110,015</u>	<u>647</u>	<u>101,680</u>
Total general government	<u>1,481,206</u>	<u>1,495,421</u>	<u>(14,215)</u>	<u>1,436,092</u>

(continued)

CITY OF MORGAN CITY, LOUISIANA
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis) (Continued)
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Public safety -				
Police:				
Personal services -				
Salaries and wages	\$ 1,390,846	\$ 1,373,703	\$ 17,143	\$ 1,196,426
Hospitalization	108,854	128,476	(19,622)	103,595
Pension and relief fund	44,835	47,705	(2,870)	46,070
Retirement - state plan	106,000	105,714	286	95,063
Retirement and unemployment	16,488	20,579	(4,091)	14,122
Subpoena expense	-	50	(50)	200
Total personal services	<u>1,667,023</u>	<u>1,676,227</u>	<u>(9,204)</u>	<u>1,455,476</u>
Supplies and materials:				
Auto and truck	87,000	81,141	5,859	76,009
Guns and ammunition	5,000	3,767	1,233	3,849
Miscellaneous	18,000	36,746	(18,746)	24,805
Office	9,000	8,578	422	8,157
Photo	3,000	2,738	262	2,694
Small tools	-	17	(17)	54
Traffic signs	6,000	6,159	(159)	12,721
Uniforms and equipment	<u>25,000</u>	<u>27,283</u>	<u>(2,283)</u>	<u>28,979</u>
Total supplies and materials	<u>153,000</u>	<u>166,429</u>	<u>(13,429)</u>	<u>157,268</u>
Contractual services:				
Professional fees	117,000	144,332	(27,332)	22,041
Autopsy reports	13,000	12,175	825	13,019
Small animal warden	7,000	6,708	292	6,813
Telephone	12,000	13,485	(1,485)	13,302
Training schools and conventions	27,000	25,320	1,680	11,876
Utilities	45,000	46,537	(1,537)	44,359
Insurance	30,500	46,335	(15,835)	30,440
Insurance loss claims	<u>20,000</u>	<u>-</u>	<u>20,000</u>	<u>138,250</u>
Total contractual services	<u>271,500</u>	<u>294,892</u>	<u>(23,392)</u>	<u>280,100</u>
Repairs and maintenance	<u>43,500</u>	<u>35,720</u>	<u>7,780</u>	<u>22,583</u>
Total police	<u>2,135,023</u>	<u>2,173,268</u>	<u>(38,245)</u>	<u>1,915,427</u>

(continued)

CITY OF MORGAN CITY, LOUISIANA
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis) (Continued)
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Fire:				
Personal services:				
Salaries and wages	\$ 1,004,217	\$ 1,015,116	\$ (10,899)	\$ 930,465
Hospitalization	82,949	93,764	(10,815)	77,933
Retirement and unemployment	<u>89,983</u>	<u>91,441</u>	<u>(1,458)</u>	<u>89,616</u>
Total personal services	<u>1,177,149</u>	<u>1,200,321</u>	<u>(23,172)</u>	<u>1,098,014</u>
Supplies and materials:				
Uniforms	5,500	5,692	(192)	4,707
Fire fighting equipment	22,700	24,569	(1,869)	17,371
Miscellaneous	9,000	7,003	1,997	4,160
Office	3,000	7,231	(4,231)	5,939
Small tools/supplies	10,000	11,520	(1,520)	12,337
Truck expense	7,000	6,852	148	6,642
Fire prevention supplies	<u>2,500</u>	<u>2,426</u>	<u>74</u>	<u>-</u>
Total supplies and materials	<u>59,700</u>	<u>65,293</u>	<u>(5,593)</u>	<u>51,156</u>
Contractual services:				
Insurance - volunteer fire department	800	876	(76)	-
Telephone	7,000	8,353	(1,353)	8,752
Training schools and conventions	16,000	13,769	2,231	11,840
Utilities	14,000	14,395	(395)	14,249
Water charge - fire hydrants	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>12,100</u>
Total contractual services	<u>47,800</u>	<u>37,393</u>	<u>10,407</u>	<u>46,941</u>
Repairs and maintenance	<u>36,000</u>	<u>42,536</u>	<u>(6,536)</u>	<u>36,830</u>
Total fire	<u>1,320,649</u>	<u>1,345,543</u>	<u>(24,894)</u>	<u>1,232,941</u>
Total public safety	<u>3,455,672</u>	<u>3,518,811</u>	<u>(63,139)</u>	<u>3,148,368</u>

(continued)

CITY OF MORGAN CITY, LOUISIANA
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis) (Continued)
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Public works -				
Streets and drainage:				
Personal services -				
Salaries and wages	\$ 461,287	\$ 470,101	\$ (8,814)	\$ 424,565
Hospitalization	39,732	45,062	(5,330)	39,480
Retirement and unemployment	28,732	28,784	(52)	27,855
Other	500	-	500	-
	<u>530,251</u>	<u>543,947</u>	<u>(13,696)</u>	<u>491,900</u>
Supplies and materials -				
Fill, shells, concrete and asphalt	20,000	13,514	6,486	37,440
Gasoline, oil and supplies - truck	45,000	41,068	3,932	49,902
Miscellaneous	25,000	21,931	3,069	29,972
Small tools	6,000	7,245	(1,245)	5,676
Chemicals	8,000	10,088	(2,088)	-
	<u>104,000</u>	<u>93,846</u>	<u>10,154</u>	<u>122,990</u>
Contractual services -				
Telephone	700	848	(148)	1,489
Utilities	15,500	13,784	1,716	18,840
	<u>16,200</u>	<u>14,632</u>	<u>1,568</u>	<u>20,329</u>
Repairs and maintenance -				
Drainage pumps and systems	3,000	338	2,662	1,443
Trucks, equipment and buildings	90,000	81,001	8,999	72,458
Total repairs and maintenance	<u>93,000</u>	<u>81,339</u>	<u>11,661</u>	<u>73,901</u>
Total streets and drainage	<u>743,451</u>	<u>733,764</u>	<u>9,687</u>	<u>709,120</u>

(continued)

CITY OF MORGAN CITY, LOUISIANA
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis) (Continued)
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Cemetery:				
Personal services -				
Salaries and wages	\$ 54,643	\$ 55,148	\$ (505)	\$ 52,474
Hospitalization	5,539	6,629	(1,090)	5,840
Retirement and unemployment	<u>3,933</u>	<u>3,991</u>	<u>(58)</u>	<u>3,899</u>
Total personal services	<u>64,115</u>	<u>65,768</u>	<u>(1,653)</u>	<u>62,213</u>
Supplies and materials -				
Gasoline and oil - trucks	7,500	6,316	1,184	4,845
Miscellaneous	8,000	12,368	(4,368)	13,993
Small tools	<u>4,300</u>	<u>902</u>	<u>3,398</u>	<u>1,584</u>
Total supplies and materials	<u>19,800</u>	<u>19,586</u>	<u>214</u>	<u>20,422</u>
Contractual services -				
Telephone	400	402	(2)	318
Utilities	<u>2,850</u>	<u>2,787</u>	<u>63</u>	<u>2,269</u>
Total contractual services	<u>3,250</u>	<u>3,189</u>	<u>61</u>	<u>2,587</u>
Repairs and maintenance	<u>8,800</u>	<u>8,405</u>	<u>395</u>	<u>8,549</u>
Total cemetery	<u>95,965</u>	<u>96,948</u>	<u>(983)</u>	<u>93,771</u>
Total public works	<u>839,416</u>	<u>830,712</u>	<u>8,704</u>	<u>802,891</u>

(continued)

CITY OF MORGAN CITY, LOUISIANA
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis) (Continued)
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Culture and recreation -				
Swamp Garden:				
Personal services -				
Salaries and wages	\$ 87,587	\$ 87,948	\$ (361)	\$ 85,541
Hospitalization	8,315	9,438	(1,123)	7,604
Retirement benefits	<u>5,793</u>	<u>5,507</u>	<u>286</u>	<u>5,755</u>
	<u>101,695</u>	<u>102,893</u>	<u>(1,198)</u>	<u>98,900</u>
Supplies and materials -				
Gasoline and oil -				
Trucks and equipment	2,218	2,318	(100)	5,058
Miscellaneous	15,000	19,883	(4,883)	10,996
Petting zoo	4,500	4,327	173	5,665
Small tools and supplies	<u>16,000</u>	<u>14,331</u>	<u>1,669</u>	<u>14,994</u>
	<u>37,718</u>	<u>40,859</u>	<u>(3,141)</u>	<u>36,713</u>
Contractual services -				
Advertising	10,000	16,417	(6,417)	3,101
Telephone	1,500	1,429	71	1,342
Travel	300	-	300	120
Utilities	<u>9,500</u>	<u>11,403</u>	<u>(1,903)</u>	<u>9,501</u>
	<u>21,300</u>	<u>29,249</u>	<u>(7,949)</u>	<u>14,064</u>
Repairs and maintenance	<u>1,600</u>	<u>1,276</u>	<u>324</u>	<u>959</u>
Total culture and recreation	<u>162,313</u>	<u>174,277</u>	<u>(11,964)</u>	<u>150,636</u>

(continued)

CITY OF MORGAN CITY, LOUISIANA
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis) (Continued)
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Capital outlay -				
General government:				
General administrative - equipment	\$ -	\$ 8,374	\$ (8,374)	\$ -
Planning and zoning -				
Equipment	3,500	2,864	636	4,693
Purchasing - equipment	-	2,572	(2,572)	-
Public safety:				
Police - equipment	95,000	111,531	(16,531)	99,481
Fire department - equipment	30,700	24,680	6,020	18,073
Public works:				
Streets and drainage -				
Equipment	129,500	43,522	85,978	83,924
Parks	4,000	9,487	(5,487)	28
Total capital outlay	<u>262,700</u>	<u>203,030</u>	<u>59,670</u>	<u>206,199</u>
Total expenditures	<u>\$ 6,201,307</u>	<u>\$ 6,222,251</u>	<u>\$ (20,944)</u>	<u>\$ 5,744,186</u>

CITY OF MORGAN CITY, LOUISIANA
General Fund

Statement of Other Financing Sources (Uses) Compared to Budget (GAAP Basis)
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Operating transfers in:				
Special Revenue Funds -				
Cemetery Fund	\$ 10,000	\$ 10,000	\$ -	\$ 10,000
Morgan City Trust Fund	90,000	80,000	(10,000)	90,000
Road and Royalty Fund	40,000	40,000	-	40,000
Emergency Management Fund	-	520	520	842
Federal Revenue Sharing Fund	-	-	-	1
	<u>140,000</u>	<u>130,520</u>	<u>(9,480)</u>	<u>140,843</u>
Capital Projects Fund	<u>35,000</u>	<u>35,000</u>	<u>-</u>	<u>10</u>
Enterprise Funds -				
Electric, Gas and Water Utility	1,950,000	1,950,000	-	1,950,000
Sanitation and Sewer Utility	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>75,000</u>
	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>	<u>2,025,000</u>
Total operating transfers in	<u>\$ 2,175,000</u>	<u>\$ 2,165,520</u>	<u>\$ (9,480)</u>	<u>\$ 2,165,853</u>

CITY OF MORGAN CITY, LOUISIANA
General Fund

Statement of Other Financing Sources (Uses) Compared to Budget (GAAP Basis)
Year Ended December 31, 1998

With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Operating transfers out:				
Special Revenue Funds -				
City Recreation Program Fund	\$ 362,200	\$ 316,429	\$ 45,771	\$ 355,334
Library Commission Fund	85,000	108,300	(23,300)	98,400
State Prisoners' Fund	45,000	58,906	(13,906)	39,239
Municipal Auditorium Fund	110,000	89,804	20,196	136,204
Lake End Park	40,000	40,000	-	-
Fire Apparatus Fund	40,000	40,000	-	40,000
Beautification Fund	18,000	18,000	-	-
Archives Commission Fund	15,000	15,000	-	10,000
Main Street Program Fund	15,000	15,044	(44)	15,000
Morgan City Wharf Fund	<u>37,830</u>	<u>37,830</u>	-	<u>140,950</u>
	<u>768,030</u>	<u>739,313</u>	<u>28,717</u>	<u>835,127</u>
Capital Projects Fund -				
Lake End Park Construction Fund	-	-	-	<u>11,000</u>
Expendable Trust Fund -				
Schreier House Fund	-	-	-	8,500
Swamp/Garden Special Fund	-	-	-	<u>1,500</u>
	-	-	-	<u>10,000</u>
Internal Service Fund -				
Central Garage Fund	-	<u>4,532</u>	<u>(4,532)</u>	<u>7,263</u>
Total operating transfers out	<u>768,030</u>	<u>743,845</u>	<u>24,185</u>	<u>863,390</u>
Total other financing sources (uses)	<u>\$ 1,406,970</u>	<u>\$ 1,421,675</u>	<u>\$ (33,665)</u>	<u>\$ 1,302,463</u>

SPECIAL REVENUE FUNDS

City Recreation Program Fund

Monies in this fund are received from recreation programs sponsored and transfers from the General Fund. The costs of the recreation department are accounted for in this fund.

Library Commission Fund

Monies in this fund are received from St. Mary Parish, private donations, and transfers from the General Fund and Morgan City Young Fund. The costs of the library are accounted for in this fund.

Municipal Auditorium Fund

Monies in this fund are received from auditorium rentals, concessions and transfers from the General Fund. The costs of the municipal auditorium are accounted for in this fund.

Pollution Abatement Fund

This fund accounts for the receipt and disbursements of the proceeds from a 3/4% sales and use tax, which are dedicated to the improvement of sanitation and sewer disposal in the City.

Federal Revenue Sharing Fund

This fund accounts for the receipt and subsequent expenditures of federal revenue sharing funds which may be used by the City for any lawful purpose within the guidelines and restrictions prescribed by the Office of Revenue Sharing.

Road and Royalty Fund

This fund accounts for receipts and subsequent expenditures of St. Mary Parish Council donations designated for street improvements.

Cemetery Fund

Monies in this fund are received from sales of burial spaces. The cost of improvements to the cemetery grounds are accounted for in this fund.

Fire Apparatus Purchase Fund

General Fund transfers are made to this fund to dedicate monies for fire equipment purchases.

(continued)

SPECIAL REVENUE FUNDS (CONTINUED)

Lake End Park Concession Fund

Monies in this fund are received from gate and space rental receipts, St. Mary Parish, and transfers from the General Fund. The costs of operating Lake End Park are accounted for in this fund.

Morgan City Archives Fund

Monies in this fund are received from grants, donations and transfers from the General Fund and the Morgan City Young Fund. These funds are dedicated to the preservation of Morgan City historical documents.

Main Street Fund

This fund accounts for monies received from federal and state sources for the development and operation of the Main Street Program.

State Prisoners' Fund

Monies in this fund are received from neighboring parishes and cities and transfers from the General Fund. The costs of prisoners' meals, medical expenses and supplies are accounted for in this fund.

Wharf Fund

This fund accounts for monies received from wharf rentals and for costs incurred to maintain the wharves.

Real Estate Acquisition Fund

This fund accounts for the purchases and sales of various real estate.

Lake End Park Marina Fund

This fund accounts for the monies received from operation of the marina and expenditures incurred relative to the maintenance of the marina.

Emergency Management Fund

This fund accounts for the federal and state monies received and expended for damages sustained as a result of Hurricane Andrew.

Seafood Processing Grant Fund

This fund accounts for the federal monies received and expended for experimentation concerning seafood processing.

CITY OF MORGAN CITY, LOUISIANA
Special Revenue Funds

Combining Balance Sheet
December 31, 1998
With Comparative Totals for December 31, 1997

	City Recreation Program	Library Commission	Municipal Auditorium	Pollution Abatement
ASSETS				
Cash	\$ 8,149	\$ 1,496	\$ 2,735	\$ 2
Interest-bearing deposits, at cost	85,042	85,425	87,723	61
Investments, at fair value	-	-	-	-
Receivables:				
Accounts	3,190	-	4,539	-
Accrued interest	393	-	-	-
Due from other funds	4,447	4,335	1,094	-
Due from other governmental units	-	-	-	-
Inventory, at cost	-	-	4,463	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 101,221</u>	<u>\$ 91,256</u>	<u>\$ 100,554</u>	<u>\$ 63</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 5,940	\$ 4,033	\$ 5,272	\$ -
Accrued liabilities	7,502	2,121	9,477	-
Due to inmates	-	-	-	-
Due to other funds	23,299	31,059	81,148	-
Advances from other funds	50,000	-	-	-
Total liabilities	<u>86,741</u>	<u>37,213</u>	<u>95,897</u>	<u>-</u>
Fund balances (deficit):				
Reserved for inventory	-	-	4,463	-
Unreserved -				
Undesignated	<u>14,480</u>	<u>54,043</u>	<u>194</u>	<u>63</u>
Total fund balances (deficit)	<u>14,480</u>	<u>54,043</u>	<u>4,657</u>	<u>63</u>
Total liabilities and fund balances	<u>\$ 101,221</u>	<u>\$ 91,256</u>	<u>\$ 100,554</u>	<u>\$ 63</u>

CITY OF MORGAN CITY, LOUISIANA
Special Revenue Funds

Combining Balance Sheet (Continued)
December 31, 1998
With Comparative Totals for December 31, 1997

Federal Revenue Sharing	Road and Royalty	Cemetery	Fire Apparatus Purchase	Lake End Park Concession	Morgan City Archives	Main Street Commission	State Prisoners'
\$ -	\$ 38	\$ 16	\$ 46	\$ 46,513	\$ 35,122	\$ 40	\$ 71,345
-	264,491	132,056	8,814	7,711	253,648	19,685	-
-	-	-	-	-	115,913	-	-
-	-	-	-	-	-	-	-
-	-	-	-	19	3,982	-	-
-	-	-	80,000	940	837	-	3,133
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 264,529</u>	<u>\$ 132,072</u>	<u>\$ 88,860</u>	<u>\$ 55,183</u>	<u>\$ 409,502</u>	<u>\$ 19,725</u>	<u>\$ 74,478</u>
\$ -	\$ -	\$ -	\$ -	\$ 2,506	\$ 936	\$ 978	\$ -
-	-	-	-	6,208	7,309	833	-
-	-	-	-	-	-	-	249
-	80,050	43,177	80,000	42,459	9,073	328	-
-	-	-	93,628	-	-	-	-
-	<u>80,050</u>	<u>43,177</u>	<u>173,628</u>	<u>51,173</u>	<u>17,318</u>	<u>2,139</u>	<u>249</u>
-	-	-	-	-	-	-	-
-	184,479	88,895	(84,768)	4,010	392,184	17,586	74,229
-	<u>184,479</u>	<u>88,895</u>	<u>(84,768)</u>	<u>4,010</u>	<u>392,184</u>	<u>17,586</u>	<u>74,229</u>
<u>\$ -</u>	<u>\$ 264,529</u>	<u>\$ 132,072</u>	<u>\$ 88,860</u>	<u>\$ 55,183</u>	<u>\$ 409,502</u>	<u>\$ 19,725</u>	<u>\$ 74,478</u>

(continued)

CITY OF MORGAN CITY, LOUISIANA
Special Revenue Funds

Combining Balance Sheet (Continued)
 December 31, 1998
 With Comparative Totals for December 31, 1997

	Wharf Fund	Real Estate Acquisition Fund	Lake End Park Marina	Emergency Management Fund
ASSETS				
Cash	\$ 11	\$ -	\$ 746	\$ 25
Interest-bearing deposits, at cost	48	25,738	34,807	1,337
Investments, at fair value	-	-	-	-
Receivables:				
Accounts	-	-	-	-
Accrued interest	-	-	-	-
Due from other funds	64,547	-	-	-
Due from other governmental units	-	-	-	-
Inventory, at cost	-	-	-	-
	<u>\$ 64,606</u>	<u>\$ 25,738</u>	<u>\$ 35,553</u>	<u>\$ 1,362</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,985	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Due to inmates	-	-	-	-
Due to other funds	-	-	-	1,362
Advances from other funds	-	-	-	-
	<u>1,985</u>	<u>-</u>	<u>-</u>	<u>1,362</u>
Fund balances (deficit):				
Reserved for inventory	-	-	-	-
Unreserved -				
Undesignated	62,621	25,738	35,553	-
	<u>62,621</u>	<u>25,738</u>	<u>35,553</u>	<u>-</u>
Total fund balances (deficit)	<u>62,621</u>	<u>25,738</u>	<u>35,553</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 64,606</u>	<u>\$ 25,738</u>	<u>\$ 35,553</u>	<u>\$ 1,362</u>

Seafood Processing Grant Fund	Totals	
	1998	1997
\$ 27	\$ 166,311	\$ 190,157
115	1,006,701	1,082,990
-	115,913	127,600
-	-	-
-	7,729	9,214
-	4,394	4,384
385	159,718	132,771
-	-	6,221
-	4,463	4,059
<u>\$ 527</u>	<u>\$1,465,229</u>	<u>\$1,557,396</u>
\$ -	\$ 21,650	\$ 73,738
-	33,450	86,191
-	249	1,155
-	391,955	254,647
-	143,628	284,382
-	590,932	700,113
-	4,463	4,059
<u>527</u>	<u>869,834</u>	<u>853,224</u>
<u>527</u>	<u>874,297</u>	<u>857,283</u>
<u>\$ 527</u>	<u>\$1,465,229</u>	<u>\$1,557,396</u>

CITY OF MORGAN CITY, LOUISIANA
Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended December 31, 1998

With Comparative Totals for Year Ended December 31, 1997

	City Recreation Program	Library Commission	Municipal Auditorium	Pollution Abatement
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$1,409,674
Intergovernmental	30,000	40,795	29,954	-
Charges for services	146,217	1,390	150,187	-
Fines and forfeitures	-	-	-	-
Miscellaneous -				
Investment income				
Interest	1,573	1,654	1,417	772
Net change in fair value of investments	-	-	-	-
Other	8,197	895	350	-
Total revenues	<u>185,987</u>	<u>44,734</u>	<u>181,908</u>	<u>1,410,446</u>
Expenditures:				
Current -				
Public safety - police and fire	-	-	-	-
Public works	-	-	-	-
Culture and recreation	459,319	117,208	278,629	-
Capital outlay	28,834	24,710	13,905	-
Total expenditures	<u>488,153</u>	<u>141,918</u>	<u>292,534</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(302,166)</u>	<u>(97,184)</u>	<u>(110,626)</u>	<u>1,410,446</u>
Other financing sources (uses):				
Operating transfers in	316,429	120,300	89,804	-
Operating transfers out	-	-	-	(1,443,266)
Total other financing sources (uses)	<u>316,429</u>	<u>120,300</u>	<u>89,804</u>	<u>(1,443,266)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>14,263</u>	<u>23,116</u>	<u>(20,822)</u>	<u>(32,820)</u>
Fund balances (deficit), beginning (as originally reported)	217	30,927	25,479	32,883
Cumulative effect of change in accounting principle	-	-	-	-
Fund balances (deficit), beginning (as restated)	<u>217</u>	<u>30,927</u>	<u>25,479</u>	<u>32,883</u>
Fund balances (deficit), ending	<u>\$ 14,480</u>	<u>\$ 54,043</u>	<u>\$ 4,657</u>	<u>\$ 63</u>

CITY OF MORGAN CITY, LOUISIANA
Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Year Ended December 31, 1998
With Comparative Totals for Year Ended December 31, 1997

Federal Revenue Sharing	Road and Royalty	Cemetery	Fire Apparatus Purchase	Lake End Park Concession	Morgan City Archives	Main Street Commission
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	245,436	-	-	25,000	7,500	21,219
-	-	29,875	-	175,253	2,508	-
-	-	-	-	-	-	-
-	6,513	2,979	216	1,557	21,396	597
-	-	-	-	-	(30,434)	-
-	-	-	-	-	23,181	4,100
-	<u>251,949</u>	<u>32,854</u>	<u>216</u>	<u>201,810</u>	<u>24,151</u>	<u>25,916</u>
-	-	-	-	-	-	-
-	-	11,512	-	-	-	-
-	-	-	-	197,040	102,084	44,782
-	<u>229,552</u>	<u>4,200</u>	-	<u>70,341</u>	<u>7,356</u>	<u>1,613</u>
-	<u>229,552</u>	<u>15,712</u>	-	<u>267,381</u>	<u>109,440</u>	<u>46,395</u>
-	<u>22,397</u>	<u>17,142</u>	<u>216</u>	<u>(65,571)</u>	<u>(85,289)</u>	<u>(20,479)</u>
-	-	5,865	40,000	45,000	36,000	15,044
-	<u>(40,000)</u>	<u>(10,000)</u>	-	-	-	-
-	<u>(40,000)</u>	<u>(4,135)</u>	<u>40,000</u>	<u>45,000</u>	<u>36,000</u>	<u>15,044</u>
-	<u>(17,603)</u>	<u>13,007</u>	<u>40,216</u>	<u>(20,571)</u>	<u>(49,289)</u>	<u>(5,435)</u>
-	202,082	75,888	(124,984)	24,581	441,473	23,021
-	-	-	-	-	-	-
-	<u>202,082</u>	<u>75,888</u>	<u>(124,984)</u>	<u>24,581</u>	<u>441,473</u>	<u>23,021</u>
<u>\$ -</u>	<u>\$ 184,479</u>	<u>\$ 88,895</u>	<u>\$ (84,768)</u>	<u>\$ 4,010</u>	<u>\$ 392,184</u>	<u>\$ 17,586</u>

(continued)

CITY OF MORGAN CITY, LOUISIANA
Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Year Ended December 31, 1998
With Comparative Totals for Year Ended December 31, 1997

	State Prisoners'	Wharf Fund	Real Estate Acquisition Fund	Lake End Park Marina
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	163,215	46,679	-	-
Charges for services	-	5,050	-	13,660
Fines and forfeitures	20,420	-	-	-
Miscellaneous -				
Investment income				
Interest	-	1,378	631	791
Net change in fair value of investments	-	-	-	-
Other	<u>22,420</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>206,055</u>	<u>53,107</u>	<u>631</u>	<u>14,451</u>
Expenditures:				
Current -				
Public safety - police and fire	231,378	-	-	-
Public works	-	29,717	-	-
Culture and recreation	-	-	-	1,349
Capital outlay	<u>30,646</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>262,024</u>	<u>29,717</u>	<u>-</u>	<u>1,349</u>
Excess (deficiency) of revenues over expenditures	<u>(55,969)</u>	<u>23,390</u>	<u>631</u>	<u>13,102</u>
Other financing sources (uses):				
Operating transfers in	58,906	37,830	-	-
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,000)</u>
Total other financing sources (uses)	<u>58,906</u>	<u>37,830</u>	<u>-</u>	<u>(5,000)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>2,937</u>	<u>61,220</u>	<u>631</u>	<u>8,102</u>
Fund balances (deficit), beginning (as originally reported)	71,292	1,401	25,107	27,451
Cumulative effect of change in accounting principle	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficit), beginning (as restated)	<u>71,292</u>	<u>1,401</u>	<u>25,107</u>	<u>27,451</u>
Fund balances (deficit), ending	<u>\$ 74,229</u>	<u>\$ 62,621</u>	<u>\$ 25,738</u>	<u>\$ 35,553</u>

Emergency Management Fund	Seafood Processing Grant Fund	Totals	
		1998	1997
\$ -	\$ -	\$ 1,409,674	\$ 1,429,038
-	-	609,798	527,369
-	-	524,140	478,884
-	-	20,420	-
-	-	-	-
520	62	42,056	38,818
-	-	(30,434)	46,400
-	-	59,143	124,545
<u>520</u>	<u>62</u>	<u>2,634,797</u>	<u>2,645,054</u>
-	-	231,378	196,938
-	-	41,229	27,645
-	-	1,200,411	1,101,746
-	-	411,157	706,065
-	-	<u>1,884,175</u>	<u>2,032,394</u>
<u>520</u>	<u>62</u>	<u>750,622</u>	<u>612,660</u>
-	-	765,178	879,025
<u>(520)</u>	-	<u>(1,498,786)</u>	<u>(1,473,078)</u>
<u>(520)</u>	-	<u>(733,608)</u>	<u>(594,053)</u>
-	62	17,014	18,607
-	465	857,283	770,526
-	-	-	68,150
-	465	857,283	838,676
<u>\$ -</u>	<u>\$ 527</u>	<u>\$ 874,297</u>	<u>\$ 857,283</u>

CITY OF MORGAN CITY, LOUISIANA
Special Revenue Fund
City Recreation Program Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Revenues:				
Intergovernmental -				
State of Louisiana	\$ 30,000	\$ 30,000	\$ -	\$ -
Charges for services -				
Receipts from program activities	126,000	146,217	20,217	142,505
Miscellaneous -				
Interest	1,500	1,573	73	2,392
Other	-	1,197	1,197	2,281
Donation	<u>7,000</u>	<u>7,000</u>	<u>-</u>	<u>12,962</u>
Total revenues	<u>164,500</u>	<u>185,987</u>	<u>21,487</u>	<u>160,140</u>
Expenditures:				
Culture and recreation -				
Personal services:				
Salaries and wages	150,826	154,760	(3,934)	129,777
Hospitalization	13,855	13,856	(1)	10,779
Retirement and unemployment	10,101	10,466	(365)	9,301
Contract labor	<u>92,000</u>	<u>88,098</u>	<u>3,902</u>	<u>87,488</u>
	<u>266,782</u>	<u>267,180</u>	<u>(398)</u>	<u>237,345</u>
Supplies and materials:				
Auto, truck and tractor	9,000	9,202	(202)	10,071
Office	2,500	2,499	1	6,524
Small tools	3,000	3,072	(72)	3,086
Chemicals	8,000	7,840	160	4,940
Concession	30,000	31,627	(1,627)	31,622
Uniforms	35,000	26,441	8,559	20,140
Miscellaneous	<u>25,500</u>	<u>48,498</u>	<u>(22,998)</u>	<u>39,549</u>
	<u>113,000</u>	<u>129,179</u>	<u>(16,179)</u>	<u>115,932</u>
Contractual services:				
Equipment rental	200	300	(100)	-
Land rental	8,890	8,890	-	8,890
Telephone	5,000	5,218	(218)	5,353
Utilities	<u>20,000</u>	<u>26,856</u>	<u>(6,856)</u>	<u>21,345</u>
	<u>34,090</u>	<u>41,264</u>	<u>(7,174)</u>	<u>35,588</u>

(continued)

CITY OF MORGAN CITY, LOUISIANA
Special Revenue Fund
City Recreation Program Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual (Continued)
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998			1997 Actual
	Budget	Actual	Variance - Favorable (Unfavorable)	
Repairs and maintenance:				
Buildings and facilities	\$ 7,000	\$ 6,852	\$ 148	\$ 11,132
Equipment	-	656	(656)	2,753
Vehicles	4,000	4,855	(855)	1,053
Parks and playgrounds	8,000	5,777	2,223	12,212
Pools	5,000	3,556	1,444	2,310
	<u>24,000</u>	<u>21,696</u>	<u>2,304</u>	<u>29,460</u>
 Total culture and recreation	 437,872	 459,319	 (21,447)	 418,325
 Capital outlay	 <u>75,000</u>	 <u>28,834</u>	 <u>46,166</u>	 <u>118,144</u>
 Total expenditures	 <u>512,872</u>	 <u>488,153</u>	 <u>24,719</u>	 <u>536,469</u>
 Deficiency of revenues over expenditures	 <u>(348,372)</u>	 <u>(302,166)</u>	 <u>46,206</u>	 <u>(376,329)</u>
Other financing sources:				
Transfer from General Fund	362,200	316,429	45,771	355,334
Total other financing sources	<u>362,200</u>	<u>316,429</u>	<u>45,771</u>	<u>355,334</u>
 Excess (deficiency) of revenues and other financing sources over expenditures	 13,828	 14,263	 435	 (20,995)
 Fund balance, beginning	 <u>217</u>	 <u>217</u>	 <u>-</u>	 <u>21,212</u>
 Fund balance, ending	 <u>\$ 14,045</u>	 <u>\$ 14,480</u>	 <u>\$ 435</u>	 <u>\$ 217</u>

CITY OF MORGAN CITY, LOUISIANA
Special Revenue Fund
Library Commission Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP) Basis and Actual
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Revenues:				
Intergovernmental -				
St. Mary Parish	\$ 12,000	\$ 12,000	\$ -	\$ 12,000
State of Louisiana	28,800	28,795	(5)	12,157
Charges for services	1,000	1,390	390	1,361
Miscellaneous -				
Interest	1,600	1,654	54	996
Contributions	-	895	895	1,860
Total revenues	<u>43,400</u>	<u>44,734</u>	<u>1,334</u>	<u>28,374</u>
Expenditures:				
Culture and recreation -				
Personal services:				
Salaries and wages	48,554	46,584	1,970	46,695
Retirement and unemployment	2,768	3,833	(1,065)	4,194
Hospitalization	2,441	2,434	7	3,164
Contract labor	7,050	6,872	178	6,221
	<u>60,813</u>	<u>59,723</u>	<u>1,090</u>	<u>60,274</u>
Supplies and materials:				
Books	26,000	28,057	(2,057)	23,009
Office supplies and printing	3,500	7,023	(3,523)	6,408
Miscellaneous	2,500	9,862	(7,362)	4,470
	<u>32,000</u>	<u>44,942</u>	<u>(12,942)</u>	<u>33,887</u>
Contractual services:				
Telephone	3,000	2,749	251	2,230
Utilities	5,000	4,316	684	4,566
	<u>8,000</u>	<u>7,065</u>	<u>935</u>	<u>6,796</u>
Repairs and maintenance	<u>5,000</u>	<u>5,478</u>	<u>(478)</u>	<u>13,115</u>
Total culture and recreation	105,813	117,208	(11,395)	114,072
Capital outlay	<u>24,000</u>	<u>24,710</u>	<u>(710)</u>	<u>7,292</u>
Total expenditures	<u>129,813</u>	<u>141,918</u>	<u>(12,105)</u>	<u>121,364</u>
Deficiency of revenues over expenditures	<u>(86,413)</u>	<u>(97,184)</u>	<u>10,771</u>	<u>(92,990)</u>

(continued)

CITY OF MORGAN CITY, LOUISIANA
Special Revenue Fund
Library Commission Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP) Basis and Actual (Continued)
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Other financing sources:				
Operating transfers from -				
General Fund	\$ 85,000	\$ 108,300	\$ 23,300	\$ 98,400
Morgan City Young Fund	<u>12,000</u>	<u>12,000</u>	<u>-</u>	<u>12,000</u>
Total other financing sources	<u>97,000</u>	<u>120,300</u>	<u>23,300</u>	<u>110,400</u>
Excess of revenues and other financing sources over expenditures	<u>10,587</u>	<u>23,116</u>	<u>12,529</u>	<u>17,410</u>
Fund balance, beginning	<u>30,927</u>	<u>30,927</u>	<u>-</u>	<u>13,517</u>
Fund balance, ending	<u>\$ 41,514</u>	<u>\$ 54,043</u>	<u>\$ 12,529</u>	<u>\$ 30,927</u>

CITY OF MORGAN CITY, LOUISIANA
Special Revenue Fund
Municipal Auditorium Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Revenues:				
Intergovernmental -				
State of Louisiana	\$ 50,000	\$ 2,354	\$ (47,646)	\$ 48,774
St. Mary Parish	-	27,600	27,600	-
Charges for services -				
Rentals from use of property	142,000	104,294	(37,706)	85,552
Personal services:				
Others	-	4,132	4,132	15,840
Concessions	-	41,761	41,761	31,391
Miscellaneous -				
Interest	1,200	1,417	217	657
Other	-	350	350	348
Total revenues	<u>193,200</u>	<u>181,908</u>	<u>(11,292)</u>	<u>182,562</u>
Expenditures:				
Culture and recreation -				
Personal services:				
Salaries	126,000	126,964	(964)	117,588
Hospitalization	11,461	11,452	9	10,341
Retirement benefits	7,730	7,597	133	7,425
	<u>145,191</u>	<u>146,013</u>	<u>(822)</u>	<u>135,354</u>
Supplies and materials:				
Auto and truck expense	1,500	1,496	4	754
Cost of concessions	30,000	30,415	(415)	31,011
Janitorial equipment and supplies	8,000	10,075	(2,075)	8,916
Office supplies and expense	3,000	2,331	669	3,189
Small tools and supplies	300	350	(50)	898
Taxes and licenses	4,500	4,281	219	4,546
Miscellaneous	5,000	9,202	(4,202)	9,496
	<u>52,300</u>	<u>58,150</u>	<u>(5,850)</u>	<u>58,810</u>
Contractual services:				
Cost of services -				
Other	15,000	8,281	6,719	11,095
Telephone	1,400	1,358	42	1,414
Utilities	45,000	38,345	6,655	44,881
	<u>61,400</u>	<u>47,984</u>	<u>13,416</u>	<u>57,390</u>

(continued)

CITY OF MORGAN CITY, LOUISIANA
Special Revenue Fund
Municipal Auditorium Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual (Continued)
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Repairs and maintenance:				
Building	\$ 15,000	\$ 18,761	\$ (3,761)	\$ 6,848
Machinery	3,500	7,721	(4,221)	12,069
Grounds	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>-</u>
	<u>19,500</u>	<u>26,482</u>	<u>(6,982)</u>	<u>18,917</u>
Total culture and recreation	278,391	278,629	(238)	270,471
Capital outlay -				
Culture and recreation:				
Equipment	<u>10,000</u>	<u>13,905</u>	<u>(3,905)</u>	<u>128,640</u>
Total expenditures	<u>288,391</u>	<u>292,534</u>	<u>(4,143)</u>	<u>399,111</u>
Deficiency of revenues over expenditures	<u>(95,191)</u>	<u>(110,626)</u>	<u>(15,435)</u>	<u>(216,549)</u>
Other financing sources:				
Operating transfers from -				
General Fund	<u>110,000</u>	<u>89,804</u>	<u>(20,196)</u>	<u>136,204</u>
Total other financing sources	<u>110,000</u>	<u>89,804</u>	<u>(20,196)</u>	<u>136,204</u>
Excess (deficiency) of revenues and other financing sources over expenditures	14,809	(20,822)	(35,631)	(80,345)
Fund balance, beginning	<u>25,479</u>	<u>25,479</u>	<u>-</u>	<u>105,824</u>
Fund balance, ending	<u>\$ 40,288</u>	<u>\$ 4,657</u>	<u>\$ (35,631)</u>	<u>\$ 25,479</u>

CITY OF MORGAN CITY, LOUISIANA
Special Revenue Fund
Pollution Abatement Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Revenues:				
Taxes - 3/4 percent sales taxes	\$ 1,432,000	\$ 1,409,674	\$ (22,326)	\$ 1,429,038
Miscellaneous -				
Interest	<u>800</u>	<u>772</u>	<u>(28)</u>	<u>764</u>
Total revenues	<u>1,432,800</u>	<u>1,410,446</u>	<u>(22,354)</u>	<u>1,429,802</u>
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>1,432,800</u>	<u>1,410,446</u>	<u>(22,354)</u>	<u>1,429,802</u>
Other financing uses:				
<i>Operating transfers from (to) -</i>				
Utility Fund	-	15,400	15,400	-
Sanitation and Sewer Utility Fund	(800,000)	(1,099,925)	(299,925)	(1,061,525)
Sales Tax Bond Sinking Fund	<u>(358,741)</u>	<u>(358,741)</u>	<u>-</u>	<u>(360,710)</u>
Total other financing uses	<u>(1,158,741)</u>	<u>(1,443,266)</u>	<u>(284,525)</u>	<u>(1,422,235)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	274,059	(32,820)	(306,879)	7,567
Fund balance, beginning	<u>32,883</u>	<u>32,883</u>	<u>-</u>	<u>25,316</u>
Fund balance, ending	<u>\$ 306,942</u>	<u>\$ 63</u>	<u>\$ (306,879)</u>	<u>\$ 32,883</u>

CITY OF MORGAN CITY, LOUISIANA
Special Revenue Fund
Federal Revenue Sharing Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998			1997 Actual
	Budget	Actual	Variance - Favorable (Unfavorable)	
Revenues:				
Miscellaneous -				
Interest	\$ -	\$ -	\$ -	\$ 1
Expenditures	-	-	-	-
Excess of revenues over expenditures	-	-	-	1
Other financing use:				
Operating transfer to - General Fund	-	-	-	(1)
Excess of revenues over expenditures and other financing uses	-	-	-	-
Fund balance, beginning	-	-	-	-
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MORGAN CITY, LOUISIANA
Special Revenue Fund
Road and Royalty Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Revenues:				
Intergovernmental -				
St. Mary Parish Council	\$ 184,080	\$ 245,436	\$ 61,356	\$ 163,624
Miscellaneous -				
Interest	<u>6,500</u>	<u>6,513</u>	<u>13</u>	<u>6,938</u>
Total revenues	190,580	251,949	61,369	170,562
Expenditures:				
Capital outlay -				
Public works:				
Street overlaying	<u>210,000</u>	<u>229,552</u>	<u>(19,552)</u>	<u>154,909</u>
Excess (deficiency) of revenues over expenditures	(19,420)	22,397	41,817	15,653
Other financing uses:				
Operating transfers to -				
General Fund	<u>(40,000)</u>	<u>(40,000)</u>	<u>-</u>	<u>(40,000)</u>
Deficiency of revenues over expenditures and other financing uses	(59,420)	(17,603)	41,817	(24,347)
Fund balance, beginning	<u>202,082</u>	<u>202,082</u>	<u>-</u>	<u>226,429</u>
Fund balance, ending	<u>\$ 142,662</u>	<u>\$ 184,479</u>	<u>\$ 41,817</u>	<u>\$ 202,082</u>

CITY OF MORGAN CITY, LOUISIANA
Special Revenue Fund
Cemetery Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Revenues:				
Sales of burial spaces	\$ 22,500	\$ 29,875	\$ 7,375	\$ 16,110
Miscellaneous -				
Interest	2,950	2,979	29	2,665
Other	1,200	-	(1,200)	-
Total revenues	<u>26,650</u>	<u>32,854</u>	<u>6,204</u>	<u>18,775</u>
Expenditures:				
Public works -				
Cemetery:				
Supplies and materials -				
Cemetery license	1,000	-	1,000	2,046
Cemetery maintenance	4,000	6,357	(2,357)	5,133
Other	300	320	(20)	9,416
Repairs and maintenance	-	37	(37)	9,023
Commissions	3,650	4,798	(1,148)	2,010
Total public works	<u>8,950</u>	<u>11,512</u>	<u>(2,562)</u>	<u>27,628</u>
Capital outlay -				
Equipment	1,800	4,200	(2,400)	3,939
Total capital outlay	<u>1,800</u>	<u>4,200</u>	<u>(2,400)</u>	<u>3,939</u>
Total expenditures	<u>10,750</u>	<u>15,712</u>	<u>(4,962)</u>	<u>31,567</u>
Excess (deficiency) of revenues over expenditures	<u>15,900</u>	<u>17,142</u>	<u>1,242</u>	<u>(12,792)</u>
Other financing sources (uses):				
Operating transfers from (to) -				
General Fund	(10,000)	(10,000)	-	(10,000)
Cemetery Trust Fund	-	5,865	5,865	11,899
Total other financing sources (uses)	<u>(10,000)</u>	<u>(4,135)</u>	<u>5,865</u>	<u>1,899</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	5,900	13,007	7,107	(10,893)
Fund balance, beginning	<u>75,888</u>	<u>75,888</u>	<u>-</u>	<u>86,781</u>
Fund balance, ending	<u>\$ 81,788</u>	<u>\$ 88,895</u>	<u>\$ 7,107</u>	<u>\$ 75,888</u>

CITY OF MORGAN CITY, LOUISIANA
Special Revenue Fund
Fire Apparatus Purchase Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Revenues:				
Miscellaneous - interest	\$ 200	\$ 216	\$ 16	\$ 212
Expenditures:	-	-	-	-
Excess of revenues over expenditures	200	216	16	212
Other financing source:				
Operating transfer from - General Fund	<u>40,000</u>	<u>40,000</u>	-	<u>40,000</u>
Excess of revenues and other sources over expenditures	40,200	40,216	16	40,212
Fund balance (deficit), beginning	<u>(124,984)</u>	<u>(124,984)</u>	-	<u>(165,196)</u>
Fund balance (deficit), ending	<u>\$ (84,784)</u>	<u>\$ (84,768)</u>	<u>\$ 16</u>	<u>\$ (124,984)</u>

CITY OF MORGAN CITY, LOUISIANA
Special Revenue Fund
Lake End Park Concession Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Revenues:				
Intergovernmental				
State of Louisiana	\$ -	\$ -	\$ -	\$ 40,000
St. Mary Parish	25,000	25,000	-	-
Charges for services	185,000	175,253	(9,747)	166,912
Miscellaneous -				
Interest	<u>1,200</u>	<u>1,557</u>	<u>357</u>	<u>867</u>
Total revenues	<u>211,200</u>	<u>201,810</u>	<u>(9,390)</u>	<u>207,779</u>
Expenditures:				
Culture and recreation -				
Personal services:				
Salaries and wages	81,884	82,154	(270)	72,236
Retirement benefits	6,750	7,143	(393)	7,037
Casual labor	15,000	16,595	(1,595)	12,592
Hospitalization	6,845	6,603	242	5,691
Security	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>-</u>
	<u>115,479</u>	<u>112,495</u>	<u>2,984</u>	<u>97,556</u>
Supplies and materials:				
Auto and truck	5,000	4,719	281	4,002
Office supplies and expense	2,500	2,562	(62)	2,566
Small tools and supplies	1,500	1,202	298	2,175
Concessions	4,500	4,118	382	4,740
Miscellaneous	<u>30,000</u>	<u>33,031</u>	<u>(3,031)</u>	<u>45,835</u>
	<u>43,500</u>	<u>45,632</u>	<u>(2,132)</u>	<u>59,318</u>
Contractual services:				
Telephone	1,200	1,645	(445)	276
Utilities	<u>17,000</u>	<u>17,535</u>	<u>(535)</u>	<u>16,084</u>
	<u>18,200</u>	<u>19,180</u>	<u>(980)</u>	<u>16,360</u>
Repairs and maintenance	<u>15,000</u>	<u>19,733</u>	<u>(4,733)</u>	<u>9,452</u>
Total culture and recreation	<u>192,179</u>	<u>197,040</u>	<u>(4,861)</u>	<u>182,686</u>

(continued)

CITY OF MORGAN CITY, LOUISIANA
Special Revenue Fund
Lake End Park Concession Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual (Continued)
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Capital outlay -				
Culture and recreation:				
Building	\$ -	\$ -	\$ -	\$ 16,384
Equipment	<u>50,000</u>	<u>70,341</u>	<u>(20,341)</u>	<u>4,100</u>
Total capital outlay	<u>50,000</u>	<u>70,341</u>	<u>(20,341)</u>	<u>20,484</u>
Total expenditures	<u>242,179</u>	<u>267,381</u>	<u>(25,202)</u>	<u>203,170</u>
Excess (deficiency) of revenues over expenditures	<u>(30,979)</u>	<u>(65,571)</u>	<u>(34,592)</u>	<u>4,609</u>
Other financing source:				
Operating transfers from -				
General Fund	40,000	40,000	-	-
Lake End Park Marina Fund	<u>-</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Total other financing sources	<u>40,000</u>	<u>45,000</u>	<u>5,000</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures	9,021	(20,571)	(29,592)	4,609
Fund balance, beginning	<u>24,581</u>	<u>24,581</u>	<u>-</u>	<u>19,972</u>
Fund balance, ending	<u>\$ 33,602</u>	<u>\$ 4,010</u>	<u>\$ (29,592)</u>	<u>\$ 24,581</u>

CITY OF MORGAN CITY, LOUISIANA
Special Revenue Fund
Morgan City Archives Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Revenues:				
Intergovernmental - St. Mary Parish	\$ -	\$ 7,500	\$ 7,500	\$ -
Receipts from program activity	2,000	2,508	508	1,590
Miscellaneous -				
Investment income				
Interest	14,000	21,396	7,396	20,093
Net change in fair value of investments	-	(30,434)	(30,434)	46,400
Contributions	12,000	23,181	11,181	69,147
Other	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>	<u>-</u>
Total revenues	<u>48,000</u>	<u>24,151</u>	<u>(23,849)</u>	<u>137,230</u>
Expenditures:				
Culture and recreation -				
Personal services:				
Salaries	75,325	57,818	17,507	46,811
Hospitalization	4,127	4,128	(1)	3,423
Retirement benefits	<u>4,400</u>	<u>4,438</u>	<u>(38)</u>	<u>3,462</u>
	<u>83,852</u>	<u>66,384</u>	<u>17,468</u>	<u>53,696</u>
Supplies and materials:				
Office supplies	5,000	6,831	(1,831)	5,088
Miscellaneous	<u>14,000</u>	<u>14,627</u>	<u>(627)</u>	<u>12,418</u>
	<u>19,000</u>	<u>21,458</u>	<u>(2,458)</u>	<u>17,506</u>
Contractual services:				
Insurance	3,000	4,011	(1,011)	4,323
Research	2,000	-	2,000	4,686
Telephone	3,500	3,320	180	2,393
Utilities	<u>3,000</u>	<u>4,350</u>	<u>(1,350)</u>	<u>1,721</u>
	<u>11,500</u>	<u>11,681</u>	<u>(181)</u>	<u>13,123</u>
Repairs and maintenance	<u>3,600</u>	<u>2,561</u>	<u>1,039</u>	<u>2,062</u>
Total culture and recreation	<u>117,952</u>	<u>102,084</u>	<u>15,868</u>	<u>86,387</u>
Capital outlay -				
Building	-	-	-	27,021
Equipment	<u>800</u>	<u>7,356</u>	<u>(6,556)</u>	<u>5,816</u>
Total capital outlay	<u>800</u>	<u>7,356</u>	<u>(6,556)</u>	<u>32,837</u>
Total expenditures	<u>118,752</u>	<u>109,440</u>	<u>9,312</u>	<u>119,224</u>

(continued)

CITY OF MORGAN CITY, LOUISIANA
Special Revenue Fund
Morgan City Archives Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual (Continued)
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Deficiency of revenues over expenditures	\$ (70,752)	\$ (85,289)	\$ (14,537)	\$ 18,006
Other financing sources:				
Operating transfers from -				
General Fund	15,000	15,000	-	10,000
Morgan City Young Fund	<u>20,000</u>	<u>21,000</u>	<u>1,000</u>	<u>20,000</u>
Total other financing sources	<u>35,000</u>	<u>36,000</u>	<u>1,000</u>	<u>30,000</u>
Excess (deficiency) of revenues and other sources over expenditures	<u>(35,752)</u>	<u>(49,289)</u>	<u>(13,537)</u>	<u>48,006</u>
Fund balance, beginning (as originally reported)	441,473	441,473	-	325,317
Cumulative effect of change in accounting principle	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,150</u>
Fund balance, beginning (as restated)	<u>441,473</u>	<u>441,473</u>	<u>-</u>	<u>393,467</u>
Fund balance, ending	<u>\$ 405,721</u>	<u>\$ 392,184</u>	<u>\$ (13,537)</u>	<u>\$ 441,473</u>

CITY OF MORGAN CITY, LOUISIANA
Special Revenue Fund
Main Street Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Revenues:				
Intergovernmental - Grants				
Federal	\$ -	\$ 13,219	\$ 13,219	\$ -
State of Louisiana	11,500	8,000	(3,500)	15,381
Miscellaneous -				
Interest	600	597	(3)	238
Contributions	5,800	4,100	(1,700)	17,750
Other	-	-	-	3,275
Total revenues	<u>17,900</u>	<u>25,916</u>	<u>8,016</u>	<u>36,644</u>
Expenditures:				
Culture and recreation -				
Personal services:				
Salaries and wages	15,710	16,513	(803)	12,512
Retirement benefits	1,129	1,129	-	912
Hospitalization	1,418	1,418	-	1,257
Training	3,750	-	3,750	2,330
	<u>22,007</u>	<u>19,060</u>	<u>2,947</u>	<u>17,011</u>
Supplies and materials:				
Office supplies and expense	1,200	1,847	(647)	1,118
Miscellaneous	1,600	2,089	(489)	3,441
	<u>2,800</u>	<u>3,936</u>	<u>(1,136)</u>	<u>4,559</u>
Contractual services:				
Travel	-	2,002	(2,002)	-
Contracted services	10,000	9,135	865	-
Façade grants	8,000	8,000	-	-
Special events	-	790	(790)	-
Telephone	2,000	1,859	141	460
	<u>20,000</u>	<u>21,786</u>	<u>(1,786)</u>	<u>460</u>
Repairs and maintenance	-	-	-	6,593
Total culture and recreation	44,807	44,782	25	28,623

(continued)

CITY OF MORGAN CITY, LOUISIANA
Special Revenue Fund
Main Street Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual (Continued)
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Capital outlay -				
Equipment	\$ 1,700	\$ 1,613	\$ 87	\$ -
Total expenditures	<u>46,507</u>	<u>46,395</u>	<u>112</u>	<u>28,623</u>
Excess (deficiency) of revenues over expenditures	(28,607)	(20,479)	8,128	8,021
Other financing source:				
Operating transfer from - General Fund	<u>15,000</u>	<u>15,044</u>	<u>44</u>	<u>15,000</u>
Excess (deficiency) of revenues and other source over expenditures	(13,607)	(5,435)	8,172	23,021
Fund balance, beginning	<u>23,021</u>	<u>23,021</u>	<u>-</u>	<u>-</u>
Fund balance, ending	<u>\$ 9,414</u>	<u>\$ 17,586</u>	<u>\$ 8,172</u>	<u>\$ 23,021</u>

CITY OF MORGAN CITY, LOUISIANA
Special Revenue Fund
State Prisoners' Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Revenues:				
Intergovernmental -				
St. Mary Parish Council	\$ 130,000	\$ 153,712	\$ 23,712	\$ 123,947
Berwick Police Department	10,000	9,503	(497)	6,236
St. Martin Parish Policy Jury	-	-	-	13,006
State of Louisiana	-	-	-	20,319
Other	4,105	-	(4,105)	-
Fines - Due to forfeitures	35,000	20,420	(14,580)	-
Miscellaneous -				
Other	<u>6,000</u>	<u>22,420</u>	<u>16,420</u>	<u>1,847</u>
Total revenues	<u>185,105</u>	<u>206,055</u>	<u>20,950</u>	<u>165,355</u>
Expenditures:				
Public safety -				
Police:				
Supplies and materials -				
Clothing allowance	6,500	9,566	(3,066)	8,536
Groceries and supplies	110,000	111,649	(1,649)	104,832
Miscellaneous	40,000	31,724	8,276	20,042
Supplies	20,000	18,870	1,130	15,250
Concessions	200	69	131	1,891
Office	6,000	7,564	(1,564)	9,531
Medical expenses	<u>25,000</u>	<u>25,621</u>	<u>(621)</u>	<u>16,704</u>
	<u>207,700</u>	<u>205,063</u>	<u>2,637</u>	<u>176,786</u>
Contractual services -				
Informants	7,000	9,270	(2,270)	-
Transferring prisoners	<u>1,000</u>	<u>1,021</u>	<u>(21)</u>	<u>824</u>
	<u>8,000</u>	<u>10,291</u>	<u>(2,291)</u>	<u>824</u>
Repairs and maintenance	<u>15,000</u>	<u>16,024</u>	<u>(1,024)</u>	<u>19,328</u>
Total public safety	230,700	231,378	(678)	196,938
Capital outlay -				
Public safety:				
Police -				
Equipment	<u>27,000</u>	<u>30,646</u>	<u>(3,646)</u>	<u>16,749</u>
Total expenditures	<u>257,700</u>	<u>262,024</u>	<u>(4,324)</u>	<u>213,687</u>

(continued)

CITY OF MORGAN CITY, LOUISIANA
Special Revenue Fund
State Prisoners' Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual (Continued)
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Deficiency of revenues over expenditures	\$ (72,595)	\$ (55,969)	\$ 16,626	\$ (48,332)
Other financing source: Operating transfer from - General Fund	<u>45,000</u>	<u>58,906</u>	<u>13,906</u>	<u>39,238</u>
Excess (deficiency) of revenues and other financing source over expenditures	(27,595)	2,937	30,532	(9,094)
Fund balance, beginning	<u>71,292</u>	<u>71,292</u>	<u>-</u>	<u>80,386</u>
Fund balance, ending	<u>\$ 43,697</u>	<u>\$ 74,229</u>	<u>\$ 30,532</u>	<u>\$ 71,292</u>

CITY OF MORGAN CITY, LOUISIANA
Special Revenue Fund
Wharf Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Revenues:				
Charges for services	\$ 5,000	\$ 5,050	\$ 50	\$ 4,650
Intergovernmental - federal grant	46,680	46,679	(1)	71,925
Miscellaneous - interest	<u>1,400</u>	<u>1,378</u>	<u>(22)</u>	<u>1,195</u>
Total revenues	<u>53,080</u>	<u>53,107</u>	<u>27</u>	<u>77,770</u>
Expenditures:				
Public works - Wharf:				
Repairs and maintenance	27,830	29,717	(1,887)	17
Capital outlay - Wharf improvement project	<u>-</u>	<u>-</u>	<u>-</u>	<u>223,071</u>
Total expenditures	<u>27,830</u>	<u>29,717</u>	<u>(1,887)</u>	<u>223,088</u>
Excess (deficiency) of revenues over expenditures	25,250	23,390	(1,860)	(145,318)
Other financing source:				
Transfer from General Fund	<u>37,830</u>	<u>37,830</u>	<u>-</u>	<u>140,950</u>
Excess (deficiency) of revenues and other financing source over expenditures	63,080	61,220	1,860	(4,368)
Fund balance, beginning	<u>1,401</u>	<u>1,401</u>	<u>-</u>	<u>5,769</u>
Fund balance, ending	<u>\$ 64,481</u>	<u>\$ 62,621</u>	<u>\$ 1,860</u>	<u>\$ 1,401</u>

CITY OF MORGAN CITY, LOUISIANA
Special Revenue Fund
Real Estate Acquisition Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Revenues:				
Miscellaneous -				
Interest	\$ 600	\$ 631	\$ 31	\$ 381
Proceeds from sales of real estate	-	-	-	15,075
Total revenues	600	631	31	15,456
Expenditures	-	-	-	-
Excess of revenues over expenditures	600	631	31	15,456
Fund balance, beginning	25,107	25,107	-	9,651
Fund balance, ending	<u>\$ 25,707</u>	<u>\$ 25,738</u>	<u>\$ 31</u>	<u>\$ 25,107</u>

CITY OF MORGAN CITY, LOUISIANA
Special Revenue Fund
Lake End Park Marina Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Revenues:				
Charges for services	\$ 13,500	\$ 13,660	\$ 160	\$ 12,973
Miscellaneous - interest	<u>750</u>	<u>791</u>	<u>41</u>	<u>562</u>
Total revenues	14,250	14,451	201	13,535
Expenditures:				
Culture and recreation - Supplies and materials: Miscellaneous	<u>3,000</u>	<u>1,349</u>	<u>1,651</u>	<u>1,182</u>
Excess of revenues over expenditures	11,250	13,102	1,852	12,353
Other financing sources (uses):				
Transfer to Lake End Park Concession Fund	<u>-</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>
Excess of revenues over expenditures and other uses	11,250	8,102	(3,148)	12,353
Fund balance, beginning	<u>27,451</u>	<u>27,451</u>	<u>-</u>	<u>15,098</u>
Fund balance, ending	<u>\$ 38,701</u>	<u>\$ 35,553</u>	<u>\$ (3,148)</u>	<u>\$ 27,451</u>

CITY OF MORGAN CITY, LOUISIANA
Special Revenue Fund
Emergency Management Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Revenues:				
Miscellaneous - Interest	\$ 500	\$ 520	\$ 20	\$ 842
Expenditures:				
Emergency assistance	-	-	-	-
Excess of revenues over expenditures	500	520	(20)	842
Other financing use:				
Operating transfer to - General Fund	-	(520)	(520)	(842)
Excess of revenues over expenditures and other financing uses	500	-	(500)	-
Fund balance, beginning	-	-	-	-
Fund balance, ending	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ (500)</u>	<u>\$ -</u>

CITY OF MORGAN CITY, LOUISIANA
Special Revenue Fund
Seafood Processing Grant Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Revenues:				
Miscellaneous - Interest	\$ -	\$ 62	\$ 62	\$ 15
Expenditures:				
Public works - Travel	-	-	-	-
Excess of revenues over expenditures	-	62	62	15
Other financing source:				
Operating transfer from: General Fund	-	-	-	-
Excess of revenues and other financing sources over expenditures	-	62	62	15
Fund balance, beginning	465	465	-	450
Fund balance, ending	<u>\$ 465</u>	<u>\$ 527</u>	<u>\$ 62</u>	<u>\$ 465</u>

DEBT SERVICE FUNDS

Sewerage System Improvement Bonds dated 3/1/60

To account for monies remaining after payment of the \$400,000 General Obligation Bonds. Financing was provided by a specific annual property tax levy.

Sales Tax Revenue Refunding Bonds, Series 1987 and 1994

To accumulate monies for payment of the \$2,145,000 Public Improvement Bonds, Series 1994, which are due in annual installments ranging from \$245,000 to \$340,000 through December 1, 2004. Financing is to be provided from a dedication of a portion of the City's 1 percent sales tax. The Series 1987 Public Improvement Bonds were paid out during 1998.

Sales Tax Revenue Refunding Bonds, Series 1993

To accumulate monies for payment of the \$1,130,000 Sales Tax Bonds which are due in annual installments ranging from \$115,000 to \$145,000 through November 1, 2002. Financing is to be provided from a dedication of a portion of the City's 1 percent sales tax.

Ordinances H, I, J, K, L, M, LR, N, O, P, R, U, 8, T & SW9

To account for monies remaining after the payment of various paving assessment certificates.

Sidewalk Assessment

To account for monies remaining after payment of the costs for sidewalk repairs in certain areas within the City.

CITY OF MORGAN CITY, LOUISIANA
Debt Service Funds

Combining Balance Sheet
December 31, 1998
With Comparative Totals for December 31, 1997

	Sewerage System Improvement Bonds 3/1/60	Sales Tax Revenue Refunding Bonds Series 1987 and 1994	Sales Tax Revenue Refunding Bonds Series 1993	Ordinances H I J K L M L R N O P R U 8 T & SW9
ASSETS				
Cash	\$ 5	\$ 48	\$ 6	\$ 217
Interest-bearing deposits, at cost	3,976	521,814	897,743	1,658
Investments, at fair value	-	190,374	-	-
Receivables:				
Accrued interest	-	4,946	766	-
Due from other funds	-	-	-	-
Total assets	<u>\$ 3,981</u>	<u>\$ 717,182</u>	<u>\$ 898,515</u>	<u>\$ 1,875</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Due to other funds	\$ -	\$ -	\$ 66,111	\$ -
Fund balances:				
Reserved for debt service	<u>3,981</u>	<u>717,182</u>	<u>832,404</u>	<u>1,875</u>
Total liabilities and fund balances	<u>\$ 3,981</u>	<u>\$ 717,182</u>	<u>\$ 898,515</u>	<u>\$ 1,875</u>

Sidewalk Assessment	Totals	
	1998	1997
\$ 412	\$ 688	\$ 661
14,954	1,440,145	1,236,564
-	190,374	320,211
-	5,712	5,712
-	-	70,000
<u>\$ 15,366</u>	<u>\$ 1,636,919</u>	<u>\$ 1,633,148</u>
\$ -	\$ 66,111	\$ 136,112
<u>15,366</u>	<u>1,570,808</u>	<u>1,497,036</u>
<u>\$ 15,366</u>	<u>\$ 1,636,919</u>	<u>\$ 1,633,148</u>

CITY OF MORGAN CITY, LOUISIANA
Debt Service Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended December 31, 1998
With Comparative Totals for Year Ended December 31, 1997

	Sewerage System Improvement Bonds 3/1/60	Sales Tax Revenue Refunding Bonds Series 1987 and 1994	Sales Tax Revenue Refunding Bonds Series 1993	Ordinances H I J K L M L R N O P R U 8 T & SW9
Revenues:				
<i>Miscellaneous -</i>				
Interest on investments	\$ 97	\$ 38,523	\$ 33,315	\$ 41
Net change in fair value of investments	-	1,451	-	-
Total revenues	<u>97</u>	<u>39,974</u>	<u>33,315</u>	<u>41</u>
Expenditures:				
<i>Debt service -</i>				
Principal retirement	-	245,000	115,000	-
Interest and fiscal charges	-	113,900	37,140	-
Total debt service	<u>-</u>	<u>358,900</u>	<u>152,140</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>97</u>	<u>(318,926)</u>	<u>(118,825)</u>	<u>41</u>
<i>Operating transfers in -</i>				
Pollution Abatement Fund	-	358,741	-	-
Electric, Gas and Water Utility Fund	-	-	152,277	-
Total other financing sources	<u>-</u>	<u>358,741</u>	<u>152,277</u>	<u>-</u>
Excess of revenues and other financing sources over expenditures and other financing uses	<u>97</u>	<u>39,815</u>	<u>33,452</u>	<u>41</u>
Fund balances, beginning (as originally reported)	3,884	677,367	798,952	1,834
Cumulative effect of change in accounting principle	-	-	-	-
Fund balances, beginning (as restated)	<u>3,884</u>	<u>677,367</u>	<u>798,952</u>	<u>1,834</u>
Fund balances, ending	<u>\$ 3,981</u>	<u>\$ 717,182</u>	<u>\$ 832,404</u>	<u>\$ 1,875</u>

Sidewalk Assessment	Totals	
	1998	1997
\$ 367	\$ 72,343	\$ 71,091
-	1,451	3,865
<u>367</u>	<u>73,794</u>	<u>74,956</u>
-	360,000	340,000
-	151,040	175,412
-	<u>511,040</u>	<u>515,412</u>
<u>367</u>	<u>(437,246)</u>	<u>(440,456)</u>
-	358,741	360,709
-	152,277	152,141
-	<u>511,018</u>	<u>512,850</u>
<u>367</u>	<u>73,772</u>	<u>72,394</u>
14,999	1,497,036	1,429,499
-	-	(4,857)
<u>14,999</u>	<u>1,497,036</u>	<u>1,424,642</u>
<u>\$ 15,366</u>	<u>\$ 1,570,808</u>	<u>\$ 1,497,036</u>

CAPITAL PROJECTS FUNDS

Lake End Park Construction Fund

To account for the financing and construction of improvements at Lake End Park. Grants and donations provide funding for the projects.

City Hall Complex Construction Fund

To account for the financing and construction of renovations to the city hall. General revenues and donations provide funding for the projects.

Economic Development Fund

To account for the receipt and expenditure of proceeds from a \$614,000 grant from the Louisiana Economic Development Commission. The City is the sponsoring entity for Cal Dive International, the recipient of the grant. Funds flow through the City to finance improvements to the Cal Dive facility.

LCDBG Fund

To account for expenditures related to projects for the renovation of housing for low-income citizens and for demolition of abandoned housing within the boundaries of the City. Financing was provided by Louisiana Community Development Block Grant.

CITY OF MORGAN CITY, LOUISIANA
Capital Projects Fund

Combining Balance Sheet
December 31, 1998
With Comparative Totals for December 31, 1997

	Lake End Park Construction Fund	City Hall Complex Construction Fund	Economic Development Fund
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash	\$ 50	\$ 2	\$ 4
Interest-bearing deposits, at cost	305	246,615	100,580
Investment, at fair value	-	557,000	-
Accrued interest receivable	-	113	-
Due from other funds	11,000	110,901	-
Due from other governmental units	-	-	-
Advances to other funds	<u>-</u>	<u>143,628</u>	<u>-</u>
Total assets	<u>\$ 11,355</u>	<u>\$ 1,058,259</u>	<u>\$ 100,584</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 100,584
Contracts payable	-	-	-
Retainage payable	-	-	-
Due to other funds	11,102	-	-
Advances from other funds	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>11,102</u>	<u>-</u>	<u>100,584</u>
Fund balances:			
Reserved for advances	-	143,628	-
Unreserved, undesignated	<u>253</u>	<u>914,631</u>	<u>-</u>
Total fund balances	<u>253</u>	<u>1,058,259</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 11,355</u>	<u>\$ 1,058,259</u>	<u>\$ 100,584</u>

LCDBG Fund	Totals	
	1998	1997
\$ -	\$ 56	\$ 18,132
-	347,500	298,722
-	557,000	528,398
-	113	114
-	121,901	76,901
3,050	3,050	242,738
-	<u>143,628</u>	<u>231,972</u>
<u>\$ 3,050</u>	<u>\$ 1,173,248</u>	<u>\$ 1,396,977</u>
\$ -	\$ 100,584	\$ 242,738
-	-	18,073
3,050	3,050	-
-	11,102	46,102
-	-	<u>35,000</u>
<u>3,050</u>	<u>114,736</u>	<u>341,913</u>
-	143,628	231,972
-	<u>914,884</u>	<u>823,092</u>
-	<u>1,058,512</u>	<u>1,055,064</u>
<u>\$ 3,050</u>	<u>\$ 1,173,248</u>	<u>\$ 1,396,977</u>

CITY OF MORGAN CITY, LOUISIANA
Capital Projects Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended December 31, 1998
With Comparative Totals for Year Ended December 31, 1997

	<u>Lake End Park Construction Fund</u>	<u>City Hall Complex Construction Fund</u>	<u>Economic Development Fund</u>
Revenues:			
Intergovernmental	\$ -	\$ -	\$ 580,603
Miscellaneous -			
Interest	<u>7</u>	<u>38,441</u>	<u>-</u>
Total revenues	<u>7</u>	<u>38,441</u>	<u>580,603</u>
Expenditures:			
Supporting services	<u>-</u>	<u>-</u>	<u>580,603</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>580,603</u>
Excess of revenues over expenditures	7	38,441	-
Other financing source (use):			
Operating transfer in (out)	<u>-</u>	<u>(35,000)</u>	<u>-</u>
Excess of revenues over expenditures and other financing use	7	3,441	-
Fund balances, beginning	<u>246</u>	<u>1,054,818</u>	<u>-</u>
Fund balances, ending	<u>\$ 253</u>	<u>\$ 1,058,259</u>	<u>\$ -</u>

LCDBG Fund	Totals	
	1998	1997
\$ 206,504	\$ 787,107	\$ 348,366
<u>-</u>	<u>38,448</u>	<u>38,180</u>
<u>206,504</u>	<u>825,555</u>	<u>386,546</u>
<u>206,504</u>	<u>787,107</u>	<u>348,366</u>
<u>206,504</u>	<u>787,107</u>	<u>348,366</u>
-	38,448	38,180
<u>-</u>	<u>(35,000)</u>	<u>10,990</u>
-	3,448	49,170
<u>-</u>	<u>1,055,064</u>	<u>1,005,894</u>
<u>\$ -</u>	<u>\$ 1,058,512</u>	<u>\$ 1,055,064</u>

**ENTERPRISE FUNDS
(UTILITY FUNDS)**

Electric, Gas, and Water Utility Fund

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

Sanitation and Sewer Utility Fund

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

CITY OF MORGAN CITY, LOUISIANA
Enterprise Funds
Utility Funds

Combining Balance Sheet
December 31, 1998 and 1997

	Electric, Gas and Water Utility Fund	
	1998	1997
ASSETS		
Current assets:		
Cash	\$ 36,964	\$ 20,536
Interest-bearing deposits, at cost	1,742,507	1,188,891
Accounts receivable -		
Utility customers	1,089,396	1,220,061
Accrued utility billings	516,106	733,959
Other	61,132	90,433
Prepaid Insurance	228,160	308,328
Due from other funds	403,915	237,537
Due from other governmental units	-	-
Inventory, at cost	<u>210,131</u>	<u>203,609</u>
Total current assets	<u>4,288,311</u>	<u>4,003,354</u>
Restricted assets:		
Revenue bond sinking fund -		
Cash	3	5
Interest-bearing deposits, at cost	1,157,262	1,097,627
Investments, at cost	60,581	57,470
Revenue bond reserve fund -		
Cash	5	9
Interest-bearing deposits, at cost	1,911,217	1,858,047
Capital additions and contingencies fund		
Cash	5	32
Interest-bearing deposits, at cost	762,243	571,761
Investments, at cost	334,386	317,216
Revenue bond construction fund -		
Cash	193	151
Interest-bearing deposits, at cost	<u>660,699</u>	<u>1,085,501</u>
Total restricted assets	<u>4,886,594</u>	<u>4,987,819</u>
Bond issue costs, net of amortization	<u>77,852</u>	<u>96,537</u>
Advances to other funds	<u>-</u>	<u>532,894</u>
Property, plant and equipment:		
Property, plant and equipment, at cost net of accumulated depreciation	14,252,320	14,690,706
Construction in progress	<u>7,547</u>	<u>22,284</u>
Net property, plant and equipment	<u>14,259,867</u>	<u>14,712,990</u>
 Total assets	 <u>\$ 23,512,624</u>	 <u>\$ 24,333,594</u>

Sanitation and Sewer Utility Fund		Totals	
1998	1997	1998	1997
\$ 513	\$ 285	\$ 37,477	\$ 20,821
912,907	793,388	2,655,414	1,982,279
61,142	-	1,150,538	1,220,061
12,756	67,791	528,862	801,750
-	1,722	61,132	92,155
-	-	228,160	308,328
2,729,684	2,344,519	3,133,599	2,582,056
-	9,214	-	9,214
9,570	10,564	219,701	214,173
<u>3,726,572</u>	<u>3,227,483</u>	<u>8,014,883</u>	<u>7,230,837</u>
-	-	3	5
-	-	1,157,262	1,097,627
-	-	60,581	57,470
-	-	5	9
-	-	1,911,217	1,858,047
-	-	5	32
-	-	762,243	571,761
-	-	334,386	317,216
-	-	193	151
-	-	<u>660,699</u>	<u>1,085,501</u>
-	-	<u>4,886,594</u>	<u>4,987,819</u>
-	-	<u>77,852</u>	<u>96,537</u>
<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>2,032,894</u>
6,810,962	7,030,876	21,063,282	21,721,582
-	-	7,547	22,284
<u>6,810,962</u>	<u>7,030,876</u>	<u>21,070,829</u>	<u>21,743,866</u>
<u>\$12,037,534</u>	<u>\$11,758,359</u>	<u>\$ 35,550,158</u>	<u>\$36,091,953</u>

CITY OF MORGAN CITY, LOUISIANA
Enterprise Funds
Utility Funds

Combining Balance Sheet
December 31, 1998 and 1997

	Electric, Gas and Water Utility Fund	
	1998	1997
LIABILITIES AND FUND EQUITY		
Liabilities:		
Current liabilities (payable from current assets) -		
Accounts payable	\$ 51,153	\$ 62,938
Accrued liabilities	346,873	455,230
Due to other funds	<u>2,727,394</u>	<u>2,338,254</u>
Total current liabilities (payable from current assets)	<u>3,125,420</u>	<u>2,856,422</u>
Current liabilities (payable from restricted assets) -		
Accrued interest payable - Revenue bond sinking fund	126,730	149,978
Bonds payable within one year, net of unamortized bond discount (1998 \$34,189; 1997 \$34,189) and unamortized deferred amount on refunding (1998 \$63,200; 1997 \$63,200)	<u>1,082,611</u>	<u>1,007,611</u>
Total current liabilities (payable from restricted assets)	<u>1,209,341</u>	<u>1,157,589</u>
Long-term liabilities -		
Customers' deposits	792,492	775,827
Advances from other funds	1,500,000	1,500,000
Compensated absences	104,820	90,717
Revenue bonds payable, net of current portion and unamortized bond discount (1998 \$40,236; 1997 \$74,425) and unamortized deferred amount on refunding (1998 \$200,131; 1997 \$263,331)	<u>5,304,633</u>	<u>6,387,244</u>
Total long-term liabilities	<u>7,701,945</u>	<u>8,753,788</u>
Total liabilities	<u>12,036,706</u>	<u>12,767,799</u>
Fund equity:		
Contributed capital -		
Municipality	2,874,198	2,874,198
State and federal revenue sharing funds	34,123	37,715
Federal, state, and parish grants	<u>2,998,491</u>	<u>3,166,541</u>
Total contributed capital	<u>5,906,812</u>	<u>6,078,454</u>
Retained earnings -		
Reserved for revenue bond retirement	3,016,361	2,744,578
Unreserved	<u>2,552,745</u>	<u>2,742,763</u>
Total retained earnings	<u>5,569,106</u>	<u>5,487,341</u>
Total fund equity	<u>11,475,918</u>	<u>11,565,795</u>
Total liabilities and fund equity	<u>\$ 23,512,624</u>	<u>\$ 24,333,594</u>

Sanitation and Sewer Utility Fund		Totals	
1998	1997	1998	1997
\$ 42,710	\$ 50,561	\$ 93,863	\$ 113,499
40,783	46,068	387,656	501,298
-	-	2,727,394	2,338,254
<u>83,493</u>	<u>96,629</u>	<u>3,208,913</u>	<u>2,953,051</u>
-	-	126,730	149,978
-	-	1,082,611	1,007,611
-	-	1,209,341	1,157,589
-	-	792,492	775,827
-	275,403	1,500,000	1,775,403
82,165	54,977	186,985	145,694
-	-	5,304,633	6,387,244
<u>82,165</u>	<u>330,380</u>	<u>7,784,110</u>	<u>9,084,168</u>
<u>165,658</u>	<u>427,009</u>	<u>12,202,364</u>	<u>13,194,808</u>
8,404,829	8,404,829	11,279,027	11,279,027
-	-	34,123	37,715
998,955	1,044,524	3,997,446	4,211,065
<u>9,403,784</u>	<u>9,449,353</u>	<u>15,310,596</u>	<u>15,527,807</u>
-	-	3,016,361	2,744,578
2,468,092	1,881,997	5,020,837	4,624,760
<u>2,468,092</u>	<u>1,881,997</u>	<u>8,037,198</u>	<u>7,369,338</u>
<u>11,871,876</u>	<u>11,331,350</u>	<u>23,347,794</u>	<u>22,897,145</u>
<u>\$12,037,534</u>	<u>\$11,758,359</u>	<u>\$ 35,550,158</u>	<u>\$36,091,953</u>

CITY OF MORGAN CITY, LOUISIANA
Enterprise Funds
Utility Funds

Combining Statement of Revenues, Expenses, and Changes in Retained Earnings
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	<i>Electric, Gas and Water Utility Fund</i>	
	<u>1998</u>	<u>1997</u>
Operating revenues:		
Charges for services -		
Customers	\$14,548,389	\$14,675,872
Other	<u>485,178</u>	<u>553,736</u>
Total operating revenues	<u>15,033,567</u>	<u>15,229,608</u>
Operating expenses:		
Personal services	1,057,732	1,009,218
Supplies and materials	262,081	250,683
Fuel cost	8,823,057	8,424,720
Contractual services	516,079	754,634
Repairs and maintenance	620,695	628,220
Other charges	37,465	31,791
Depreciation	<u>1,373,669</u>	<u>1,319,365</u>
Total operating expenses	<u>12,690,778</u>	<u>12,418,631</u>
Operating income (loss)	<u>2,342,789</u>	<u>2,810,977</u>
Nonoperating revenues (expenses):		
St. Mary Parish - land rental reimbursement	-	-
Interest income	189,570	190,281
Interest and fiscal charges	<u>(504,560)</u>	<u>(575,919)</u>
Total nonoperating revenues (expenses)	<u>(314,990)</u>	<u>(385,638)</u>
Income (loss) before operating transfers	<u>2,027,799</u>	<u>2,425,339</u>
Operating transfers in (out):		
Operating transfers from -		
Pollution Abatement Fund	-	-
Operating transfers to -		
Pollution Abatement Fund	(15,400)	-
General Fund	(1,950,000)	(1,950,000)
Sales Tax Sinking Fund	<u>(152,277)</u>	<u>(152,141)</u>
Total operating transfers in (out)	<u>(2,117,677)</u>	<u>(2,102,141)</u>
Net income (loss)	(89,878)	323,198
Add: Depreciation on fixed assets acquired by federal and state grant revenues externally restricted for capital acquisitions and construction that reduces contributed capital	<u>171,643</u>	<u>169,837</u>
Increase in retained earnings	81,765	493,035
Retained earnings, beginning	<u>5,487,341</u>	<u>4,994,306</u>
Retained earnings, ending	<u>\$ 5,569,106</u>	<u>\$ 5,487,341</u>

Sanitation and Sewer Utility Fund		Totals	
1998	1997	1998	1997
\$ 1,353,913	\$ 1,336,849	\$15,902,302	\$16,012,721
-	-	485,178	553,736
<u>1,353,913</u>	<u>1,336,849</u>	<u>16,387,480</u>	<u>16,566,457</u>
606,594	549,742	1,664,326	1,558,960
98,158	82,115	360,239	332,798
-	-	8,823,057	8,424,720
579,627	573,505	1,095,706	1,328,139
218,235	281,634	838,930	909,854
-	-	37,465	31,791
<u>391,133</u>	<u>386,057</u>	<u>1,764,802</u>	<u>1,705,422</u>
<u>1,893,747</u>	<u>1,873,053</u>	<u>14,584,525</u>	<u>14,291,684</u>
<u>(539,834)</u>	<u>(536,204)</u>	<u>1,802,955</u>	<u>2,274,773</u>
9,214	9,214	9,214	9,214
21,221	19,777	210,791	210,058
-	-	(504,560)	(575,919)
<u>30,435</u>	<u>28,991</u>	<u>(284,555)</u>	<u>(356,647)</u>
<u>(509,399)</u>	<u>(507,213)</u>	<u>1,518,400</u>	<u>1,918,126</u>
1,099,925	1,061,525	1,099,925	1,061,525
-	-	(15,400)	-
(50,000)	(75,000)	(2,000,000)	(2,025,000)
-	-	(152,277)	(152,141)
<u>1,049,925</u>	<u>986,525</u>	<u>(1,067,752)</u>	<u>(1,115,616)</u>
540,526	479,312	450,648	802,510
<u>45,569</u>	<u>45,569</u>	<u>217,212</u>	<u>215,406</u>
586,095	524,881	667,860	1,017,916
<u>1,881,997</u>	<u>1,357,116</u>	<u>7,369,338</u>	<u>6,351,422</u>
<u>\$ 2,468,092</u>	<u>\$ 1,881,997</u>	<u>\$ 8,037,198</u>	<u>\$ 7,369,338</u>

CITY OF MORGAN CITY, LOUISIANA
Enterprise Fund
Electric, Gas, and Water Utility Fund

Statement of Revenues, Expenses, and Changes in Retained Earnings -
Budget (GAAP Basis) and Actual
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Operating revenues:				
Charges for services -				
Customers	\$ 14,748,000	\$ 14,548,389	\$ (199,611)	\$14,675,872
Other	<u>514,000</u>	<u>485,178</u>	<u>(28,822)</u>	<u>553,736</u>
Total operating revenues	<u>15,262,000</u>	<u>15,033,567</u>	<u>(228,433)</u>	<u>15,229,608</u>
Operating expenses:				
Personal services	1,074,629	1,057,732	16,897	1,009,218
Supplies and materials	251,300	262,081	(10,781)	250,683
Fuel costs	8,793,400	8,823,057	(29,657)	8,424,720
Contractual services	727,550	516,079	211,471	754,634
Repairs and maintenance	533,200	620,695	(87,495)	628,220
Other charges	30,000	37,465	(7,465)	31,791
Depreciation	<u>1,325,000</u>	<u>1,373,669</u>	<u>(48,669)</u>	<u>1,319,365</u>
Total operating expenses	<u>12,735,079</u>	<u>12,690,778</u>	<u>44,301</u>	<u>12,418,631</u>
Operating income	<u>2,526,921</u>	<u>2,342,789</u>	<u>(184,132)</u>	<u>2,810,977</u>
Nonoperating revenues (expenses):				
Interest income	185,000	189,570	4,570	190,281
Interest and fiscal charges	<u>(412,996)</u>	<u>(504,560)</u>	<u>(91,564)</u>	<u>(575,919)</u>
Total nonoperating revenues (expenses)	<u>(227,996)</u>	<u>(314,990)</u>	<u>(86,994)</u>	<u>(385,638)</u>
Income before operating transfers	<u>2,298,925</u>	<u>2,027,799</u>	<u>(271,126)</u>	<u>2,425,339</u>

(continued)

CITY OF MORGAN CITY, LOUISIANA
Enterprise Fund
Electric, Gas, and Water Utility Fund

Statement of Revenues, Expenses, and Changes in Retained Earnings -
Budget (GAAP Basis) and Actual (Continued)
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Operating transfers in (out):				
Operating transfers to -				
General Fund	\$ (1,950,000)	\$ (1,950,000)	\$ -	\$ (1,950,000)
Pollution Abatement Fund	-	(15,400)	(15,400)	-
Sales Tax Sinking Fund	<u>(152,274)</u>	<u>(152,277)</u>	<u>(3)</u>	<u>(152,141)</u>
Total operating transfers in (out)	<u>(2,102,274)</u>	<u>(2,117,677)</u>	<u>(15,403)</u>	<u>(2,102,141)</u>
Net income (loss)	196,651	(89,878)	(286,529)	323,198
Add: Depreciation on fixed assets acquired by federal and state grant revenues externally restricted for capital acquisitions and construction that reduces contributed capital	<u>-</u>	<u>171,643</u>	<u>171,643</u>	<u>169,837</u>
Increase in retained earnings	196,651	81,765	(114,886)	493,035
Retained earnings, beginning	<u>5,487,341</u>	<u>5,487,341</u>	<u>-</u>	<u>4,994,306</u>
Retained earnings, ending	<u>\$ 5,683,992</u>	<u>\$ 5,569,106</u>	<u>\$ (114,886)</u>	<u>\$ 5,487,341</u>

CITY OF MORGAN CITY, LOUISIANA
Enterprise Fund
Electric, Gas, and Water Utility Fund

Statement of Expenses by Department Compared to Budget (GAAP Basis)
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
OPERATING EXPENSES				
Electric generation:				
Supplies and materials -				
Auto and truck	\$ -	\$ 291	\$ (291)	\$ 35
Miscellaneous	2,000	22,038	(20,038)	1,548
Small tools and supplies	2,000	1,152	848	2,183
Reimbursement from LEPA	<u>(4,000)</u>	<u>-</u>	<u>(4,000)</u>	<u>(2,104)</u>
	<u>-</u>	<u>23,481</u>	<u>(23,481)</u>	<u>1,662</u>
Fuel costs -				
LEPA - energy	4,407,563	4,355,366	52,197	4,379,459
LEPA - demand	<u>3,660,837</u>	<u>3,847,716</u>	<u>(186,879)</u>	<u>3,280,212</u>
	<u>8,068,400</u>	<u>8,203,082</u>	<u>(134,682)</u>	<u>7,659,671</u>
Contractual services -				
Professional fees	5,000	-	5,000	12,414
Telephone	3,300	4,076	(776)	3,828
Utilities	150,000	148,933	1,067	123,259
Reimbursement from LEPA	<u>(153,300)</u>	<u>(336,480)</u>	<u>183,180</u>	<u>(80,042)</u>
	<u>5,000</u>	<u>(183,471)</u>	<u>188,471</u>	<u>59,459</u>
Depreciation	<u>555,000</u>	<u>556,307</u>	<u>(1,307)</u>	<u>555,085</u>
Total electric generation	<u>8,628,400</u>	<u>8,599,399</u>	<u>29,001</u>	<u>8,275,877</u>

(continued)

CITY OF MORGAN CITY, LOUISIANA
Enterprise Fund
Electric, Gas, and Water Utility Fund

Statement of Expenses by Department Compared to Budget (GAAP Basis)
(Continued)
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Electric transmission and distribution:				
Personal services -				
Salaries and wages	\$ 357,226	\$ 344,594	\$ 12,632	\$ 331,139
Hospitalization	22,464	22,155	309	20,895
Retirement and unemployment	18,511	18,693	(182)	18,492
Other	<u>200</u>	<u>108</u>	<u>92</u>	<u>171</u>
	<u>398,401</u>	<u>385,550</u>	<u>12,851</u>	<u>370,697</u>
Supplies and materials -				
Auto and truck	28,000	24,606	3,394	23,422
Miscellaneous	25,000	30,471	(5,471)	30,300
Small tools and supplies	<u>23,000</u>	<u>18,284</u>	<u>4,716</u>	<u>22,937</u>
	<u>76,000</u>	<u>73,361</u>	<u>2,639</u>	<u>76,659</u>
Contractual services -				
Lamps and street lights	23,500	12,457	11,043	29,283
Telephone	4,000	3,842	158	4,368
Utilities	<u>6,500</u>	<u>6,011</u>	<u>489</u>	<u>7,813</u>
	<u>34,000</u>	<u>22,310</u>	<u>11,690</u>	<u>41,464</u>
Repairs and maintenance -				
Equipment	12,000	27,046	(15,046)	23,699
Poles	7,500	16,132	(8,632)	14,364
Lines	80,000	81,047	(1,047)	180,488
Meters	11,500	10,508	992	39,063
Transformers	27,500	25,539	1,961	22,883
Contract line repair	105,000	106,957	(1,957)	-
Preventive maintenance	110,000	111,668	(1,668)	107,998
Environmental monitoring	<u>85,000</u>	<u>123,855</u>	<u>(38,855)</u>	<u>132,727</u>
	<u>438,500</u>	<u>502,752</u>	<u>(64,252)</u>	<u>521,222</u>
Depreciation	<u>280,000</u>	<u>285,727</u>	<u>(5,727)</u>	<u>279,412</u>
Total electric transmission and distribution	<u>1,226,901</u>	<u>1,269,700</u>	<u>(42,799)</u>	<u>1,289,454</u>

(continued)

CITY OF MORGAN CITY, LOUISIANA
Enterprise Fund
Electric, Gas, and Water Utility Fund

Statement of Expenses by Department Compared to Budget (GAAP Basis)
(Continued)
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Water manufacturing:				
Personal services -				
Salaries and wages	\$ 201,751	\$ 200,514	\$ 1,237	\$ 202,219
Hospitalization	17,522	18,272	(750)	18,128
Retirement and unemployment	13,686	12,761	925	13,912
Other	-	-	-	198
	<u>232,959</u>	<u>231,547</u>	<u>1,412</u>	<u>234,457</u>
Supplies and materials -				
Auto and truck	5,000	4,473	527	3,615
Chemicals	80,000	75,714	4,286	88,787
Miscellaneous	6,500	7,367	(867)	7,828
Small tools and supplies	2,500	3,342	(842)	2,168
	<u>94,000</u>	<u>90,896</u>	<u>3,104</u>	<u>102,398</u>
Contractual services -				
Power	110,000	109,339	661	122,526
Telephone	3,500	3,987	(487)	3,927
Professional fees	1,500	952	548	-
	<u>115,000</u>	<u>114,278</u>	<u>722</u>	<u>126,453</u>
Repairs and maintenance -				
Building	2,000	23,988	(21,988)	6,483
Equipment	8,000	9,381	(1,381)	10,151
Pumping station and lines	5,500	11,531	(6,031)	12,426
	<u>15,500</u>	<u>44,900</u>	<u>(29,400)</u>	<u>29,060</u>
Depreciation	<u>140,000</u>	<u>131,478</u>	<u>8,522</u>	<u>138,398</u>
Total water manufacturing	<u>597,459</u>	<u>613,099</u>	<u>(15,640)</u>	<u>630,766</u>

(continued)

CITY OF MORGAN CITY, LOUISIANA
Enterprise Fund
Electric, Gas, and Water Utility Fund

Statement of Expenses by Department Compared to Budget (GAAP Basis)
(Continued)
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Water distribution:				
Personal services -				
Salaries and wages	\$ 80,723	\$ 79,421	\$ 1,302	\$ 71,155
Hospitalization	7,747	7,223	524	6,671
Retirement and unemployment	4,936	4,245	691	4,161
Other	<u>1,000</u>	<u>102</u>	<u>898</u>	<u>78</u>
	<u>94,406</u>	<u>90,991</u>	<u>3,415</u>	<u>82,065</u>
Supplies and materials -				
Auto and truck	2,500	259	2,241	4,351
Miscellaneous	6,000	5,552	448	4,312
Small tools and supplies	2,500	1,985	515	2,134
Fill shells and concrete	<u>2,000</u>	<u>1,222</u>	<u>778</u>	<u>3,263</u>
	<u>13,000</u>	<u>9,018</u>	<u>3,982</u>	<u>14,060</u>
Contractual services -				
Service connections	11,000	13,136	(2,136)	12,888
Mapping expenses	2,000	1,881	119	-
Telephone	250	59	191	1,327
Utilities	<u>2,250</u>	<u>2,089</u>	<u>161</u>	<u>1,974</u>
	<u>15,500</u>	<u>17,165</u>	<u>(1,665)</u>	<u>16,189</u>
Repairs and maintenance -				
Repair parts - meters	10,000	10,934	(934)	16,875
Towers and lines	14,000	14,028	(28)	9,500
Equipment	<u>7,200</u>	<u>7,003</u>	<u>197</u>	<u>8,056</u>
	<u>31,200</u>	<u>31,965</u>	<u>(765)</u>	<u>34,431</u>
Depreciation	<u>115,000</u>	<u>118,406</u>	<u>(3,406)</u>	<u>116,202</u>
Total water distribution	<u>269,106</u>	<u>267,545</u>	<u>1,561</u>	<u>262,947</u>

(continued)

CITY OF MORGAN CITY, LOUISIANA
Enterprise Fund
Electric, Gas, and Water Utility Fund

Statement of Expenses by Department Compared to Budget (GAAP Basis)
(Continued)
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Gas distribution:				
Personal services -				
Salaries and wages	\$ 54,956	\$ 52,541	\$ 2,415	\$ 48,024
Hospitalization	5,394	5,620	(226)	3,682
Retirement and unemployment	3,567	3,526	41	3,311
Other	<u>200</u>	<u>-</u>	<u>200</u>	<u>39</u>
	<u>64,117</u>	<u>61,687</u>	<u>2,430</u>	<u>55,056</u>
Supplies and materials				
Auto and truck	7,500	7,082	418	4,147
Miscellaneous	5,500	4,930	570	3,705
Small tools and supplies	2,000	1,563	437	1,775
Chemicals	<u>2,000</u>	<u>1,912</u>	<u>88</u>	<u>2,043</u>
	<u>17,000</u>	<u>15,487</u>	<u>1,513</u>	<u>11,670</u>
Fuel costs -				
Gas purchased	<u>725,000</u>	<u>619,975</u>	<u>105,025</u>	<u>765,049</u>
Contractual services -				
Insurance	25,000	25,000	-	25,000
Calibration of meters	3,500	2,990	510	5,258
Consultant fees	17,000	1,594	15,406	6,294
Service connections	2,000	1,637	363	1,316
Telephone	600	621	(21)	405
Utilities	<u>750</u>	<u>830</u>	<u>(80)</u>	<u>837</u>
	<u>48,850</u>	<u>32,672</u>	<u>16,178</u>	<u>39,110</u>
Repairs and maintenance -				
Lines, meters and equipment	<u>18,000</u>	<u>17,411</u>	<u>589</u>	<u>19,348</u>
Depreciation	<u>195,000</u>	<u>200,319</u>	<u>(5,319)</u>	<u>193,211</u>
Total gas distribution	<u>1,067,967</u>	<u>947,551</u>	<u>120,416</u>	<u>1,083,444</u>

(continued)

CITY OF MORGAN CITY, LOUISIANA
Enterprise Fund
Electric, Gas, and Water Utility Fund

Statement of Expenses by Department Compared to Budget (GAAP Basis)
(Continued)
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
General and administrative:				
Personal services -				
Salaries and wages	\$ 246,814	\$ 249,960	\$ (3,146)	\$ 231,054
Hospitalization	22,364	22,364	-	20,378
Retirement and unemployment	15,318	15,633	(315)	15,255
Other	<u>250</u>	<u>-</u>	<u>250</u>	<u>256</u>
	<u>284,746</u>	<u>287,957</u>	<u>(3,211)</u>	<u>266,943</u>
Supplies and materials -				
Miscellaneous	5,500	9,201	(3,701)	8,822
Office supplies	10,000	4,319	5,681	5,715
Postage	31,000	31,619	(619)	25,582
Travel, truck and auto	4,000	4,353	(353)	3,914
Uniforms	<u>800</u>	<u>346</u>	<u>454</u>	<u>201</u>
	<u>51,300</u>	<u>49,838</u>	<u>1,462</u>	<u>44,234</u>
Contractual services -				
Utilities	400	445	(45)	393
Data processing	7,000	3,719	3,281	6,735
Dues and subscriptions	300	365	(65)	337
Insurance	450,000	465,096	(15,096)	415,202
Professional fees	27,000	20,320	6,680	26,100
Telephone	15,000	12,596	2,404	13,816
St. Mary Waterworks District #2	<u>9,500</u>	<u>10,584</u>	<u>(1,084)</u>	<u>9,376</u>
	<u>509,200</u>	<u>513,125</u>	<u>(3,925)</u>	<u>471,959</u>
Repairs and maintenance -				
Equipment	<u>30,000</u>	<u>23,667</u>	<u>6,333</u>	<u>24,159</u>
Other charges -				
Bad debts	<u>30,000</u>	<u>37,465</u>	<u>(7,465)</u>	<u>31,791</u>
Depreciation	<u>40,000</u>	<u>81,432</u>	<u>(41,432)</u>	<u>37,057</u>
Total general and administrative	<u>945,246</u>	<u>993,484</u>	<u>(48,238)</u>	<u>876,143</u>
Total operating expenses	<u>\$ 12,735,079</u>	<u>\$12,690,778</u>	<u>\$ 44,301</u>	<u>\$12,418,631</u>

CITY OF MORGAN CITY, LOUISIANA
Enterprise Fund
Sanitation and Sewer Utility Fund

Statement of Revenues, Expenses and Changes in Retained Earnings -
Budget (GAAP Basis) and Actual
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Operating revenues:				
Charges for services - Customers	<u>\$ 1,353,200</u>	<u>\$ 1,353,913</u>	<u>\$ 713</u>	<u>\$ 1,336,849</u>
Operating expenses:				
Personal services	593,193	606,594	(13,401)	549,742
Supplies and materials	93,600	98,158	(4,558)	82,115
Contractual services	604,261	579,627	24,634	573,505
Repairs and maintenance	209,500	218,235	(8,735)	281,634
Depreciation	<u>397,000</u>	<u>391,133</u>	<u>5,867</u>	<u>386,057</u>
Total operating expenses	<u>1,897,554</u>	<u>1,893,747</u>	<u>3,807</u>	<u>1,873,053</u>
Operating loss	<u>(544,354)</u>	<u>(539,834)</u>	<u>4,520</u>	<u>(536,204)</u>
Nonoperating revenues:				
St. Mary Parish - land rental reimbursement	9,214	9,214	-	9,214
Interest income	<u>17,000</u>	<u>21,221</u>	<u>4,221</u>	<u>19,777</u>
Total nonoperating revenue	<u>26,214</u>	<u>30,435</u>	<u>4,221</u>	<u>28,991</u>
Loss before operating transfers	<u>(518,140)</u>	<u>(509,399)</u>	<u>8,741</u>	<u>(507,213)</u>

(continued)

CITY OF MORGAN CITY, LOUISIANA
Enterprise Fund
Sanitation and Sewer Utility Fund

Statement of Revenues, Expenses and Changes in Retained Earnings -
Budget (GAAP Basis) and Actual (Continued)
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Operating transfers in (out):				
Operating transfer from - Pollution Abatement Fund	\$ 800,000	\$ 1,099,925	\$ 299,925	\$ 1,061,525
Operating transfers to - General Fund	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>	<u>(75,000)</u>
Total operating transfers in (out)	<u>750,000</u>	<u>1,049,925</u>	<u>299,925</u>	<u>986,525</u>
Net income	231,860	540,526	308,666	479,312
Add: Depreciation on fixed assets acquired by federal and state grant revenues externally restricted for capital acquisitions and construction that reduces contributed capital	<u>-</u>	<u>45,569</u>	<u>45,569</u>	<u>45,569</u>
Increase in retained earnings	231,860	586,095	354,235	524,881
Retained earnings, beginning	<u>1,881,997</u>	<u>1,881,997</u>	<u>-</u>	<u>1,357,116</u>
Retained earnings, ending	<u>\$ 2,113,857</u>	<u>\$ 2,468,092</u>	<u>\$ 354,235</u>	<u>\$ 1,881,997</u>

CITY OF MORGAN CITY, LOUISIANA
Enterprise Fund
Sanitation and Sewer Utility Fund

Statement of Expenses by Department Compared to Budget (GAAP Basis)
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	Budget	Actual	Variance - Favorable (Unfavorable)	1997 Actual
Expenses:				
Sanitation -				
Personal services:				
Salaries	\$ 228,028	\$ 236,758	\$ (8,730)	\$ 208,520
Hospitalization	22,057	22,057	-	19,628
Retirement benefits	14,438	14,752	(314)	14,048
Contract labor	<u>300</u>	<u>40</u>	<u>260</u>	<u>162</u>
	<u>264,823</u>	<u>273,607</u>	<u>(8,784)</u>	<u>242,358</u>
Supplies and materials:				
Small tools and supplies	3,600	963	2,637	3,850
Truck expense	45,000	47,447	(2,447)	30,613
Miscellaneous	<u>7,000</u>	<u>11,516</u>	<u>(4,516)</u>	<u>6,630</u>
	<u>55,600</u>	<u>59,926</u>	<u>(4,326)</u>	<u>41,093</u>
Contractual services:				
Insurance	45,000	45,000	-	45,000
Solid waste disposal	270,000	259,510	10,490	266,311
Telephone	600	711	(111)	474
Utilities	<u>650</u>	<u>675</u>	<u>(25)</u>	<u>645</u>
	<u>316,250</u>	<u>305,896</u>	<u>10,354</u>	<u>312,430</u>
Repairs and maintenance	<u>130,000</u>	<u>135,162</u>	<u>(5,162)</u>	<u>170,996</u>
Depreciation	<u>45,000</u>	<u>36,594</u>	<u>8,406</u>	<u>32,541</u>
Total sanitation expenses	<u>811,673</u>	<u>811,185</u>	<u>488</u>	<u>799,418</u>

(continued)

CITY OF MORGAN CITY, LOUISIANA
Enterprise Fund
Sanitation and Sewer Utility Fund

Statement of Expenses by Department Compared to Budget (GAAP Basis) (Continued)
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	Budget	Actual	Variance - Favorable (Unfavorable)	1997 Actual
Sewer -				
Personal services:				
Salaries	\$ 138,201	\$ 142,949	\$ (4,748)	\$ 132,541
Hospitalization	10,848	9,714	1,134	9,407
Retirement benefits	7,551	7,239	312	7,394
Other	200	-	200	135
	<u>156,800</u>	<u>159,902</u>	<u>(3,102)</u>	<u>149,477</u>
Supplies and materials:				
Small tools and supplies	2,000	2,284	(284)	2,010
Truck expense	5,000	4,254	746	5,178
Miscellaneous	5,000	5,270	(270)	5,261
Fill shells and concrete	4,000	4,744	(744)	4,895
	<u>16,000</u>	<u>16,552</u>	<u>(552)</u>	<u>17,344</u>
Contractual services:				
Land rental	7,347	7,347	-	14,694
Insurance	16,000	15,315	685	16,000
Utilities and telephone	100,150	103,794	(3,644)	71,515
	<u>123,497</u>	<u>126,456</u>	<u>(2,959)</u>	<u>102,209</u>
Repairs and maintenance:				
Equipment	6,500	10,286	(3,786)	2,843
Pumps and lines	53,000	53,825	(825)	86,732
	<u>59,500</u>	<u>64,111</u>	<u>(4,611)</u>	<u>89,575</u>
Depreciation	<u>145,000</u>	<u>148,098</u>	<u>(3,098)</u>	<u>146,492</u>
Total sewer expenses	<u>500,797</u>	<u>515,119</u>	<u>(14,322)</u>	<u>505,097</u>

(continued)

CITY OF MORGAN CITY, LOUISIANA
Enterprise Fund
Sanitation and Sewer Utility Fund

Statement of Expenses by Department Compared to Budget (GAAP Basis) (Continued)
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	Budget	Actual	Variance - Favorable (Unfavorable)	1997 Actual
Sewer treatment plant:				
Personal services -				
Salaries	\$ 143,952	\$ 147,401	\$ (3,449)	\$ 136,866
Hospitalization	10,723	10,729	(6)	9,490
Retirement benefits	9,395	9,660	(265)	9,291
Other	<u>7,500</u>	<u>5,295</u>	<u>2,205</u>	<u>2,260</u>
	<u>171,570</u>	<u>173,085</u>	<u>(1,515)</u>	<u>157,907</u>
Supplies and materials -				
Truck expense	4,000	2,807	1,193	4,189
Chemical	6,000	6,064	(64)	3,395
Miscellaneous	3,500	4,671	(1,171)	6,655
Office supplies	1,500	1,346	154	883
Small tool and supplies	<u>7,000</u>	<u>6,792</u>	<u>208</u>	<u>8,556</u>
	<u>22,000</u>	<u>21,680</u>	<u>320</u>	<u>23,678</u>
Contractual services -				
Insurance	10,000	10,000	-	10,000
Dues and subscriptions	150	127	23	167
Land rentals	30,864	30,864	-	30,864
Professional fees	16,000	12,628	3,372	12,365
Utilities	88,000	76,469	11,531	82,968
Telephone	2,000	2,170	(170)	1,921
Sludge fees	<u>17,500</u>	<u>15,017</u>	<u>2,483</u>	<u>20,581</u>
	<u>164,514</u>	<u>147,275</u>	<u>17,239</u>	<u>158,866</u>
Repairs and maintenance	<u>20,000</u>	<u>18,962</u>	<u>1,038</u>	<u>21,063</u>
Depreciation	<u>207,000</u>	<u>206,441</u>	<u>559</u>	<u>207,024</u>
Total sewer treatment plant expenses	<u>585,084</u>	<u>567,443</u>	<u>17,641</u>	<u>568,538</u>
Total expenses	<u>\$ 1,897,554</u>	<u>\$ 1,893,747</u>	<u>\$ 3,807</u>	<u>\$ 1,873,053</u>

CITY OF MORGAN CITY, LOUISIANA
Enterprise Funds
Utility Funds

Combining Statement of Cash Flows
Years Ended December 31, 1998 and 1997

	Electric, Gas, and Water Utility Fund	
	1998	1997
Cash flows from operating activities:		
Operating income (loss)	<u>\$ 2,342,789</u>	<u>\$ 2,810,977</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities -		
Depreciation	1,373,669	1,319,365
Changes in current assets and liabilities:		
(Increase) decrease in accounts receivable	377,819	(221,713)
(Increase) decrease in inventory	(6,522)	(16,772)
(Increase) decrease in prepaid expenses	80,168	(14,596)
Increase (decrease) in accounts payable	(11,785)	10,424
Decrease in accrued liabilities	(108,357)	(721,685)
Increase (decrease) in compensated absences	<u>14,103</u>	<u>(3,542)</u>
Total adjustments	<u>1,719,095</u>	<u>351,481</u>
Net cash provided (used) by operating activities	<u>4,061,884</u>	<u>3,162,458</u>
Cash flows from noncapital financing activities:		
Cash received from other funds	755,656	780,555
Cash paid to other funds	-	(369,949)
Operating transfers in from other funds	-	-
Operating transfers out to other funds	<u>(2,117,677)</u>	<u>(2,102,141)</u>
Net cash provided (used) by noncapital financing activities	<u>(1,362,021)</u>	<u>(1,691,535)</u>
Cash flows from capital and related financing activities:		
Acquisition of plant and equipment	(920,546)	(455,655)
Principal paid on revenue bond maturities	(1,105,000)	(1,040,000)
Interest paid on revenue bonds/leases	(413,303)	(478,492)
Grant received from parish	-	-
Contributed capital	-	40,000
Increase in customers meter deposits	<u>16,665</u>	<u>26,200</u>
Net cash used by capital and related financing activities	<u>(2,422,184)</u>	<u>(1,907,947)</u>
Cash flows from investing activities:		
Purchase of interest-bearing deposits and investments	(256,669)	(124,720)
Proceeds from the sale and maturities of interest-bearing deposits and investments	238,925	558,038
Interest on interest-bearing deposits and investments	<u>189,570</u>	<u>190,281</u>
Net cash provided (used) by investing activities	<u>171,826</u>	<u>623,599</u>
Net increase in cash and cash equivalents	449,505	186,575
Cash and cash equivalents, beginning of period	<u>5,720,264</u>	<u>5,533,689</u>
Cash and cash equivalents, end of period	<u>\$ 6,169,769</u>	<u>\$ 5,720,264</u>

Sanitation and Sewer Utility Fund		Totals	
1998	1997	1998	1997
<u>\$ (539,834)</u>	<u>\$ (536,204)</u>	<u>\$ 1,802,955</u>	<u>\$ 2,274,773</u>
391,133	386,057	1,764,802	1,705,422
4,830	(12,926)	382,649	(234,639)
994	9,661	(5,528)	(7,111)
-	-	80,168	(14,596)
(7,851)	(13,925)	(19,636)	(3,501)
(5,285)	(119,789)	(113,642)	(841,474)
<u>27,188</u>	<u>2,480</u>	<u>41,291</u>	<u>(1,062)</u>
<u>411,009</u>	<u>251,558</u>	<u>2,130,104</u>	<u>603,039</u>
<u>(128,825)</u>	<u>(284,646)</u>	<u>3,933,059</u>	<u>2,877,812</u>
96,000	207,656	851,656	988,211
(756,569)	(785,644)	(756,569)	(1,155,593)
1,099,925	1,061,525	1,099,925	1,061,525
<u>(50,000)</u>	<u>(75,000)</u>	<u>(2,167,677)</u>	<u>(2,177,141)</u>
<u>389,356</u>	<u>408,537</u>	<u>(972,665)</u>	<u>(1,282,998)</u>
(171,219)	(34,356)	(1,091,765)	(490,011)
-	-	(1,105,000)	(1,040,000)
-	-	(413,303)	(478,492)
9,214	9,214	9,214	9,214
-	-	-	40,000
<u>-</u>	<u>-</u>	<u>16,665</u>	<u>26,200</u>
<u>(162,005)</u>	<u>(25,142)</u>	<u>(2,584,189)</u>	<u>(1,933,089)</u>
-	-	(256,669)	(124,720)
-	-	238,925	558,038
<u>21,221</u>	<u>19,777</u>	<u>210,791</u>	<u>210,058</u>
<u>21,221</u>	<u>19,777</u>	<u>193,047</u>	<u>643,376</u>
119,747	118,526	569,252	305,101
<u>793,673</u>	<u>675,147</u>	<u>6,513,937</u>	<u>6,208,836</u>
<u>\$ 913,420</u>	<u>\$ 793,673</u>	<u>\$ 7,083,189</u>	<u>\$ 6,513,937</u>

(continued)

CITY OF MORGAN CITY, LOUISIANA
Enterprise Funds
Utility Funds

Combining Statement of Cash Flows (Continued)
Years Ended December 31, 1998 and 1997

	Electric, Gas, and Water Utility Fund	
	1998	1997
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents beginning of period -		
Cash - unrestricted	\$ 20,536	\$ 34,458
Interest-bearing deposits - unrestricted	1,188,891	1,815,671
Cash - restricted	197	244
Interest-bearing deposits - restricted	4,612,936	3,791,354
Less: Interest-bearing deposits and investments with a maturity over three months	<u>(102,296)</u>	<u>(108,038)</u>
Total cash and cash equivalents	<u>5,720,264</u>	<u>5,533,689</u>
Cash and cash equivalents, end of period -		
Cash - unrestricted	36,964	20,536
Interest-bearing deposits - unrestricted	1,742,507	1,188,891
Cash - restricted	206	197
Interest-bearing deposits - restricted	4,491,421	4,612,936
Less: Interest-bearing deposits with a maturity over three months	<u>(101,329)</u>	<u>(102,296)</u>
Total cash and cash equivalents	<u>6,169,769</u>	<u>5,720,264</u>
Net increase	<u>\$ 449,505</u>	<u>\$ 186,575</u>

Sanitation and Sewer Utility Fund		Totals	
1998	1997	1998	1997
\$ 285	\$ 288	\$ 20,821	\$ 34,746
793,388	674,859	1,982,279	2,490,530
-	-	197	244
-	-	4,612,936	3,791,354
-	-	(102,296)	(108,038)
<u>793,673</u>	<u>675,147</u>	<u>6,513,937</u>	<u>6,208,836</u>
513	285	37,477	20,821
912,907	793,388	2,655,414	1,982,279
-	-	206	197
-	-	4,491,421	4,612,936
-	-	(101,329)	(102,296)
<u>913,420</u>	<u>793,673</u>	<u>7,083,189</u>	<u>6,513,937</u>
<u>\$ 119,747</u>	<u>\$ 118,526</u>	<u>\$ 569,252</u>	<u>\$ 305,101</u>

CITY OF MORGAN CITY, LOUISIANA
Enterprise Fund
Electric, Gas and Water Utility Fund

Statement of Changes in Restricted Assets
Year Ended December 31, 1998

	Revenue Bond Sinking Fund	Revenue Bond Reserve Fund
Cash and interest-bearing deposits, January 1, 1998	<u>\$ 1,155,102</u>	<u>\$ 1,858,056</u>
Cash receipts:		
Transfers from operating account	1,557,364	-
Interest income received	<u>24,783</u>	<u>53,166</u>
Total cash receipts	<u>1,582,147</u>	<u>53,166</u>
Total cash and interest-bearing deposits	<u>2,737,249</u>	<u>1,911,222</u>
Cash disbursements:		
Principal payments	1,105,000	-
Interest payments	413,303	-
Paying agents' fees	1,100	-
Capital additions, improvements, replacements and renewals for operation of the Electric, Gas and Water Utility Fund	<u>-</u>	<u>-</u>
Total cash disbursements	<u>1,519,403</u>	<u>-</u>
Cash and interest-bearing deposits, December 31, 1998	<u>\$ 1,217,846</u>	<u>\$ 1,911,222</u>

Capital Additions and Contingencies Fund	Revenue Bond Construction Fund	Total
<u>\$ 889,009</u>	<u>\$ 1,085,652</u>	<u>\$ 4,987,819</u>
508,275	-	2,065,639
<u>35,295</u>	<u>19,883</u>	<u>133,127</u>
<u>543,570</u>	<u>19,883</u>	<u>2,198,766</u>
<u>1,432,579</u>	<u>1,105,535</u>	<u>7,186,585</u>
-	-	1,105,000
-	-	413,303
-	-	1,100
<u>335,945</u>	<u>444,643</u>	<u>780,588</u>
<u>335,945</u>	<u>444,643</u>	<u>2,299,991</u>
<u>\$ 1,096,634</u>	<u>\$ 660,892</u>	<u>\$ 4,886,594</u>

INTERNAL SERVICE FUNDS

- Central Garage Fund -** To account for the purchase of gas, oil and other materials necessary for the maintenance and repair of municipal vehicles and equipment. These materials and services are provided to the City's various departments on a cost-reimbursement basis. This fund was established during the fiscal year ended December 31, 1989.
- Self-Insurance Fund -** To account for monies accumulated to provide self-insurance against any possible future claims.

CITY OF MORGAN CITY, LOUISIANA
Internal Service Funds

Comparative Balance Sheet
December 31, 1998 and 1997

	Central Garage Fund	
	1998	1997
ASSETS		
Current assets:		
Cash	\$ -	\$ -
Interest-bearing deposits, at cost	-	-
Investments, at fair value	-	-
Due from other funds	-	-
Total current assets	-	-
Equipment, at cost, net of accumulated depreciation (1998 - \$33,219; 1997 - \$31,769)	6,019	1,811
Total assets	\$ 6,019	\$ 1,811
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	\$ -	\$ -
Deferred revenues	-	-
Due to other funds	-	-
Total liabilities	-	-
Fund equity:		
Retained earnings - Unreserved -		
Designated for self-insurance claims	-	-
Undesignated	6,019	1,811
Total fund equity	6,019	1,811
Total liabilities and fund equity	\$ 6,019	\$ 1,811

Self Insurance Fund		Totals	
1998	1997	1998	1997
\$ 207	\$ 136	\$ 207	\$ 136
96	94	96	94
584,317	554,313	584,317	554,313
<u>850</u>	<u>-</u>	<u>850</u>	<u>-</u>
585,470	554,543	585,470	554,543
-	-	6,019	1,811
<u>\$ 585,470</u>	<u>\$ 554,543</u>	<u>\$ 591,489</u>	<u>\$ 556,354</u>
\$ -	\$ 10,439	\$ -	\$ 10,439
150,000	150,000	150,000	150,000
<u>84,250</u>	<u>41,950</u>	<u>84,250</u>	<u>41,950</u>
<u>234,250</u>	<u>202,389</u>	<u>234,250</u>	<u>202,389</u>
351,220	352,154	351,220	352,154
<u>-</u>	<u>-</u>	<u>6,019</u>	<u>1,811</u>
<u>351,220</u>	<u>352,154</u>	<u>357,239</u>	<u>353,965</u>
<u>\$ 585,470</u>	<u>\$ 554,543</u>	<u>\$ 591,489</u>	<u>\$ 556,354</u>

CITY OF MORGAN CITY, LOUISIANA
Internal Service Funds

Combining Statement of Revenues, Expenses, and Changes in Retained Earnings
Year Ended December 31, 1998
With Comparative Totals for Year Ended December 31, 1997

	Central Garage Fund	Self Insurance Fund	Totals	
			1998	1997
Operating revenues:				
Charges for services	\$ 226,529	\$ -	\$ 226,529	\$ 210,811
Operating expenses:				
Central garage expenses	226,853	-	226,853	219,829
Self-insurance fund expenses	-	30,940	30,940	62,695
Total operating expenses	<u>226,853</u>	<u>30,940</u>	<u>257,793</u>	<u>282,524</u>
Operating loss	(324)	(30,940)	(31,264)	(71,713)
Non-operating revenues:				
Interest income	-	30,006	30,006	30,068
Loss before operating transfers	(324)	(934)	(1,258)	(41,645)
Operating transfers in	<u>4,532</u>	-	<u>4,532</u>	<u>7,265</u>
Net income (loss)	4,208	(934)	3,274	(34,380)
Retained earnings, beginning	<u>1,811</u>	<u>352,154</u>	<u>353,965</u>	<u>388,345</u>
Retained earnings, ending	<u>\$ 6,019</u>	<u>\$ 351,220</u>	<u>\$ 357,239</u>	<u>\$ 353,965</u>

CITY OF MORGAN CITY, LOUISIANA
Internal Service Fund
Central Garage Fund

Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings
Years Ended December 31, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Operating revenues:		
Charges for services -		
Parts and labor	\$ 226,529	\$ 210,811
Operating expenses:		
Salaries	113,824	111,102
Retirement contributions	6,454	6,550
Payroll taxes	1,638	1,602
Hospitalization	11,036	9,862
Parts	80,175	75,592
Shop supplies and small tools	1,592	1,964
Utilities and telephone	2,802	3,086
Repairs	3,370	2,537
Miscellaneous	4,512	5,781
Depreciation	<u>1,450</u>	<u>1,753</u>
Total operating expenses	<u>226,853</u>	<u>219,829</u>
Operating loss before operating transfers	(324)	(9,018)
Operating transfers in:		
Operating transfers from General Fund	<u>4,532</u>	<u>7,265</u>
Net income (loss)	4,208	(1,753)
Retained earnings, beginning	<u>1,811</u>	<u>3,564</u>
Retained earnings, ending	<u>\$ 6,019</u>	<u>\$ 1,811</u>

CITY OF MORGAN CITY, LOUISIANA
Internal Service Fund
Self-Insurance Fund

Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings
Years Ended December 31, 1998 and 1997

	1998	1997
Operating revenues:		
Insurance refund	\$ -	\$ -
Self-insurance fund expenses	30,940	62,695
Operating loss	(30,940)	(62,695)
Non-operating revenues:		
Interest	30,006	30,068
Net loss	(934)	(32,627)
Retained earnings, beginning	352,154	384,781
Retained earnings, ending	\$ 351,220	\$ 352,154

CITY OF MORGAN CITY, LOUISIANA
Internal Service Funds

Combined Statement of Cash Flows
Years Ended December 31, 1998 and 1997

	Central Garage Fund	
	1998	1997
Cash flows from operating activities:		
Operating loss	<u>\$ (324)</u>	<u>\$ (9,018)</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities -		
Depreciation	1,450	1,753
Changes in current assets and liabilities:		
Increase (decrease) in accounts payable and other liabilities	<u>-</u>	<u>-</u>
Total adjustments	<u>1,450</u>	<u>1,753</u>
Net cash provided (used) by operating activities	<u>1,126</u>	<u>(7,265)</u>
Cash flows from noncapital financing activities:		
Operating transfers in from other funds	4,532	7,265
Cash paid to other funds	-	-
Cash received from other funds	<u>-</u>	<u>-</u>
Net cash provided by noncapital financing activities	<u>4,532</u>	<u>7,265</u>
Cash flows from capital and related financing activities:		
Acquisition of equipment	<u>(5,658)</u>	<u>-</u>
Cash flows from investing activities:		
Interest on interest-bearing deposits and investments	-	-
Purchase of investments	<u>-</u>	<u>-</u>
Net cash provided by investing activities	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	-	-
Cash and cash equivalents, beginning of year	<u>-</u>	<u>-</u>
Cash and cash equivalents, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Self Insurance Fund		Totals	
1998	1997	1998	1997
\$ (30,940)	\$ (62,695)	\$ (31,264)	\$ (71,713)
-	-	1,450	1,753
(10,439)	(22,285)	(10,439)	(22,285)
(10,439)	(22,285)	(8,989)	(20,532)
(41,379)	(84,980)	(40,253)	(92,245)
-	-	4,532	7,265
(850)	-	(850)	-
42,300	34,550	42,300	34,550
41,450	34,550	45,982	41,815
-	-	(5,658)	-
30,006	1,466	30,006	1,466
(30,004)	-	(30,004)	-
2	1,466	2	1,466
73	(48,964)	73	(48,964)
230	49,194	230	49,194
<u>\$ 303</u>	<u>\$ 230</u>	<u>\$ 303</u>	<u>\$ 230</u>

FIDUCIARY FUNDS

PENSION TRUST FUND

Police Pension and Relief Fund

To account for retirement benefits paid to eligible policemen (hired prior to September 30, 1977). Funding is provided by the General Fund.

EXPENDABLE TRUST FUNDS

Morgan City Young Fund

To account for contributions from the H & B Young Fund, a private donor, dedicated for specific purposes.

Swamp Garden Fund

To account for contributions from private sources dedicated to improvements at the Swamp Garden.

Morgan City Beautification Fund

To account for contributions from private donors for beautification projects in the city.

Morgan City Museum House

To account for contributions dedicated to improvements of the museum as well as receipts from operations of the museum.

Schreier House Fund

To account for contributions dedicated to improvements of the Schreier House, which was donated to the City in 1985, as well as receipts from operations of the house.

NONEXPENDABLE TRUST FUND

Cemetery Trust Fund

To account for principal trust amounts and related investment income. The income portion of the trust can be used to maintain the City's mausoleums.

AGENCY FUNDS

Payroll and Disbursement 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 MORGAN CITY, LOUISIANA
Fiduciary Funds

Combining Balance Sheet
December 31, 1998
With Comparative Totals for December 31, 1997

	Trust Fund	Expendable	Nonexpendable
	Police Pension and Relief Fund	Trust Funds	Trust Fund
ASSETS			
Cash	\$ 1,509	\$ 9,674	\$ 16,668
Interest-bearing deposits, at cost	42,088	147,100	-
Investments, at fair value	-	-	395,786
Receivables:			
Accrued interest	1,672	1,110	2,236
Other	-	-	-
Due from other funds	9	33,160	-
Inventory	-	4,900	-
	-	4,900	-
Total assets	\$ 45,278	\$ 195,944	\$ 414,690
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ 1,593	\$ -
Accrued liabilities	-	3,356	-
Due to other funds	-	29,172	-
Total liabilities	-	34,121	-
Fund balances:			
Reserved for inventory	-	4,900	-
Reserved for perpetual care	-	-	414,690
Unreserved -			
Designated for specific purposes	45,278	156,923	-
Total fund balances	45,278	161,823	414,690
Total liabilities and fund balances	\$ 45,278	\$ 195,944	\$ 414,690

Agency Funds		Totals	
Payroll Fund	Disbursement Fund	1998	1997
\$ 116,809	\$ 3,967	\$ 148,627	\$ 168,745
-	-	189,188	184,862
-	-	395,786	366,910
-	-	5,018	2,823
-	-	-	2,372
53,662	-	86,831	61,478
<u>-</u>	<u>-</u>	<u>4,900</u>	<u>4,377</u>
<u>\$ 170,471</u>	<u>\$ 3,967</u>	<u>\$ 830,350</u>	<u>\$ 791,567</u>
\$ -	\$ -	\$ 1,593	\$ 3,568
148,308	-	151,664	138,398
<u>22,163</u>	<u>3,967</u>	<u>55,302</u>	<u>68,063</u>
<u>170,471</u>	<u>3,967</u>	<u>208,559</u>	<u>210,029</u>
-	-	4,900	4,377
-	-	414,690	390,209
<u>-</u>	<u>-</u>	<u>202,201</u>	<u>186,952</u>
<u>-</u>	<u>-</u>	<u>621,791</u>	<u>581,538</u>
<u>\$ 170,471</u>	<u>\$ 3,967</u>	<u>\$ 830,350</u>	<u>\$ 791,567</u>

CITY OF MORGAN CITY, LOUISIANA
Pension Trust Fund
Police Pension and Relief Fund

Comparative Statement of Revenues, Expenses, and Changes in Fund Balance
Year Ended December 31, 1998 and 1997

	1998	1997
Operating revenues:		
Contributions	\$ 47,236	\$ 46,070
Expenses:		
Benefits paid	47,236	46,070
Operating loss	-	-
Nonoperating revenues:		
Interest income	2,092	2,011
Net income	2,092	2,011
Fund balance, beginning	43,186	41,175
Fund balance, ending	\$ 45,278	\$ 43,186

CITY OF MORGAN CITY, LOUISIANA
Pension Trust Fund
Police Pension and Relief Fund

Comparative Statement of Cash Flows
Year Ended December 31, 1998 and 1997

	1998	1997
Cash flows from operating activities:		
Operating loss	\$ -	\$ -
Changes in current assets and liabilities -		
Increase in accrued interest receivable	(49)	(269)
Net cash used by operating activities	(49)	(269)
Cash flows from non-capital financing activities:		
Cash received from other funds	-	18
Cash flows from investing activities:		
Interest on interest-bearing deposits	2,092	2,011
Net increase in cash and interest bearing deposits	2,043	1,760
Cash and cash equivalents, beginning of year	41,554	39,794
Cash and cash equivalents, end of year	\$ 43,597	\$ 41,554

CITY OF MORGAN CITY, LOUISIANA
Fiduciary Funds
Expendable Trust Funds

Combining Balance Sheet
December 31, 1998
With Comparative Totals for December 31, 1997

	Morgan City Young Fund	Swamp Garden Fund	Morgan City Beautification Fund
ASSETS			
Cash	\$ 6,721	\$ 4	\$ 93
Interest-bearing deposits, at cost	-	240	6,679
Accrued interest receivable	-	-	-
Due from other funds	19,500	185	13,258
Inventory	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 26,221</u>	<u>\$ 429</u>	<u>\$ 20,030</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities	1,158	-	516
Due to other funds	<u>21,724</u>	<u>206</u>	<u>-</u>
Total liabilities	<u>22,882</u>	<u>206</u>	<u>516</u>
Fund balances:			
Reserved for inventory	-	-	-
Unreserved -			
Designated for specific purposes	<u>3,339</u>	<u>223</u>	<u>19,514</u>
Total fund balances	<u>3,339</u>	<u>223</u>	<u>19,514</u>
Total liabilities and fund balances	<u>\$ 26,221</u>	<u>\$ 429</u>	<u>\$ 20,030</u>

Morgan City Museum House	Schreier House Fund	Totals	
		1998	1997
\$ 346	\$ 2,510	\$ 9,674	\$ 35,755
138,547	1,634	147,100	144,817
1,099	11	1,110	1,110
-	217	33,160	402
<u>4,900</u>	<u>-</u>	<u>4,900</u>	<u>4,377</u>
<u>\$ 144,892</u>	<u>\$ 4,372</u>	<u>\$ 195,944</u>	<u>\$ 186,461</u>
\$ 1,593	\$ -	\$ 1,593	\$ 3,568
1,584	98	3,356	2,212
<u>3,417</u>	<u>3,825</u>	<u>29,172</u>	<u>32,538</u>
<u>6,594</u>	<u>3,923</u>	<u>34,121</u>	<u>38,318</u>
4,900	-	4,900	4,377
<u>133,398</u>	<u>449</u>	<u>156,923</u>	<u>143,766</u>
<u>138,298</u>	<u>449</u>	<u>161,823</u>	<u>148,143</u>
<u>\$ 144,892</u>	<u>\$ 4,372</u>	<u>\$ 195,944</u>	<u>\$ 186,461</u>

CITY OF MORGAN CITY, LOUISIANA
Fiduciary Funds
Expendable Trust Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended December 31, 1998
With Comparative Totals for Year Ended December 31, 1997

	Morgan City Young Fund	Swamp Garden Fund	Morgan City Beautification Fund
Revenues:			
Charges for services	\$ -	\$ -	\$ -
Miscellaneous -			
Interest	-	6	152
Contributions	<u>183,500</u>	<u>-</u>	<u>-</u>
Total revenues	<u>183,500</u>	<u>6</u>	<u>152</u>
Expenditures:			
Culture and recreation	12,059	-	10,524
Capital outlay	<u>21,749</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>33,808</u>	<u>-</u>	<u>10,524</u>
Excess (deficiency) of revenues over expenditures	149,692	6	(10,372)
Other financing sources (uses):			
Operating transfers in (out)	<u>(159,000)</u>	<u>-</u>	<u>24,000</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(9,308)	6	13,628
Fund balances, beginning	<u>12,647</u>	<u>217</u>	<u>5,886</u>
Fund balances, ending	<u>\$ 3,339</u>	<u>\$ 223</u>	<u>\$ 19,514</u>

Morgan City Museum House	Schreier House Fund	Totals	
		1998	1997
\$ 2,273	\$ -	\$ 2,273	\$ 6,389
3,371	48	3,577	5,126
<u>6,250</u>	<u>-</u>	<u>189,750</u>	<u>239,190</u>
<u>11,894</u>	<u>48</u>	<u>195,600</u>	<u>250,705</u>
42,578	10	65,171	102,529
<u>-</u>	<u>-</u>	<u>21,749</u>	<u>7,047</u>
<u>42,578</u>	<u>10</u>	<u>86,920</u>	<u>109,576</u>
(30,684)	38	108,680	141,129
<u>40,000</u>	<u>-</u>	<u>(95,000)</u>	<u>(112,000)</u>
9,316	38	13,680	29,129
<u>128,982</u>	<u>411</u>	<u>148,143</u>	<u>119,014</u>
<u>\$ 138,298</u>	<u>\$ 449</u>	<u>\$ 161,823</u>	<u>\$ 148,143</u>

CITY OF MORGAN CITY, LOUISIANA
Fiduciary Funds
Expendable Trust Funds

Statement of Expenditures
Year Ended December 31, 1998
With Comparative Totals for Year Ended December 31, 1997

	Morgan City Young Fund	Swamp Garden Fund	Morgan City Beautification Fund
Expenditures:			
Culture and recreation -			
Museum House:			
Salaries and benefits	\$ -	\$ -	\$ -
Supplies	-	-	-
Utilities and telephone	-	-	-
Insurance	-	-	-
Miscellaneous	-	-	-
Museum renovations, exhibits and improvements	-	-	-
Auditorium:			
Repairs and maintenance	247	-	-
Beautification:			
Salaries and benefits	-	-	10,423
Miscellaneous	-	-	101
Recreation Department:			
Repairs and maintenance	3,522	-	-
Main Street Project:			
Advertisement	1,500	-	-
Swamp Garden:			
Repairs and maintenance	1,158	-	-
Schreier House:			
Contract labor	-	-	-
Supplies	-	-	-
Utilities and telephone	-	-	-
Lake End Park:			
Repairs and maintenance	<u>5,632</u>	<u>-</u>	<u>-</u>
Total culture and recreation	<u>12,059</u>	<u>-</u>	<u>10,524</u>
Capital outlay -			
Culture and recreation:			
Equipment	16,150	-	-
Improvements	<u>5,599</u>	<u>-</u>	<u>-</u>
Total capital outlay	<u>21,749</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 33,808</u>	<u>\$ -</u>	<u>\$ 10,524</u>

Morgan City Museum House	Schreier House Fund	Totals	
		1998	1997
\$ 25,531	\$ -	\$ 25,531	\$ 26,334
1,977	-	1,977	4,884
4,143	-	4,143	3,236
4,011	-	4,011	-
3,579	-	3,579	3,535
3,337	-	3,337	32,206
-	-	247	6,700
-	-	10,423	10,263
-	-	101	-
-	-	3,522	8,765
-	-	1,500	-
-	-	1,158	1,300
-	-	-	2,435
-	10	10	61
-	-	-	559
-	-	<u>5,632</u>	<u>2,251</u>
<u>42,578</u>	<u>10</u>	<u>65,171</u>	<u>102,529</u>
-	-	16,150	7,047
-	-	<u>5,599</u>	-
-	-	<u>21,749</u>	<u>7,047</u>
<u>\$ 42,578</u>	<u>\$ 10</u>	<u>\$ 86,920</u>	<u>\$ 109,576</u>

CITY OF MORGAN CITY, LOUISIANA
 Fiduciary Funds
 Nonexpendable Trust Funds
 Cemetery Trust Fund

Statement of Revenues, Expenses and Changes in Fund Balance
 Year Ended December 31, 1998 and 1997

	1998	1997
Operating revenues:		
Crypt sales	\$ 2,988	\$ 5,193
Operating expenses:		
Trustee fees	<u>2,713</u>	<u>2,828</u>
Operating income	<u>275</u>	<u>2,365</u>
Non-operating revenues:		
Interest income	1,225	1,072
Dividend income	21,558	19,629
Net change in fair value of investments	<u>7,288</u>	<u>7,789</u>
Total non-operating revenues	<u>30,071</u>	<u>28,490</u>
Income before operating transfers	30,346	30,855
Transfers to cemetery fund	<u>(5,865)</u>	<u>(11,899)</u>
Net income	<u>24,481</u>	<u>18,956</u>
Fund balance, beginning (as originally reported)	390,209	375,760
Cumulative effect of change in accounting principle	<u>-</u>	<u>(4,507)</u>
Fund balance, beginning (as restated)	<u>390,209</u>	<u>371,253</u>
Fund balance, ending	<u>\$ 414,690</u>	<u>\$ 390,209</u>

CITY OF MORGAN CITY, LOUISIANA
 Fiduciary Funds
 Nonexpendable Trust Funds
 Cemetery Trust Fund

Comparative Statement of Cash Flows
 Year Ended December 31, 1998 and 1997

	1998	1997
Cash flows from operating activities:		
Income before operating transfers	\$ 30,346	\$ 30,855
Adjustments to reconcile operating income to cash provided by operating activities -		
Net change in fair value of investments	(7,288)	(7,789)
(Increase) decrease in accrued interest and other receivables	(643)	70
Net cash provided by operating activities	22,415	23,136
Cash flows from noncapital financing activities:		
Transfers to other funds	(5,865)	(11,899)
Cash flows from investing activities:		
Purchase of investments	(21,587)	(12,121)
Net decrease in cash	(5,037)	(884)
Cash, beginning of year	21,706	22,590
Cash, end of year	\$ 16,669	\$ 21,706

CITY OF MORGAN CITY, LOUISIANA
Agency Funds

Combining Statement of Changes in Assets and Liabilities - All Agency Funds
Year Ended December 31, 1998

	<u>Balances January 1, 1998</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balances December 31, 1998</u>
<u>PAYROLL FUND</u>				
ASSETS				
Cash	\$ 96,413	\$ 7,027,665	\$ 7,007,269	\$ 116,809
Other receivables	869	-	869	-
Due from other funds	<u>61,067</u>	<u>6,284,122</u>	<u>6,291,527</u>	<u>53,662</u>
Total assets	<u>\$ 158,349</u>	<u>\$ 13,311,787</u>	<u>\$ 13,299,665</u>	<u>\$ 170,471</u>
LIABILITIES				
Accrued liabilities	\$ 136,186	\$ 7,163,121	\$ 7,175,243	\$ 148,308
Due to other funds	<u>22,163</u>	<u>630,551</u>	<u>630,551</u>	<u>22,163</u>
Total liabilities	<u>\$ 158,349</u>	<u>\$ 7,793,672</u>	<u>\$ 7,805,794</u>	<u>\$ 170,471</u>
<u>DISBURSEMENT FUND</u>				
ASSETS				
Cash	<u>\$ 13,362</u>	<u>\$ 3,230,691</u>	<u>\$ 3,240,086</u>	<u>\$ 3,967</u>
LIABILITIES				
Due to other funds	<u>\$ 13,362</u>	<u>\$ 3,244,160</u>	<u>\$ 3,234,765</u>	<u>\$ 3,967</u>
<u>TOTALS - ALL AGENCY FUNDS</u>				
ASSETS				
Cash	\$ 109,775	\$ 10,258,356	\$ 10,247,355	\$ 120,776
Other receivables	869	-	869	-
Due from other funds	<u>61,067</u>	<u>6,284,122</u>	<u>6,291,527</u>	<u>53,662</u>
Total assets	<u>\$ 171,711</u>	<u>\$ 16,542,478</u>	<u>\$ 16,539,751</u>	<u>\$ 174,438</u>
LIABILITIES				
Accrued liabilities	\$ 136,186	\$ 7,163,121	\$ 7,175,243	\$ 148,308
Due to other funds	<u>35,525</u>	<u>3,874,711</u>	<u>3,865,316</u>	<u>26,130</u>
Total liabilities	<u>\$ 171,711</u>	<u>\$ 11,037,832</u>	<u>\$ 11,040,559</u>	<u>\$ 174,438</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

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

CITY OF MORGAN CITY, LOUISIANA

**Comparative Statement of General Fixed Assets
December 31, 1998 and 1997**

	1998	1997
General fixed assets, at cost:		
Land	\$ 1,551,018	\$ 1,551,018
Buildings	5,365,901	5,365,901
Improvements other than buildings	3,543,818	3,143,105
Equipment	3,437,808	3,051,143
Construction in progress	-	365,551
Total general fixed assets	\$13,898,545	\$13,476,718
 Investment in general fixed assets:		
Federal and state grants	\$ 4,461,211	\$ 4,431,648
Parish grants	109,341	109,341
General Fund revenues	5,689,111	5,339,741
Municipal auditorium revenues	41,145	41,145
Pollution Abatement Fund	510,373	510,373
Donations	2,817,679	2,779,705
Recreation department revenues	72,864	72,144
Cemetery Fund revenues	196,821	192,621
Total investment in general fixed assets	\$13,898,545	\$13,476,718

CITY OF MORGAN CITY, LOUISIANA

**Statement of Changes in General Fixed Assets
Year Ended December 31, 1998**

	Land	Buildings
General fixed assets, beginning	<u>\$ 1,551,018</u>	<u>\$ 5,365,901</u>
Additions:		
Federal grants	-	-
General Fund revenue	-	-
Donations	-	-
Recreation department revenue	-	-
Cemetery Fund revenue	-	-
Total additions	<u>-</u>	<u>-</u>
Total balances and additions	1,551,018	5,365,901
Deletions	<u>-</u>	<u>-</u>
General fixed assets, ending	<u>\$ 1,551,018</u>	<u>\$ 5,365,901</u>

<u>Improvements Other Than Buildings</u>	<u>Equipment</u>	<u>Construction in Progress</u>	<u>Total</u>
<u>\$ 3,143,105</u>	<u>\$ 3,051,143</u>	<u>\$ 365,551</u>	<u>\$13,476,718</u>
395,114	-	-	395,114
-	349,370	-	349,370
5,599	32,375	-	37,974
-	720	-	720
-	4,200	-	4,200
<u>400,713</u>	<u>386,665</u>	<u>-</u>	<u>787,378</u>
3,543,818	3,437,808	365,551	14,264,096
-	-	365,551	365,551
<u>\$ 3,543,818</u>	<u>\$ 3,437,808</u>	<u>\$ -</u>	<u>\$13,898,545</u>

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 MORGAN CITY, LOUISIANA

Statement of General Long-Term Debt
December 31, 1998

	Compensated Absences Payable	Sales Tax Revenue Refunding Bonds Series 1987 and 1994	Sales Tax Revenue Refunding Bonds Series 1993	Totals
AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT				
Amount available in debt service funds for debt retirement	\$ -	\$ 717,182	\$ 540,000	\$ 1,257,182
Amount to be provided from - 1% sales and use tax Governmental fund revenues	- <u>172,630</u>	1,077,818 <u>-</u>	- <u>-</u>	1,077,818 <u>172,630</u>
Total available and to be provided	<u>\$ 172,630</u>	<u>\$ 1,795,000</u>	<u>\$ 540,000</u>	<u>\$ 2,507,630</u>
GENERAL LONG-TERM DEBT PAYABLE				
Bonds payable	\$ -	\$ 1,795,000	\$ 540,000	\$ 2,335,000
Compensated absences payable	<u>172,630</u>	<u>-</u>	<u>-</u>	<u>172,630</u>
Total general long-term debt payable	<u>\$ 172,630</u>	<u>\$ 1,795,000</u>	<u>\$ 540,000</u>	<u>\$ 2,507,630</u>

**INTERNAL CONTROL, COMPLIANCE
AND
OTHER GRANT INFORMATION**



Darnall, Sikes & Frederick

(A Corporation of Certified Public Accountants)

Eugene H. Darnall, CPA, Retired 1990

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

Jennifer S. Ziegler, CPA
Chris A. Miller, CPA
John P. Armato, CPA

Kathleen T. Darnall, CPA
Stephen R. Dischler, MBA, CPA
Alan M. Taylor, CPA
Christine A. Raspberry, CPA
Steven G. Moosa, CPA
Erich G. Loewer, Jr., CPA
Erich G. Loewer, III, CPA
Danny P. Pontiff, CPA
Tamera T. Landry, CPA
Carla R. Fontenot, CPA
Raegan D. Stelly, CPA
Jason H. Watson, CPA

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

Other Locations:

125 Rue Beauregard
Lafayette, LA 70508
337.232.3312

1231 E. Laurel Avenue
Eunice, LA 70535
337.457.4146

1201 Brashear Avenue
Suite 301
Morgan City, LA 70380
504.384.6264

404 Pete Mopier
Abbeville, LA 70510
337.893.5470

dstepas.com

The Honorable Timothy Matte, Mayor
and Members of the City Council
City of Morgan City, Louisiana

We have audited the primary government financial statements of the City of Morgan City, Louisiana, as of and for the year ended December 31, 1998, and have issued our report thereon dated March 11, 1999, which was qualified due to the omission of the year 2000 disclosures that are required by Governmental Accounting Standards Board Technical Bulletin 98-1, Disclosures about Year 2000 Issues. 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 Morgan City, Louisiana's primary government financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.

However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed 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 Morgan City, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the primary government financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City of Morgan City, Louisiana's ability to record, process, summarize and report financial data consistent with the assertions of management in the primary government financial statements.

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

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 primary government financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions that are also considered to be material weaknesses. We believe that the reportable conditions described as 98-1 and 98-2 in the accompanying schedule of findings are material weaknesses.

This report is intended solely for the information and use of the audit committee, management, others within the organization, City Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

A Corporation of Certified Public Accountants

**Morgan City, Louisiana
March 11, 1999**



Darnall, Sikes & Frederick

(A Corporation of Certified Public Accountants)

Eugene H. Darnall, CPA, Retired 1990

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

Jennifer S. Ziepler, CPA
Chris A. Miller, CPA
John P. Armato, CPA

Kathleen E. Darnall, CPA
Stephen R. Dischler, MBA, CPA
Alan M. Taylor, CPA
Christine A. Raspberry, CPA
Steven G. Moosa, CPA
Frich G. Foewer, Jr., CPA
Frich G. Foewer, III, CPA
Danny P. Pontiff, CPA
Tamera E. Landry, CPA
Carla R. Fontenot, CPA
Raegan D. Stelly, CPA
Jason H. Watson, CPA

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

Other Locations:

125 Rue Beauregard
Lafayette, LA 70508
318.232.3312

1231 E. Laurel Avenue
Eunice, LA 70535
318.457.4146

1201 Brashear Avenue
Suite 301
Morgan City, LA 70380
504.384.6264

404 Pere Mequet
Abbeville, LA 70510
318.893.5470

dsfepas.com

**The Honorable Timothy Matte, Mayor
and Members of the City Council
City of Morgan City, Louisiana**

Compliance

We have audited the compliance of the City of Morgan City with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended December 31, 1998. The City of Morgan City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the City of Morgan City's management. Our responsibility is to express an opinion on the City of Morgan City's compliance based on our audit.

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

In our opinion, the City of Morgan City complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 1998.

Internal Control Over Compliance

The management of the City of Morgan City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Morgan City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the

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purpose of expressing an opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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

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

A Corporation of Certified Public Accountants

Morgan City, Louisiana
March 11, 1999

City of Morgan City
Morgan City, Louisiana

Schedule of Expenditures of Federal Awards
Year Ended December 31, 1998

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Grantor Number</u>	<u>Federal Disbursements/ Expenditures</u>
U. S. Department of Housing and Urban Development: Passed through Louisiana Community Development - Block Grant			\$ <u>186,314</u>
Total U. S. Department of Housing and Urban Development			<u>186,314</u>
U. S. Department of Interior: Main Street Program			<u>13,319</u>
Total U. S. Department of Interior:			<u>13,319</u>
Federal Highway Administration: Passed through Louisiana Highway Safety Commission - Safe and Sober Overtime Compensation		425-999-0-08	<u>2,550</u>
Total Federal Highway Administration			<u>2,550</u>
U. S. Department of Customs: SLOT Program			<u>1,471</u>
Total U. S. Department of Customs			<u>1,471</u>
U. S. Department of Justice: Passed through Louisiana Commission on Law Enforcement - DARE		E-99-4-005	32,873
COPS		98-UM-WX-2295	52,266
Block Grant	16.592	98-LBVX-6289	15,497
Block Grant	16.592		5,489
Total U. S. Department of Justice			<u>106,125</u>
Total Federal Assistance			<u>\$ 309,779</u>

NOTE 1 BASIS OF PRESENTATION

The above schedule of expenditures of federal awards includes the federal grant activity of the City of Morgan City and is presented on the same basis of accounting as described in Note 1 to the financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations".

OTHER SUPPLEMENTARY INFORMATION

CITY OF MORGAN CITY, LOUISIANA

Summary Schedule of Prior Year Findings
Year Ended December 31, 1998

- 97-1 Finding: Disbursements in Recreation Fund with no supporting documentation
Status: This finding applied to 1997 only. Disbursements selected for examination in 1998 were supported by appropriate documentation.
- 97-2 Finding: Insufficient documentation of disposition of funds by coaches
Status: This finding applied to 1997 only. The City has instituted policies to provide the required documentation to support disbursements by coaches when taking youth teams on out-of-town trips.
- 97-3 Finding: Cash accounts did not agree to the bank reconciliation
Status: This finding is still present in 1998 and has been restated as 98-1.
- 97-4 Finding: Borrowings between funds
Status: This finding has not been resolved and will be restated in 1998 as finding 98-2.

CITY OF MORGAN CITY, LOUISIANA

Schedule of Findings and Questioned Costs
Year Ended December 31, 1998

Part 1 Summary of Audit Results

FINANCIAL STATEMENTS

Auditor's Report

A Qualified opinion has been issued on the City of Morgan City's primary government financial statements as of and for the year ended December 31, 1998.

Reportable Conditions – Financial Reporting

There were two reportable conditions in internal control over financial reporting noted during the audit of the financial statements. These are reported as 98-1 and 98-2 in Part 2.

Material Noncompliance – Financial Reporting

There were no reportable conditions of noncompliance over financial reporting noted during the audit of the financial statements that required to be reported under Government Auditing Standards.

FEDERAL AWARDS

Major Program – Identification

The City of Morgan City at December 31, 1998 had one major program:

Block Grant, which received funds from the U. S. Department of Housing and Urban Development "passed through" the Louisiana Community Development Block Grant.

Low – Risk Auditee

The City of Morgan City is not considered a low-risk auditee for the year ended December 31, 1998.

Major Program – Threshold

The dollar threshold to distinguish Type A and Type B programs is \$300,000 for the year ended December 31, 1998.

Auditor's Report – Major Program

In our opinion, the City of Morgan City complied, in all material respects, with the requirements that are applicable to its major federal program for the year ended December 31, 1998.

CITY OF MORGAN CITY, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 1998

Reportable Condition – Major Program

There is nothing to be reported in relation to conditions in internal control over major programs.

Compliance Findings Related to Federal Program

The audit did not disclose any material noncompliance related to federal programs.

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

98-1 Cash accounts not reconciled to general ledger

Finding:

The results of our tests disclosed three cash accounts where the reconciled bank balance did not agree to the general ledger.

Recommendation:

The City should, on a monthly basis, reconcile all cash accounts to the general ledger.

98-2 Borrowings between funds

Finding:

All borrowings between funds should be reviewed and steps formulated and implemented so as to possibly reduce or eliminate them in the future.

Recommendation:

The City should continue to review and implement established plans to reduce and eliminate borrowings between funds.

Part 3 Findings and Questioned Costs Relating to the Federal Program

The results of our tests disclosed no findings or questioned costs related to federal programs.

CITY OF MORGAN CITY, LOUISIANA

**Management's Corrective Action Plan for Current Year Findings
Year Ended December 31, 1998**

Response to Finding 98-1:

The activities in these accounts will be posted to the general ledger monthly.

Response to Finding 98-2:

The borrowings between funds have been reviewed and a plan implemented to reduce and eventually eliminate them.

OTHER SUPPLEMENTARY INFORMATION

CITY OF MORGAN CITY, LOUISIANA

Schedule of Expenditures by Function (in Thousands)
1989 Through 1998

Fiscal Year		General Government			Public Works			
		Administrative	Purchasing	Planning and Zoning	Police	Fire	Streets and Drainage	Cemetery
1989	Operating	\$ 1,186	\$ 58	\$ -	\$ 1,406	\$ 1,020	\$ 598	\$ 77
	Capital outlay	<u>1</u>	<u>-</u>	<u>-</u>	<u>15</u>	<u>6</u>	<u>6</u>	<u>1</u>
		<u>1,187</u>	<u>58</u>	<u>-</u>	<u>1,421</u>	<u>1,026</u>	<u>604</u>	<u>78</u>
1990	Operating	1,184	44	-	1,448	1,063	617	65
	Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>13</u>	<u>19</u>	<u>119</u>	<u>37</u>
		<u>1,184</u>	<u>44</u>	<u>-</u>	<u>1,461</u>	<u>1,082</u>	<u>736</u>	<u>102</u>
1991	Operating	1,320	63	-	1,595	1,129	606	79
	Capital outlay	<u>62</u>	<u>-</u>	<u>-</u>	<u>23</u>	<u>74</u>	<u>12</u>	<u>82</u>
		<u>1,382</u>	<u>63</u>	<u>-</u>	<u>1,618</u>	<u>1,203</u>	<u>618</u>	<u>161</u>
1992	Operating	1,182	68	-	1,644	1,073	496	74
	Capital outlay	<u>2</u>	<u>-</u>	<u>-</u>	<u>49</u>	<u>113</u>	<u>32</u>	<u>-</u>
		<u>1,184</u>	<u>68</u>	<u>-</u>	<u>1,693</u>	<u>1,186</u>	<u>528</u>	<u>74</u>
1993	Operating	1,159	78	84	1,740	1,238	600	110
	Capital outlay	<u>8</u>	<u>-</u>	<u>-</u>	<u>29</u>	<u>-</u>	<u>57</u>	<u>-</u>
		<u>1,167</u>	<u>78</u>	<u>84</u>	<u>1,769</u>	<u>1,238</u>	<u>657</u>	<u>110</u>
1994	Operating	1,112	59	80	1,684	1,103	658	105
	Capital outlay	<u>16</u>	<u>-</u>	<u>-</u>	<u>53</u>	<u>21</u>	<u>275</u>	<u>79</u>
		<u>1,128</u>	<u>59</u>	<u>80</u>	<u>1,737</u>	<u>1,124</u>	<u>933</u>	<u>184</u>
1995	Operating	1,113	62	93	1,738	1,166	602	86
	Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>76</u>	<u>3</u>	<u>162</u>	<u>108</u>
		<u>1,113</u>	<u>62</u>	<u>93</u>	<u>1,814</u>	<u>1,169</u>	<u>764</u>	<u>194</u>
1996	Operating	1,290	62	97	1,831	1,156	641	114
	Capital outlay	<u>66</u>	<u>-</u>	<u>-</u>	<u>89</u>	<u>251</u>	<u>314</u>	<u>2</u>
		<u>1,356</u>	<u>62</u>	<u>97</u>	<u>1,920</u>	<u>1,407</u>	<u>955</u>	<u>116</u>
1997	Operating	1,267	67	102	2,112	1,230	709	122
	Capital outlay	<u>5</u>	<u>-</u>	<u>-</u>	<u>116</u>	<u>18</u>	<u>239</u>	<u>4</u>
		<u>1,272</u>	<u>67</u>	<u>102</u>	<u>2,228</u>	<u>1,248</u>	<u>948</u>	<u>126</u>
1998	Operating	1,315	70	110	2,404	1,346	734	109
	Capital outlay	<u>8</u>	<u>3</u>	<u>2</u>	<u>143</u>	<u>25</u>	<u>282</u>	<u>4</u>
		<u>1,323</u>	<u>73</u>	<u>112</u>	<u>2,547</u>	<u>1,371</u>	<u>1,016</u>	<u>113</u>

Notes:

1. Expenditures by function include expenditures from the General, Special Revenue and Debt Service Funds.
2. The amounts shown for operating are those expenditures necessary for annual operations of the various departments and the capital outlay amounts are the expenditures for items which will benefit the departments for more than one year.
3. Beginning January 1, 1993, planning and zoning expenditures are accounted for within a separate department.

Wharf	Sanitation	Culture and Recreation			Supporting Services	Emergency Assistance	Debt Service	Total
		Recreation	Auditorium	Library				
\$ -	\$ 9	\$ 433	\$ 230	\$ 126	\$ 21	\$ -	\$ 598	\$ 5,762
-	-	6	4	2	-	-	-	41
-	9	439	234	128	21	-	598	5,803
-	67	474	219	133	30	-	587	5,931
-	-	207	-	2	-	-	-	397
-	67	681	219	135	30	-	587	6,328
-	4	506	240	153	53	-	575	6,323
-	-	50	15	16	-	-	-	334
-	4	556	255	169	53	-	575	6,657
-	-	464	239	143	57	3,182	721	9,343
-	532	23	1	6	-	-	-	758
-	532	487	240	149	57	3,182	721	10,101
-	-	658	248	134	32	1,091	830	8,002
11	199	2	16	2	-	-	-	324
11	199	660	264	136	32	1,091	830	8,326
1	-	724	240	119	-	18	567	6,470
-	16	58	59	-	-	-	-	577
1	16	782	299	119	-	18	567	7,047
2	-	730	256	92	198	11	543	6,692
-	-	67	11	-	-	-	-	427
2	-	797	267	92	198	11	543	7,119
-	-	816	258	108	1	-	551	6,925
142	-	103	31	6	-	-	-	1,004
142	-	919	289	114	1	-	551	7,929
-	-	964	277	114	262	-	515	7,741
223	-	172	135	7	-	-	-	919
223	-	1,136	412	121	262	-	515	8,660
30	-	1,043	279	117	787	-	511	8,855
-	-	130	14	25	-	-	-	636
30	-	1,173	293	142	787	-	511	9,491

CITY OF MORGAN CITY, LOUISIANA

Schedule of Revenues by Source (in Thousands)
1989 Through 1998

Fiscal Year	Taxes		Licenses and Permits	Federal	State	Parish	Services	Fines	Interest	Other	Total
	Ad Valorem	Sales									
1989	696	2,547	489	27	88	76	328	71	191	179	4,692
1990	677	2,687	520	237	101	238	337	106	198	178	5,279
1991	676	2,558	563	77	105	226	367	90	142	205	5,009
1992	713	2,382	593	3,869	147	145	386	109	116	207	8,667
1993	717	2,605	576	255	643	231	643	123	113	457	6,363
1994	724	2,545	587	387	394	593	482	116	111	483	6,422
1995	724	2,615	629	236	212	270	456	143	143	382	5,810
1996	797	3,143	645	124	323	284	524	348	145	424	6,757
1997	813	3,645	690	217	724	339	517	137	161	494	7,737
1998	852	3,965	715	348	1,029	540	559	182	136	361	8,687

CITY OF MORGAN CITY, LOUISIANA
Enterprise Funds
Utility Funds

Schedule of Number of Metered Utility Customers
(Unaudited)
December 31, 1998 and 1997

Records maintained by the City indicated the following number of customers were being served during the month of December of each year:

<u>Department</u>	<u>December</u>	
	<u>1998</u>	<u>1997</u>
Electric	6,330	6,361
Water	5,934	5,909
Gas	4,588	4,646
Sanitation	5,249	5,305
Sewer	5,133	5,146

CITY OF MORGAN CITY, LOUISIANA
Enterprise Fund
(Electric, Gas, and Water Fund)

Comparative Departmental Analysis of Revenues and Expenses
Years Ended December 31, 1998 and 1997

	Totals		Electric	
	1998	1997	1998	1997
Operating revenues:				
Charges for services -				
Customers	\$ 14,548,389	\$ 14,675,872	\$ 11,470,965	\$ 10,955,119
Other	<u>485,178</u>	<u>553,736</u>	<u>403,898</u>	<u>461,958</u>
Total operating revenue	<u>15,033,567</u>	<u>15,229,608</u>	<u>11,874,863</u>	<u>11,417,077</u>
Operating expenses:				
Personal services	1,057,732	1,009,218	385,550	370,697
Supplies and materials	262,081	250,683	96,842	78,321
Fuel cost	8,823,057	8,424,720	8,203,082	7,659,671
Contractual services	516,079	754,634	(161,161)	100,923
Repairs and maintenance	620,695	628,220	502,752	521,222
Other charges	37,465	31,791	-	-
Depreciation	1,373,669	1,319,365	842,034	834,497
Allocation of general and administrative expenses	<u>-</u>	<u>-</u>	<u>373,175</u>	<u>329,460</u>
Total operating expenses	<u>12,690,778</u>	<u>12,418,631</u>	<u>10,242,274</u>	<u>9,894,791</u>
Operating income	<u>2,342,789</u>	<u>2,810,977</u>	<u>1,632,589</u>	<u>1,522,286</u>
Nonoperating revenues (expenses):				
Interest	189,570	190,281	52,209	52,405
Interest and fiscal charges	<u>(504,560)</u>	<u>(575,919)</u>	<u>(195,612)</u>	<u>(237,190)</u>
Total nonoperating revenues (expenses)	<u>(314,990)</u>	<u>(385,638)</u>	<u>(143,403)</u>	<u>(184,785)</u>
Income before operating transfers	<u>\$ 2,027,799</u>	<u>\$ 2,425,339</u>	<u>\$ 1,489,186</u>	<u>\$ 1,337,501</u>

Gas		Water		General and Administrative	
1998	1997	1998	1997	1998	1997
\$ 1,589,811	\$ 2,223,408	\$ 1,487,613	\$ 1,497,345	\$ -	\$ -
<u>45,834</u>	<u>40,790</u>	<u>35,446</u>	<u>50,988</u>	<u>-</u>	<u>-</u>
<u>1,635,645</u>	<u>2,264,198</u>	<u>1,523,059</u>	<u>1,548,333</u>	<u>-</u>	<u>-</u>
61,687	55,056	322,538	316,522	287,957	266,943
15,487	11,670	99,914	116,458	49,838	44,234
619,975	765,049	-	-	-	-
32,672	39,110	131,443	142,642	513,125	471,959
17,411	19,348	76,865	63,491	23,667	24,159
-	-	-	-	37,465	31,791
200,319	193,211	249,884	254,600	81,432	37,057
<u>349,830</u>	<u>240,634</u>	<u>270,479</u>	<u>306,049</u>	<u>(993,484)</u>	<u>(876,143)</u>
<u>1,297,381</u>	<u>1,324,078</u>	<u>1,151,123</u>	<u>1,199,762</u>	<u>\$ -</u>	<u>\$ -</u>
<u>338,264</u>	<u>940,120</u>	<u>371,936</u>	<u>348,571</u>		
89,572	89,908	47,789	47,968		
<u>(256,187)</u>	<u>(280,883)</u>	<u>(52,761)</u>	<u>(57,846)</u>		
<u>(166,615)</u>	<u>(190,975)</u>	<u>(4,972)</u>	<u>(9,878)</u>		
<u>\$ 171,649</u>	<u>\$ 749,145</u>	<u>\$ 366,964</u>	<u>\$ 338,693</u>		

CITY OF MORGAN CITY, LOUISIANA
Enterprise Fund
Utility Funds

Schedule of Changes in Property, Plant, and Equipment
Year Ended December 31, 1998

Property	Annual Straight-line Depreciation Rate	Balance January 1, 1998	Additions
<u>Electric, Gas, and Water Utility Fund</u>			
Real estate		\$ 11,290	\$ -
Buildings	2 %	86,242	-
Power generating plant	3 1/3 %	18,916,848	39,495
Power transmission equipment	3 1/3 %	9,012,873	207,727
Gas system	3 1/3 %	6,916,895	500,309
Water system	3 1/3 %	8,290,066	95,542
Communication equipment	10 %	177,293	11,254
Automotive equipment	25 %	800,164	17,529
Office furniture and equipment	5 - 10 %	346,360	63,427
Construction in progress		<u>22,284</u>	<u>7,547</u>
Totals		<u>\$44,580,315</u>	<u>\$ 942,830</u>
Less: Accumulated depreciation			
Net book value			
<u>Sanitation and Sewer Utility Fund</u>			
Sewer system and equipment	3 1/3 - 20 %	\$ 4,417,759	\$ -
Sanitation equipment	14 1/3 - 20 %	1,308,203	171,219
Wastewater treatment plant	3 1/3 - 20 %	<u>6,148,299</u>	<u>-</u>
Totals		<u>\$11,874,261</u>	<u>\$ 171,219</u>
Less: Accumulated depreciation			
Net book value			

Deletions	Balance December 31, 1998	Accumulated Depreciation January 1, 1998	Additions	Deletions	Accumulated Depreciation December 31, 1998
\$ -	\$ 11,290	\$ -	\$ -	\$ -	\$ -
-	86,242	52,519	2,057	-	54,576
-	18,956,343	13,939,678	556,307	-	14,495,985
-	9,220,600	6,425,359	285,727	-	6,711,086
-	7,417,204	3,471,766	200,319	-	3,672,085
-	8,385,608	4,964,991	249,884	-	5,214,875
-	188,547	106,797	21,053	-	127,850
-	817,693	637,072	36,319	-	673,391
-	409,787	269,143	22,003	-	291,146
<u>(22,284)</u>	<u>7,547</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ (22,284)</u>	45,500,861	<u>\$29,867,325</u>	<u>\$ 1,373,669</u>	<u>\$ -</u>	<u>\$31,240,994</u>
	<u>31,240,994</u>				
	<u>\$14,259,867</u>				
\$ -	\$ 4,417,759	\$ 1,365,255	\$ 148,098	\$ -	\$ 1,513,353
-	1,479,422	1,164,882	36,594	-	1,201,476
<u>-</u>	<u>6,148,299</u>	<u>2,313,248</u>	<u>206,441</u>	<u>-</u>	<u>2,519,689</u>
<u>\$ -</u>	12,045,480	<u>\$ 4,843,385</u>	<u>\$ 391,133</u>	<u>\$ -</u>	<u>\$ 5,234,518</u>
	<u>5,234,518</u>				
	<u>\$ 6,810,962</u>				

CITY OF MORGAN CITY, LOUISIANA

Combined Schedule of Interest-Bearing Deposits and Investments - All Funds
December 31, 1998

Fund and Security	Maturity Date	Interest Rate	Total Amount
General Fund:			
Money market account	N/A	2.00 %	\$ 434,839
Money market account	N/A	2.00	13,473
Money market account	N/A	2.00	153,920
Money market account	N/A	2.00	27,636
Money market account	N/A	2.00	68,263
Total General Fund			<u>698,131</u>
Special Revenue Funds:			
City Recreation Program Fund -			
Money market account	N/A	2.00	3,532
Certificate of Deposit	03/16/1999	4.04	8,115
Certificate of Deposit	02/03/1999	5.00	4,242
Certificate of Deposit	02/06/1999	4.50	7,431
Flex account	N/A	1.75	18,092
Flex account	N/A	1.75	17,034
Flex account	N/A	1.75	14,999
Flex account	N/A	2.00	4,239
Flex account	N/A	2.00	7,358
Totals			<u>85,042</u>
Municipal Auditorium Fund -			
Money market account	N/A	2.00	<u>87,723</u>
Pollution Abatement Fund -			
Money market account	N/A	2.00	<u>61</u>
Morgan City Archives Fund -			
Certificate of deposit	05/07/1999	6.30	20,047
Certificate of deposit	06/16/1999	5.60	14,004
Certificate of deposit	05/01/2000	6.45	20,224
Certificate of deposit	05/21/2001	6.35	20,331
Certificate of deposit	05/28/2002	6.50	20,498
Certificate of deposit	05/06/2003	6.00	10,133
Certificate of deposit	10/18/2000	6.41	56,734
Certificate of deposit	10/18/2001	5.43	57,879
Money market account	N/A	2.00	24,211
Money market account	N/A	Various	9,587
Federal Home Loan Bank	12/17/1999	6.00	19,950
2,320 shares - WNB stock	N/A	N/A	95,963
Totals			<u>369,561</u>
Cemetery Fund -			
Money market account	N/A	2.00	<u>132,056</u>

<i>Financial Institution Issued By</i>				
<u>Whitney National Bank</u>	<u>Iberia Savings Bank</u>	<u>M.C. Bank and Trust</u>	<u>Teche Federal Savings Bank</u>	<u>Other</u>
\$ -	\$ -	\$ 434,839	\$ -	\$ -
-	-	13,473	-	-
-	-	153,920	-	-
-	-	27,636	-	-
-	-	68,263	-	-
-	-	698,131	-	-
-	-	3,532	-	-
-	-	8,115	-	-
4,242	-	-	-	-
7,431	-	-	-	-
-	-	18,379	-	-
-	-	17,212	-	-
-	-	15,418	-	-
-	-	4,239	-	-
-	-	7,358	-	-
11,673	-	74,253	-	-
-	-	87,723	-	-
-	-	61	-	-
-	-	-	-	20,047
-	-	-	-	14,004
-	-	-	-	20,224
-	-	-	-	20,331
-	-	-	-	20,498
-	-	-	-	10,133
-	-	56,734	-	-
-	-	57,879	-	-
-	-	24,211	-	-
-	-	-	-	9,587
-	-	-	-	19,950
-	-	-	-	95,963
-	-	138,824	-	230,737
-	-	132,056	-	-

(continued)

CITY OF MORGAN CITY, LOUISIANA

Combined Schedule of Interest-Bearing Deposits and Investments - All Funds (Continued)
December 31, 1998

Fund and Security	Maturity Date	Interest Rate	Total Amount
Road and Royalty Fund - Money market account	N/A	2.00	\$ 264,491
Library Commission Fund - Money market account	N/A	2.00	85,425
Lake End Park Concession Fund - Certificate of deposit	04/28/1999	4.04	3,917
Money market account	N/A	2.00	3,709
Money market account	N/A	2.00	85
Totals			7,711
Fire Apparatus Purchase Fund - Money market account	N/A	2.00	8,814
Real Estate Acquisition Fund - Money market account	N/A	2.00	25,738
Wharf Fund - Money market account	N/A	2.00	48
Lake End Park Marina Fund - Money market account	N/A	2.00	34,807
Emergency Management Fund - Money market account	N/A	2.00	1,337
Main Street Fund - Certificate of deposit	03/12/1999	3.70	3,410
Money Market Account	N/A	2.00	329
Money Market Account	N/A	2.00	15,946
Totals			19,685
Seafood Processing Grant - Money market account	N/A	2.00	115
Total Special Revenue Funds			1,122,614
Debt Service Funds:			
11/1/82 P. I. Bond Reserve Fund - Certificate of deposit	01/02/1999	4.55	400,000
Certificate of deposit	07/26/1999	5.12	100,000
Money market account	N/A	2.00	84,410
Money market account	N/A	2.00	313,333
Totals			897,743

Financial Institution Issued By				
Whitney National Bank	Iberia Savings Bank	M.C. Bank and Trust	Teche Federal Savings Bank	Other
\$ -	\$ -	\$ 264,491	\$ -	\$ -
-	-	85,425	-	-
-	-	3,917	-	-
-	-	3,709	-	-
-	-	85	-	-
-	-	7,711	-	-
-	-	8,814	-	-
-	-	25,738	-	-
-	-	48	-	-
-	-	34,807	-	-
-	-	1,337	-	-
3,410	-	-	-	-
-	-	329	-	-
-	-	15,946	-	-
3,410	-	16,275	-	-
-	-	115	-	-
15,083	-	877,678	-	230,737
400,000	-	-	-	-
-	-	-	100,000	-
-	-	84,410	-	-
-	-	313,333	-	-
400,000	-	397,743	100,000	-

(continued)

CITY OF MORGAN CITY, LOUISIANA

Combined Schedule of Interest-Bearing Deposits and Investments - All Funds (Continued)
December 31, 1998

Fund and Security	Maturity Date	Interest Rate	Total Amount
Sewerage System Improvement Fund 3/1/60 - Money market account	N/A	2.00	\$ <u>3,976</u>
Sales Tax Revenue Refunding Bonds, Series 1987 - Reserve Fund -			
Certificate of deposit	08/28/2000	5.95	94,735
Certificate of deposit	08/26/1999	5.45	50,032
Certificate of deposit	11/20/2000	5.25	99,693
FHLMC #251389	06/01/2010	7.50	15,954
FHLMC #299882	06/01/2017	7.00	72,964
GNMA Pool #011905X	09/15/2006	8.00	16,050
FNMA #260208	12/01/2008	6.00	85,406
Money market account	N/A	2.00	60,433
Money market account	N/A	Various	25,852
Money market account	N/A	2.00	191,069
Totals			<u>712,188</u>
Ordinances U and 8 - Money market account	N/A	2.00	<u>1,654</u>
Ordinances SW9 - Money market account	N/A	2.00	<u>4</u>
Sidewalk Assessment - Money market account	N/A	2.00	<u>14,954</u>
Total Debt Service Funds			<u>1,630,519</u>
Capital Projects Fund:			
Lake End Park Construction Fund - Money market account	N/A	2.00	<u>305</u>
City Hall Complex Construction Fund -			
Certificate of deposit	05/02/1999	5.92	100,000
Louisiana asset management pool	N/A	Various	557,000
Money market account	N/A	2.00	146,615
Totals			<u>803,615</u>
Economic Development Fund - Money market account	N/A	2.00	<u>100,580</u>
Total Capital Projects Fund			<u>904,500</u>
Enterprise Funds:			
Electric, Gas, and Water Utility Fund - Unrestricted:			
Money market account	N/A	2.00	<u>1,742,507</u>

Financial Institution Issued By				
Whitney National Bank	Iberia Savings Bank	M.C. Bank and Trust	Teche Federal Savings Bank	Other
\$ -	\$ -	\$ 3,976	\$ -	\$ -
-	-	-	-	94,735
-	-	-	-	50,032
-	-	-	-	99,693
-	-	-	-	15,954
-	-	-	-	72,964
-	-	-	-	16,050
-	-	-	-	85,406
-	-	60,433	-	-
-	-	-	-	25,852
-	-	191,069	-	-
-	-	251,502	-	460,686
-	-	1,654	-	-
-	-	4	-	-
-	-	14,954	-	-
400,000	-	669,833	100,000	460,686
-	-	305	-	-
100,000	-	-	-	-
-	-	-	-	557,000
-	-	146,615	-	-
100,000	-	146,615	-	557,000
-	-	100,580	-	-
100,000	-	247,500	-	557,000
1,742,507	-	-	-	-

(continued)

CITY OF MORGAN CITY, LOUISIANA

Combined Schedule of Interest-Bearing Deposits and Investments - All Funds (Continued)
December 31, 1998

<u>Fund and Security</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Total Amount</u>
Revenue Bond Sinking Fund:			
Louisiana asset management pool	N/A	Various	\$ 60,581
Money market account	N/A	5.00	1,157,262
Totals			<u>1,217,843</u>
Revenue Bond Reserve Fund:			
Certificate of deposit	07/25/1999	4.86	101,329
Money market account	N/A	5.00	1,809,888
Totals			<u>1,911,217</u>
Capital Additions and Contingencies Fund:			
Louisiana management pool	N/A	Various	334,386
Money market account	N/A	4.50	762,243
Totals			<u>1,096,629</u>
Revenue Bond Construction Funds:			
Money market account	N/A	2.00	<u>660,699</u>
Sanitation and Sewer Utility Fund -			
Money market account	N/A	2.00	298
Money market account	N/A	2.00	912,609
Totals			<u>912,907</u>
Total Enterprise Funds			<u>7,541,802</u>
Internal Service Fund:			
Self-Insurance Fund -			
Louisiana asset management pool	N/A	Various	584,317
Money market account	N/A	2.00	96
Totals			<u>584,413</u>
Fiduciary Funds:			
Police Pension and Relief Fund -			
Certificate of deposit	03/15/1999	5.00	<u>42,088</u>
Cemetery Trust Fund -			
The One Group:			
Intermediate Bond Fund	N/A	5.99	1,826
Ultra Short Term Income	N/A	5.45	1,099
Government Bond Fund	N/A	5.66	385,199
Ltd Volatility Bond Fund	N/A	5.61	5,228
Income Bond Fund	N/A	6.03	2,434
Totals			<u>395,786</u>

<i>Financial Institution Issued By</i>				
<u>Whitney National Bank</u>	<u>Iberia Savings Bank</u>	<u>M.C. Bank and Trust</u>	<u>Teche Federal Savings Bank</u>	<u>Other</u>
\$ -	\$ -	\$ -	\$ -	\$ 60,581
1,157,262	-	-	-	-
<u>1,157,262</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,581</u>
-	101,329	-	-	-
1,809,888	-	-	-	-
<u>1,809,888</u>	<u>101,329</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	334,386
762,243	-	-	-	-
<u>762,243</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>334,386</u>
-	-	660,699	-	-
-	-	298	-	-
-	-	912,609	-	-
-	-	<u>912,907</u>	-	-
<u>5,471,900</u>	<u>101,329</u>	<u>1,573,606</u>	<u>-</u>	<u>394,967</u>
-	-	-	-	584,317
-	-	96	-	-
-	-	<u>96</u>	-	<u>584,317</u>
<u>42,088</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	1,826
-	-	-	-	1,099
-	-	-	-	385,199
-	-	-	-	5,228
-	-	-	-	2,434
-	-	-	-	<u>395,786</u>

(continued)

CITY OF MORGAN CITY, LOUISIANA

Combined Schedule of Interest-Bearing Deposits and Investments - All Funds (Continued)
December 31, 1998

Fund and Security	Maturity Date	Interest Rate	Total Amount
Swamp Garden Fund - Money market account	N/A	2.00	\$ <u>240</u>
Morgan City Beautification Fund - Money market account	N/A	2.00	<u>6,679</u>
Morgan City Museum House - Money market account	N/A	2.00	87,903
Certificate of Deposit	01/25/1999	5.00	5,818
Certificate of Deposit	01/25/1999	5.30	17,833
Money market account	N/A	2.00	26,993
Totals			<u>138,547</u>
Schreier House - Certificate of deposit	04/05/1999	3.00	1,601
Money market account	N/A	2.00	33
Totals			<u>1,634</u>
Total Fiduciary Funds			<u>584,974</u>
Total interest-bearing deposits and investments			<u>\$13,066,953</u>

<i>Financial Institution Issued By</i>				
<u>Whitney National Bank</u>	<u>Iberia Savings Bank</u>	<u>M.C. Bank and Trust</u>	<u>Teche Federal Savings Bank</u>	<u>Other</u>
\$ -	\$ -	\$ 240	\$ -	\$ -
-	-	6,679	-	-
-	-	87,903	-	-
5,818	-	-	-	-
17,833	-	-	-	-
26,993	-	-	-	-
<u>50,644</u>	-	<u>87,903</u>	-	-
-	-	1,601	-	-
-	-	33	-	-
-	-	<u>1,634</u>	-	-
92,732	-	96,456	-	395,786
<u>\$ 6,079,715</u>	<u>\$ 101,329</u>	<u>\$ 4,163,300</u>	<u>\$ 100,000</u>	<u>\$ 2,623,493</u>

CITY OF MORGAN CITY, LOUISIANA

Schedule of Insurance in Force
(Unaudited)
December 31, 1998

Description of Coverage	Coverage Amounts
Blanket Accident Police - Volunteer Fireman - Medical indemnity for expense and treatment	\$ 5,000
Workmen's Compensation - Employer's liability	500,000
Surety Bonds -	
Blanket employee dishonesty bond	250,000
Mrs. Christine Bailey, Deputy Tax Collector	25,000
Mrs. Karen Davidson, City Treasurer	75,000
Police Pension Fund	75,000
Police Professional Liability	2,000,000
Public Officials Liability	2,000,000
Gas and Water System Liability -	
Per occurrence	1,000,000
Aggregate	2,000,000
Automobiles and Trucks -	
Bodily injury and property damage	1,000,000
Public Liability -	
Bodily injury and property damage	
Per occurrence	1,000,000
Aggregate	2,000,000
Boiler and Machinery -	
Breakdown and explosion (per accident)	5,000,000
Fire, Lightning and Extended Coverage (blanket)	30,273,000

CITY OF MORGAN CITY, LOUISIANA

Schedule of Compensation Paid to Members of Governing Board
Year Ended December 31, 1998

<u>Name and Office Held</u>	<u>Compensation</u>
Timothy I. Matte, Mayor	\$ 36,000
JoAnn Blanchard, Councilwoman	7,200
Logan Fromenthal, Councilman	7,200
William H. Johnson, Jr., M.D., Councilman	7,200
Leon Kahn, Councilman	7,200
Jarrold Longman, Councilman	7,200
	<hr/>
Total	<u>\$ 72,000</u>