

ANNUAL FINANCIAL REPORT  
OF THE  
TOWN OF KROTZ SPRINGS, LOUISIANA  
FOR THE YEAR ENDED JUNE 30, 1999

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

Release Date OCT 13 1999

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

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 1904-1984

Retired

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 John Newton Stout, CPA  
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INDEPENDENT AUDITOR'S REPORT

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

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

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

Because of the inadequacy of accounting records for the years prior to July 1, 1982, we were unable to form an opinion regarding the amounts at which fixed assets are recorded in the accompanying balance sheet of the General Fixed Assets Account Group at June 30, 1999 (stated at \$1,832,652).

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had prior years' accounting records concerning the General Fixed Assets Account Group been adequate, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Krotz Springs, Louisiana, as of June 30, 1999, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated July 27, 1999, on our consideration of the Town of Krotz Springs' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

The Honorable Gary Soileau, Mayor  
and Members of the Board of Aldermen  
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Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the Town of Krotz Springs, Louisiana, taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Town of Krotz Springs, Louisiana. Such information except for the Schedule of Insurance in Force marked "unaudited," and the financial statements presented in the General Fixed Assets Account Group on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

*John S. Dowling & Company*

Opelousas, Louisiana  
July 27, 1999

GENERAL PURPOSE FINANCIAL STATEMENTS

TOWN OF KROTZ SPRINGS, LOUISIANA  
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
JUNE 30, 1999

	GOVERNMENTAL FUND TYPES			FIDUCIARY FUND TYPE TRUST AND AGENCY	ACCOUNT GROUPS		TOTALS (Memorandum Only) JUNE 30, 1999	TOTALS (Memorandum Only) JUNE 30, 1998
	GENERAL	SPECIAL REVENUE	DEBT SERVICE		CAPITAL PROJECTS	PROPRIETARY FUND TYPES ENTERPRISE		
<u>ASSETS</u>								
Cash	\$171,808	\$249,458	\$4,357	\$7,359			\$760,562	\$531,086
Investments	242,450	401,467					1,222,073	1,210,008
Receivables, net of allowance for uncollectibles					\$327,580			
Property taxes	417						417	629
Franchise taxes	16,723				19,215		16,723	33,291
Accounts					748		19,215	18,669
Assessments					675		748	6,896
Interest	1,767	30					2,472	2,721
From other governments	7,443						7,443	4,628
NSF checks								151
Due from meter deposit account					50		50	45
Due from other funds		6,777			3,629	4,500	14,906	15,849
Prepaid insurance					6,014		6,014	6,478
Restricted assets								
Cash	32,255				20,670		52,925	49,110
Investments					15,140		15,140	15,140
Interest receivable					60		60	69
Due from operating account	3,769						3,769	2,435
Property and equipment, net of accumulated depreciation								
Amount to be provided for retirement of general long-term debt					2,745,226		4,577,878	4,661,667
							\$28,601	24,604
<u>Total assets</u>	<u>476,632</u>	<u>657,732</u>	<u>4,357</u>	<u>11,859</u>	<u>3,717,163</u>	<u>1,832,652</u>	<u>6,728,996</u>	<u>6,593,476</u>

Continued on next page.

TOWN OF KROTZ SPRINGS, LOUISIANA  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS (CONTINUED)  
 JUNE 30, 1999

	GOVERNMENTAL FUND TYPES			PROPRIETARY FUND TYPES ENTERPRISE	FIDUCIARY FUND TYPE TRUST AND AGENCY	ACCOUNT GROUPS		TOTALS	
	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS			GENERAL ASSETS	GENERAL LONG-TERM DEBT	JUNE 30, 1999	(Memorandum Only) JUNE 30, 1998
<b>LIABILITIES</b>									
Accounts payable	\$4,720			\$2,968				\$7,688	\$15,382
Payroll taxes payable					\$1,239			1,239	1,131
Retirement payable	1,090				1,454			2,544	1,900
Accrued compensated absences	8,045			5,300				13,345	12,501
Due to other funds	3,942			1,798				14,906	15,849
Due to restricted assets	3,769							3,769	2,435
Payable from restricted assets									
Customers' deposits				23,682				23,682	21,979
Due to operating account				50				50	45
Deferred revenue								1,221	
Long-term debt									
Compensated absences payable									
Capital lease payable									
<b>Total liabilities</b>	<b>22,787</b>	<b>-0-</b>	<b>-0-</b>	<b>33,798</b>	<b>11,859</b>	<b>-0-</b>	<b>\$27,217</b>	<b>1,384</b>	<b>22,184</b>
								<b>97,045</b>	<b>2,420</b>
<b>FUND EQUITY</b>									
Contributed capital				2,911,017				2,911,017	3,031,607
Investment in general fixed assets									
Retained earnings									
Reserved									
Unreserved									
Fund balance									
Reserved									
Unreserved, undesignated									
<b>Total fund equity</b>	<b>36,024</b>	<b>\$4,357</b>	<b>-0-</b>	<b>3,683,365</b>	<b>-0-</b>	<b>1,832,652</b>	<b>\$1,832,652</b>	<b>36,024</b>	<b>33,470</b>
	<b>417,821</b>	<b>4,357</b>	<b>-0-</b>	<b>3,717,163</b>	<b>-0-</b>	<b>1,832,652</b>	<b>1,832,652</b>	<b>1,079,910</b>	<b>931,380</b>
	<b>453,845</b>	<b>4,357</b>	<b>-0-</b>	<b>3,717,163</b>	<b>-0-</b>	<b>1,832,652</b>	<b>1,832,652</b>	<b>6,631,951</b>	<b>6,487,650</b>
<b>Total liabilities and fund equity</b>	<b>476,632</b>	<b>4,357</b>	<b>-0-</b>	<b>3,717,163</b>	<b>11,859</b>	<b>1,832,652</b>	<b>28,601</b>	<b>6,728,996</b>	<b>6,583,476</b>

The accompanying notes are an integral part of these statements.



TOWN OF KROTZ SPRINGS, LOUISIANA  
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED JUNE 30, 1999

	<u>GOVERNMENTAL FUND TYPES</u>				<u>TOTALS</u> (Memorandum Only)
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	
<u>REVENUES</u>					
Taxes	\$262,855	\$194,973			\$457,828
Licenses and permits	22,018				22,018
Intergovernmental	10,395				10,395
Charges for services	10,696				10,696
Fines and forfeits	63,007				63,007
Investment income	32,348	10,106			42,454
Miscellaneous	<u>21,599</u>		<u>\$774</u>		<u>22,373</u>
Total revenues	<u>422,918</u>	<u>205,079</u>	<u>774</u>	<u>-0-</u>	<u>628,771</u>
<u>EXPENDITURES</u>					
Current operating					
General and					
administrative	187,104	1,994			189,098
Street	26,638				26,638
Police	196,720				196,720
Recreation	<u>36,452</u>				<u>36,452</u>
Total					
expenditures	<u>446,914</u>	<u>1,994</u>	<u>-0-</u>	<u>-0-</u>	<u>448,908</u>
<u>EXCESS OF REVENUES OVER</u>					
<u>(UNDER) EXPENDITURES</u>	<u>(23,996)</u>	<u>203,085</u>	<u>774</u>	<u>-0-</u>	<u>179,863</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Operating transfers in	28,555				28,555
Operating transfers out	<u>(13)</u>	<u>(57,321)</u>			<u>(57,334)</u>
Total other					
financing sources					
(uses)	<u>28,542</u>	<u>(57,321)</u>	<u>-0-</u>	<u>-0-</u>	<u>(28,779)</u>
<u>EXCESS OF REVENUES AND</u>					
<u>OTHER SOURCES OVER (UNDER)</u>					
<u>EXPENDITURES AND OTHER USES</u>	4,546	145,764	774		151,084
<u>FUND BALANCE, beginning of</u>					
year	<u>449,299</u>	<u>511,968</u>	<u>3,583</u>		<u>964,850</u>
<u>FUND BALANCE, end of year</u>					
	<u>453,845</u>	<u>657,732</u>	<u>4,357</u>	<u>-0-</u>	<u>1,115,934</u>

The accompanying notes are an integral part of these statements.

TOWN OF KROTZ SPRINGS, LOUISIANA  
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
GENERAL AND SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 1999

	GENERAL FUND		SPECIAL REVENUE FUND		TOTALS (Memorandum Only) Actual
	BUDGET	ACTUAL	BUDGET	ACTUAL	
<b>REVENUES</b>					
Taxes	\$243,370	\$262,855	\$200,934	\$194,973	\$457,828
Licenses and permits	10,947	22,018			22,018
Intergovernmental	9,057	10,395			10,395
Charges for services	7,307	10,696			10,696
Fines and forfeits	61,451	63,007			63,007
Investment income	29,933	32,348	11,147	10,106	42,454
Miscellaneous	18,054	21,599			21,599
<u>Total revenues</u>	<u>380,119</u>	<u>422,918</u>	<u>212,081</u>	<u>205,079</u>	<u>627,997</u>
<b>EXPENDITURES</b>					
Current operating					
General and administrative	209,620	187,104	2,061	1,994	189,098
Street	21,048	26,638			26,638
Police	203,663	196,720			196,720
Recreation	13,294	36,452			36,452
<u>Total expenditures</u>	<u>447,625</u>	<u>446,914</u>	<u>2,061</u>	<u>1,994</u>	<u>448,908</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(67,506)	(23,996)	210,020	203,085	179,089
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in		28,555			28,555
Operating transfers out	(62,947)	(13)	(62,947)	(57,321)	(57,334)
<u>Total other financing sources (uses)</u>	<u>(62,947)</u>	<u>28,542</u>	<u>(62,947)</u>	<u>(57,321)</u>	<u>(28,779)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(130,453)	4,546	147,073	145,764	150,310
FUND BALANCE, beginning of year		449,299		511,968	961,267
FUND BALANCE, end of year		453,845		657,732	1,111,577

The accompanying notes are an integral part of these statements.

TOWN OF KROTZ SPRINGS, LOUISIANA  
COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS  
ALL PROPRIETARY FUND TYPES  
FOR THE YEAR ENDED JUNE 30, 1999

	<u>1999</u>	<u>TOTALS</u> <u>(Memorandum Only)</u> <u>1998</u>
<u>OPERATING REVENUES</u>		
Charges for services	\$ <u>212,871</u>	\$ <u>224,239</u>
<u>OPERATING EXPENSES</u>		
Personal services	77,915	83,009
Contractual services	35,667	50,888
Supplies	13,791	13,228
Other expenses	46,339	49,134
Depreciation	<u>147,077</u>	<u>139,684</u>
<u>Total operating expenses</u>	<u>320,789</u>	<u>335,943</u>
<u>OPERATING (LOSS)</u>	<u>(107,918)</u>	<u>(111,704)</u>
<u>NONOPERATING REVENUES</u>		
Interest income	<u>31,777</u>	<u>32,034</u>
<u>Total nonoperating revenues</u>	<u>31,777</u>	<u>32,034</u>
<u>(LOSS) BEFORE OPERATING TRANSFERS</u>	<u>(76,141)</u>	<u>(79,670)</u>
<u>OPERATING TRANSFERS IN</u>	<u>28,779</u>	<u>18,499</u>
<u>NET (LOSS)</u>	<u>(47,362)</u>	<u>(61,171)</u>
Add depreciation on fixed assets acquired by grants, entitlements, and shared revenues externally restricted for capital acquisitions and construction that reduces contributed capital	<u>120,591</u>	<u>115,602</u>
<u>INCREASE IN RETAINED EARNINGS</u>	<u>73,229</u>	<u>54,431</u>
<u>RETAINED EARNINGS, beginning of year</u>	<u>699,119</u>	<u>644,688</u>
<u>RETAINED EARNINGS, end of year</u>	<u>772,348</u>	<u>699,119</u>

The accompanying notes are an integral part of these statements.

TOWN OF KROTZ SPRINGS, LOUISIANA  
COMBINED STATEMENT OF CASH FLOWS  
ALL PROPRIETARY FUND TYPES  
FOR THE YEAR ENDED JUNE 30, 1999

	<u>1999</u>	<u>TOTALS</u> <u>(Memorandum Only)</u> <u>1998</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash received from customers	\$214,050	\$229,380
Cash payment to suppliers for goods and services	(96,698)	(108,759)
Cash payments to employees for services	<u>(76,238)</u>	<u>(85,350)</u>
<u>Net cash provided by operating activities</u>	<u>41,114</u>	<u>35,271</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>		
Operating transfers in (out)	<u>29,976</u>	<u>(13,899)</u>
<u>Net cash provided (used) by noncapital financing activities</u>	<u>29,976</u>	<u>(13,899)</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Purchase of fixed assets	(22,710)	(10,183)
Contribution from customers	<u>3,713</u>	<u>2,235</u>
<u>Net cash (used) for capital and related financing activities</u>	<u>(18,997)</u>	<u>(7,948)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of investments	(12,065)	(12,379)
Interest on investments	<u>31,559</u>	<u>32,011</u>
<u>Net cash provided by investing activities</u>	<u>19,494</u>	<u>19,632</u>
<u>NET INCREASE IN CASH</u>	71,587	33,056
<u>CASH, July 1, 1998</u>	<u>276,663</u>	<u>243,607</u>
<u>CASH, June 30, 1999</u>	<u>348,250</u>	<u>276,663</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u>		
Operating (loss)	\$( <u>107,918</u> )	\$( <u>111,704</u> )
Adjustments to reconcile operating (loss) to net cash provided by operating activities:		
Depreciation	147,077	139,684
(Increase) decrease in accounts receivable	(546)	2,648
(Increase) decrease in prepaid insurance	466	2,727
(Increase) decrease in NSF checks	20	(20)
Increase (decrease) in accounts payable	(1,365)	1,764
Increase (decrease) in accrued compensated absences	1,677	(2,341)
Increase (decrease) in customer meter deposits	1,703	2,779
Increase (decrease) in due to customers	<u>          </u>	<u>(266)</u>
<u>Total adjustments</u>	<u>149,032</u>	<u>146,975</u>
<u>Net cash provided by operating activities</u>	<u>41,114</u>	<u>35,271</u>

The accompanying notes are an integral part of these statements.

TOWN OF KROTZ SPRINGS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

REPORTING ENTITY

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Town of Krotz Springs for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

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

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

FUND ACCOUNTING

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

Governmental Funds

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

TOWN OF KROTZ SPRINGS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

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

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

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

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

Proprietary Fund

Enterprise Funds. Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Fiduciary Fund

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

BASIS OF ACCOUNTING

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

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

TOWN OF KROTZ SPRINGS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

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

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

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

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is for principal and interest on general long-term debt which is recognized when due. Expenditures for insurance and similar services which extend over more than one accounting period are accounted for as expenditures of the period of acquisition.

The proprietary fund type is accounted for using the accrual basis of accounting. Its revenues are recognized when they are earned, and its expenses are recognized when they are incurred. Revenues earned and expenses incurred are recognized in a government's proprietary funds in essentially the same manner as in commercial accounting. However, where the GASB has issued pronouncements applicable to entities and activities recognized in a government's proprietary funds, those entities and activities should be guided by the GASB pronouncements. Only minor adaptations are involved in applying the revenue realization and expense recognition principles in the governmental environment.

CASH AND INVESTMENTS

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

At year-end, the carrying amount of the Town's cash and investments was \$2,050,700. The bank balance of cash was \$816,736 and of investments was \$1,237,213. Investments are stated at cost or amortized cost, which approximates market. Investments consist of time certificates of deposit and direct investment in the Louisiana Asset Management Pool (LAMP). Cash and certificates of deposits are fully secured through the pledge of bank-owned securities or federal deposit insurance. Investments in certificates of deposit at June 30, 1999 was \$989,387. The Louisiana Asset Management Pool (LAMP) is a cooperative endeavor designed to create a local government investment vehicle. The cooperative endeavor was created at the initiative of the Louisiana State Treasurer's Office. With investment advice provided by a professional investment manager and custody of the assets maintained by a major Louisiana bank, LAMP has been established to improve administrative efficiency and increase investment yield for all Depositing Members. Investment in LAMP at June 30, 1999 was \$247,826.

TOWN OF KROTZ SPRINGS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

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

FIXED ASSETS AND LONG-TERM LIABILITIES

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

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

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

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

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

Interest costs during construction, where applicable, are capitalized.

BAD DEBTS

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

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

Allowance for uncollectible accounts receivable in the Enterprise Funds at June 30, 1999 is \$117.

BUDGETS AND BUDGETARY ACCOUNTING

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

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





*Town of*  
**KROTZ SPRINGS**

---

MAYOR  
*Gary Soileau*

MAYOR PRO TEM  
*Tony Collette*

ALDERMEN  
*Keith Ardoin*  
*Bill Bryson*

*Mary Lou Lacassin*  
*Donald Williams*

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

Dear Sirs,

CLERK  
*Mary Lou Lacassin*

CHIEF OF POLICE  
*Susie Lacassin*

ATTORNEY  
*Patrick Morrow*

The Town of Krotz Springs, Louisiana respectfully submits the following  
Corrective Action Plan for the year ended June 30, 1999.

Name and address of independent public accounting firm:

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

The findings from the Independent Accountant's Audit Report for the year ending, June 30, 1999, is discussed below. The finding is numbered consistently with the number assigned in the report.

1999-1 Inadequate Records for Fixed Assets: the Town of Krotz Springs is in the process of completing a list of all assets owned. Either the original cost or an estimated value will be placed on all of the assets. The total amount from this list will be compared to the amount recorded on the general fixed asset account group and the necessary adjustments will be made.

If you need additional information please contact us.

Sincerely,

Gary Soileau  
Mayor

TOWN OF KROTZ SPRINGS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

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

BUDGETS AND BUDGETARY ACCOUNTING - Continued

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

The budgeted accounts shown in these financial statements as of June 30, 1999 were properly amended during a public meeting held on June 21, 1999.

ENCUMBRANCES

The Town does not employ the encumbrance system of accounting.

INVENTORY

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

COMPENSATED ABSENCES

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

CASH AND CASH EQUIVALENTS

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

TOWN OF KROTZ SPRINGS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

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

TOTAL COLUMNS ON COMBINED STATEMENTS

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

NOTE (2) - INTERFUND RECEIVABLES, PAYABLES

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund		\$3,942
Special Revenue Funds		
Sales Tax	\$6,777	
Enterprise Funds	3,629	1,798
Agency Fund		
Payroll Account	<u>4,500</u>	<u>9,166</u>
	<u>14,906</u>	<u>14,906</u>

NOTE (3) - RETIREMENT PLAN

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

Municipal Employees' Retirement System

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

Funding Policy: Plan B members of the Municipal Employees' Retirement System are required by state statute to contribute 5% of their annual covered salary and the Town (as the employer) is required to contribute at an actuarially determined rate. The current employer rate is 3.75% of annual covered payroll. The contribution requirements of plan members and the employer are established by, and may be amended by, state law. As required by state law, the employer contributions are determined

TOWN OF KROTZ SPRINGS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

NOTE (3) - RETIREMENT PLAN - Continued

Funding Policy: - Continued

by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The employer contribution is additionally funded by the State of Louisiana through the annual Legislative appropriation. The Town of Krotz Springs' employer contributions to Municipal Employees' Retirement System for the years ended June 30, 1999, 1998, 1997, were \$4,247, \$2,906, \$4,003 respectively, and were equal to the required contribution for each year.

NOTE (4) - AD VALOREM TAXES

For the year ended June 30, 1999, the Town of Krotz Springs levied a general tax of 7.56 mills, the statutory maximum, on property with assessed valuation totaling \$13,547,500. Total tax levied was \$102,419. Taxes receivable at June 30, 1999 totaled \$417. There was no allowance for uncollectible accounts at June 30, 1999.

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

NOTE (5) - ACCOUNTS RECEIVABLE - ENTERPRISE FUNDS

The accounts receivable consist of gas, water and sewer billings uncollected as of June 30, 1999. An accounts receivable aging schedule is as follows:

<u>Days</u>	<u>6/30/99</u>
Unbilled	\$2,598
0 - 30	13,586
31 - 60	2,289
61 - 90	731
91 and older	<u>128</u>
<u>Total accounts receivable</u>	19,332
Less: allowance for uncollectible accounts	<u>(117)</u>
<u>Net accounts receivable</u>	<u>19,215</u>

NOTE (6) - RESERVES OF FUND EQUITY

The Town records reserves to indicate that a portion of the fund equity is legally segregated for a specific future use. The following details the description and amount of all reserves of the Town.

	<u>6/30/99</u>
General Fund	
Reserved for ad valorem taxes paid in protest	\$32,255
Due to operating account	<u>3,769</u>
	<u>36,024</u>
Enterprise Funds	
Reserved for customers' deposits	<u>\$12,138</u>

TOWN OF KROTZ SPRINGS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

NOTE (7) - PROPRIETARY FUNDS - RESTRICTED ASSETS

Certain assets of the Enterprise Funds have been restricted for customers' deposits. These assets consist of cash and short-term investments totaling \$35,870.

NOTE (8) - CONTRIBUTED CAPITAL

Contributed capital on June 30, 1999 consists of:

Gas Fund

Contributions from federal agencies	\$566,500	
Contributions from Town of Krotz Springs		
Special Revenue Funds	<u>2,307</u>	
	568,807	
Accumulated depreciation of property, plant, and equipment acquired with contributed capital from federal agencies	<u>(307,107)</u>	\$261,700

Water Fund

Contributions from federal agencies	1,223,606	
Accumulated depreciation of property, plant, and equipment acquired with contributed capital from federal and state grants	<u>(281,699)</u>	941,907

Sewer Fund

Contributions from federal and state agencies	1,480,488	
Contributions from customers	26,366	
Contributions from Town of Krotz Springs		
Special Revenue Funds	<u>662,985</u>	
	2,169,839	
Accumulated depreciation of property, plant, and equipment acquired with contributed capital from federal and state agencies	<u>(462,429)</u>	<u>1,707,410</u>

2,911,017

TOWN OF KROTZ SPRINGS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

NOTE (9) - PROPERTY, PLANT, AND EQUIPMENT - ENTERPRISE FUNDS

A summary of property, plant, and equipment of the Enterprise Funds at June 30, 1999 is as follows:

<u>Description</u>	<u>Life in Years</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>	<u>Depreciation This Year *</u>
Waterworks and gas system	15-20	\$1,999,142	\$772,016	\$1,227,126	\$91,295
Sewer plant and equipment	5-40	<u>2,202,206</u>	<u>684,106</u>	<u>1,518,100</u>	<u>55,782</u>
<u>Total</u>		<u>4,201,348</u>	<u>1,456,122</u>	<u>2,745,226</u>	<u>147,077</u>

Changes during the year

<u>BALANCE</u> , beginning of year		\$4,178,638	\$1,309,045		
Additions:					
Waterwork system		22,710			
Depreciation			<u>147,077</u>		
<u>BALANCE</u> , end of year		<u>4,201,348</u>	<u>1,456,122</u>		

\* All assets depreciated under the straight-line method.

NOTE (10) - GENERAL FIXED ASSETS

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

NOTE (11) - CHANGES IN LONG-TERM DEBT

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

	<u>General Obligation Bond - 1988 Series</u>	<u>Compensated Absences</u>	<u>Ascom Hasler Lease</u>	<u>Total</u>
Balance 7/1/98	-0-	\$22,184	\$2,420	\$24,604
Increase in long-term compensated absences payable		5,033		5,033
Payments on lease			(1,036)	(1,036)
Balance 6/30/99	<u>-0-</u>	<u>27,217</u>	<u>1,384</u>	<u>28,601</u>

TOWN OF KROTZ SPRINGS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

NOTE (11) - CHANGES IN LONG-TERM DEBT - Continued

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

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

2000	\$1,036
2001	<u>348</u>
	<u>1,384</u>

Payments on principal during the year ended 6/30/99 were \$1,036.

NOTE (12) - CHANGES IN GENERAL FIXED ASSETS

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

	Balance <u>7/1/98</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>6/30/99</u>
Land	\$294,898			\$294,898
Buildings	294,807			294,807
Improvements other than buildings	134,390			134,390
Equipment	239,400	\$12,387		251,787
Furniture and fixtures	7,345			7,345
Other structures and improvements	<u>821,234</u>	<u>28,191</u>	<u>—</u>	<u>849,425</u>
<u>Totals</u>	<u>1,792,074</u>	<u>40,578</u>	<u>-0-</u>	<u>1,832,652</u>

NOTE (13) - POSTRETIREMENT BENEFITS

The Town of Krotz Springs provides health insurance for those employees who retire with thirty or more years of continuous service with the Town, and who have attained the age of at least sixty-two. The Town pays 100% of the premium until the employee reaches the age of sixty-five. For the fiscal year ended June 30, 1999, the Town has expended \$2,711 on health insurance premiums for one retired employee.

FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS



GENERAL FUND

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

TOWN OF KROTZ SPRINGS, LOUISIANA  
GENERAL FUND  
BALANCE SHEET  
JUNE 30, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
<u>ASSETS</u>		
Cash	\$171,808	\$162,466
Investments	242,450	242,450
Receivables, net of allowance for uncollectibles		
Property taxes	417	629
From other governments	7,443	4,628
Franchise taxes	16,723	33,291
Interest receivable	1,767	910
NSF checks		131
Restricted assets		
Cash	32,255	31,035
Due from operating account	<u>3,769</u>	<u>2,435</u>
<u>Total assets</u>	<u>476,632</u>	<u>477,975</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts payable	\$4,720	\$11,049
Retirement payable	1,090	674
Accrued compensated absences	8,045	8,878
Due to restricted assets	3,769	2,435
Due to other funds	3,942	5,640
Deferred revenue - protest taxes	<u>1,221</u>	<u>        </u>
<u>Total liabilities</u>	<u>22,787</u>	<u>28,676</u>
 <u>FUND BALANCE</u>		
Reserved	36,024	33,470
Unreserved, undesignated	<u>417,821</u>	<u>415,829</u>
<u>Total fund balance</u>	<u>453,845</u>	<u>449,299</u>
<u>Total liabilities and fund balance</u>	<u>476,632</u>	<u>477,975</u>

TOWN OF KROTZ SPRINGS, LOUISIANA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

	<u>JUNE 30, 1999</u>			<u>JUNE 30,</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>1998</u>
			<u>(UNFAVORABLE)</u>	<u>ACTUAL</u>
<u>REVENUES</u>				
Taxes	\$243,370	\$262,855	\$19,485	\$268,137
Licenses and permits	10,947	22,018	11,071	26,251
Intergovernmental	9,057	10,395	1,338	24,822
Charges for services	7,307	10,696	3,389	8,380
Fines and forfeits	61,451	63,007	1,556	57,142
Investment income	29,933	32,348	2,415	33,568
Miscellaneous	<u>18,054</u>	<u>21,599</u>	<u>3,545</u>	<u>24,040</u>
<u>Total revenues</u>	<u>380,119</u>	<u>422,918</u>	<u>42,799</u>	<u>442,340</u>
<u>EXPENDITURES</u>				
<u>Current operating</u>				
General and administrative	209,620	187,104	22,516	242,345
Street department	21,048	26,638	(5,590)	305,192
Police department	203,663	196,720	6,943	199,264
Recreation department	<u>13,294</u>	<u>36,452</u>	<u>(23,158)</u>	<u>30,942</u>
<u>Total expenditures</u>	<u>447,625</u>	<u>446,914</u>	<u>711</u>	<u>777,743</u>
<u>EXCESS OF REVENUES OVER (UNDER)</u>				
<u>EXPENDITURES</u>	<u>(67,506)</u>	<u>(23,996)</u>	<u>43,510</u>	<u>(335,403)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in		28,555	28,555	364,931
Operating transfers out	(62,947)	(13)	62,934	(1,025)
Inception of lease	<u>          </u>	<u>          </u>	<u>          </u>	<u>3,370</u>
<u>Total other financing sources (uses)</u>	<u>(62,947)</u>	<u>28,542</u>	<u>91,489</u>	<u>367,276</u>
<u>EXCESS OF REVENUES AND OTHER</u>				
<u>SOURCES OVER (UNDER)</u>				
<u>EXPENDITURES AND OTHER USES</u>	<u>(130,453)</u>	4,546	<u>134,999</u>	31,873
<u>FUND BALANCE, beginning of year</u>				
		<u>449,299</u>		<u>417,426</u>
<u>FUND BALANCE, end of year</u>				
		<u>453,845</u>		<u>449,299</u>

TOWN OF KROTZ SPRINGS, LOUISIANA  
GENERAL FUND  
DETAILED SCHEDULE OF REVENUES  
BUDGET AND ACTUAL  
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

	<u>JUNE 30, 1999</u>		<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>JUNE 30, 1998</u>
	<u>BUDGET</u>	<u>ACTUAL</u>		<u>ACTUAL</u>
<u>TAXES</u>				
Property taxes	\$101,636	\$101,332	\$(304)	\$101,945
Franchise - Electric	137,008	156,625	19,617	162,548
Franchise - Telephone	750	750		750
Franchise - Cable television	<u>3,976</u>	<u>4,148</u>	<u>172</u>	<u>2,894</u>
<u>Total taxes</u>	<u>243,370</u>	<u>262,855</u>	<u>19,485</u>	<u>268,137</u>
<u>LICENSES AND PERMITS</u>				
Liquor licenses	2,950	2,750	(200)	3,250
Insurance licenses	4,688	17,003	12,315	21,686
Occupational licenses	1,730	1,735	5	850
Building and moving permits	65	80	15	15
Video poker licenses	<u>1,514</u>	<u>450</u>	<u>(1,064)</u>	<u>450</u>
<u>Total licenses and permits</u>	<u>10,947</u>	<u>22,018</u>	<u>11,071</u>	<u>26,251</u>
<u>INTERGOVERNMENTAL</u>				
State beer tax	3,014	2,799	(215)	2,204
State tobacco tax	4,943	6,685	1,742	6,685
Housing Authority	1,100	911	(189)	1,193
Federal grant	<u>          </u>	<u>          </u>	<u>          </u>	<u>14,740</u>
<u>Total intergovernmental</u>	<u>9,057</u>	<u>10,395</u>	<u>1,338</u>	<u>24,822</u>
<u>CHARGES FOR SERVICES</u>				
Medical building rental	2,922	2,835	(87)	2,666
Recreation income	<u>4,385</u>	<u>7,861</u>	<u>3,476</u>	<u>5,714</u>
<u>Total charges for services</u>	<u>7,307</u>	<u>10,696</u>	<u>3,389</u>	<u>8,380</u>
<u>FINES AND FORFEITS</u>				
Court fines	<u>61,451</u>	<u>63,007</u>	<u>1,556</u>	<u>57,142</u>
<u>INVESTMENT INCOME</u>				
Interest income	<u>29,933</u>	<u>32,348</u>	<u>2,415</u>	<u>33,568</u>
<u>MISCELLANEOUS</u>				
Video poker fees	8,889	12,196	3,307	12,402
Grass cutting	6,557	6,557		3,278
Other	<u>2,608</u>	<u>2,846</u>	<u>238</u>	<u>8,360</u>
<u>Total miscellaneous</u>	<u>18,054</u>	<u>21,599</u>	<u>3,545</u>	<u>24,040</u>
<u>Total revenues</u>	<u>380,119</u>	<u>422,918</u>	<u>42,799</u>	<u>442,340</u>

TOWN OF KROTZ SPRINGS, LOUISIANA  
GENERAL FUND  
DETAILED SCHEDULE OF EXPENDITURES  
BUDGET AND ACTUAL  
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

	<u>JUNE 30, 1999</u>		<u>VARIANCE</u>	<u>JUNE 30,</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>FAVORABLE</u>	<u>1998</u>
			<u>(UNFAVORABLE)</u>	<u>ACTUAL</u>
<u>GENERAL AND ADMINISTRATIVE</u>				
<u>Personal services</u>				
Salaries	\$58,004	\$59,410	\$(1,406)	\$45,867
Mayor and council	17,026	17,150	(124)	15,513
Payroll taxes	4,741	4,794	(53)	3,649
Compensated absences	800	1,645	(845)	(210)
Retirement	4,597	4,247	350	2,903
<u>Supplies</u>				
Office supplies and postage	20,897	18,417	2,480	17,267
Uniforms	862	1,407	(545)	963
<u>Other</u>				
Insurance	30,526	24,413	6,113	25,507
Utilities	15,232	13,876	1,356	13,389
Travel expenses	857	850	7	998
Conventions and conferences	4,891	4,237	654	6,563
Telephone	3,161	2,865	296	3,070
Legal and professional	15,871	11,426	4,445	8,430
Repairs and maintenance	9,319	8,405	914	8,874
Miscellaneous	2,902	8,821	(5,919)	6,033
Publications and notices	102	135	(33)	167
Dues and subscriptions	1,254	1,459	(205)	1,434
Pest control	389	396	(7)	432
Election expense				644
Bayou Latanier expenditures				8,876
Street assessments				194
Lease expense		1,036	(1,036)	950
<u>Capital outlay</u>				
Buildings, improvements, and equipment	<u>18,189</u>	<u>2,115</u>	<u>16,074</u>	<u>70,832</u>
<u>Total general and administrative</u>	<u>209,620</u>	<u>187,104</u>	<u>22,516</u>	<u>242,345</u>

Continued on next page.

TOWN OF KROTZ SPRINGS, LOUISIANA  
GENERAL FUND  
DETAILED SCHEDULE OF EXPENDITURES  
BUDGET AND ACTUAL (CONTINUED)  
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

	<u>JUNE 30, 1999</u>			<u>JUNE 30,</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>	<u>1998</u> <u>ACTUAL</u>
<u>STREET DEPARTMENT</u>				
<u>Personal services</u>				
Salaries and wages	\$3,092	\$2,577	\$515	\$17,039
Payroll taxes	242	200	42	1,332
Compensated absences	1,100	(1,481)	2,581	1,294
<u>Supplies</u>				
Materials and supplies	6,259	5,327	932	6,002
Uniforms				868
Gasoline	2,410	2,523	(113)	2,894
<u>Other</u>				
Repairs and maintenance	1,997	4,473	(2,476)	2,293
Shells, gravel, culverts, etc.	10		10	827
Insurance	2,714	2,262	452	1,409
Utilities				3,145
<u>Capital outlay</u>				
Street improvements	<u>3,224</u>	<u>10,757</u>	<u>(7,533)</u>	<u>268,089</u>
<u>Total street department</u>	<u>21,048</u>	<u>26,638</u>	<u>(5,590)</u>	<u>305,192</u>
 <u>POLICE DEPARTMENT</u>				
<u>Personal services</u>				
Salaries	124,400	122,142	2,258	121,222
Payroll taxes	9,766	9,466	300	9,479
Compensated absences	3,000	(997)	3,997	4,357
<u>Supplies</u>				
Office supplies and postage	1,990	2,094	(104)	2,470
Uniforms	1,009	1,116	(107)	1,344
Gasoline	6,508	5,925	583	7,109
<u>Other</u>				
Insurance	26,998	23,472	3,526	33,656
Telephone	3,688	3,484	204	3,477
Repairs - radio and radar	3,211	2,546	665	2,910
Utilities	1,882	1,568	314	

Continued on next page.

TOWN OF KROTZ SPRINGS, LOUISIANA  
GENERAL FUND  
DETAILED SCHEDULE OF EXPENDITURES  
BUDGET AND ACTUAL (CONTINUED)  
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

	<u>JUNE 30, 1999</u>			<u>JUNE 30,</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>	<u>1998</u>
				<u>ACTUAL</u>
<u>POLICE DEPARTMENT - Continued</u>				
Prisoners' meals	\$773	\$680	\$93	\$456
Auto expense	12,247	10,176	2,071	9,142
Dues and subscriptions				115
Conventions and conferences	2,088	2,540	(452)	
Miscellaneous	420	350	70	194
Legal and professional	3,840	3,200	640	2,390
LA Common Law Enforcement	1,177	1,027	150	786
LA Supreme Court	666	566	100	157
<u>Capital outlay</u>				
Equipment		<u>7,365</u>	<u>(7,365)</u>	
<u>Total police</u>				
<u>department</u>	<u>203,663</u>	<u>196,720</u>	<u>6,943</u>	<u>199,264</u>
 <u>RECREATION DEPARTMENT</u>				
<u>Personal services</u>				
Salaries	4,357	3,943	414	4,728
Payroll taxes	349	305	44	363
<u>Supplies</u>				
Materials and supplies	95	2,926	(2,831)	2,402
<u>Other</u>				
Insurance	808	804	4	1,121
Utilities	1,450	1,287	163	2,132
Repairs and maintenance				80
Entry fees	90	150	(60)	150
Share of fines	6,145	6,662	(517)	5,714
Miscellaneous		35	(35)	
<u>Capital outlay</u>				
Equipment		<u>20,340</u>	<u>(20,340)</u>	<u>14,252</u>
<u>Total recreation</u>				
<u>department</u>	<u>13,294</u>	<u>36,452</u>	<u>(23,158)</u>	<u>30,942</u>
 <u>Total expenditures</u>	 <u>447,625</u>	 <u>446,914</u>	 <u>711</u>	 <u>777,743</u>

SPECIAL REVENUE FUND

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

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



TOWN OF KROTZ SPRINGS, LOUISIANA  
SPECIAL REVENUE FUND  
BALANCE SHEET  
JUNE 30, 1999 AND 1998

	<u>SALES TAX FUND</u>	
	<u>1999</u>	<u>1998</u>
<u>ASSETS</u>		
Cash	\$249,458	\$103,601
Investments	401,467	401,467
Receivables		
Interest receivable	30	1,362
From other funds	<u>6,777</u>	<u>5,538</u>
<u>Total assets</u>	<u>657,732</u>	<u>511,968</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	<u>-0-</u>	<u>-0-</u>
<u>FUND BALANCE</u>		
Unreserved, undesignated	\$657,732	\$511,968
<u>Total fund balance</u>	<u>657,732</u>	<u>511,968</u>
<u>Total liabilities and fund balance</u>	<u>657,732</u>	<u>511,968</u>

TOWN OF KROTZ SPRINGS, LOUISIANA  
SPECIAL REVENUE FUND  
SALES TAX FUND  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

	<u>JUNE 30, 1999</u>		VARIANCE	JUNE 30,
	<u>BUDGET</u>	<u>ACTUAL</u>	FAVORABLE	<u>1998</u>
			<u>(UNFAVORABLE)</u>	<u>ACTUAL</u>
<u>REVENUES</u>				
Taxes				
Sales tax collections	\$200,934	\$194,973	\$(5,961)	\$160,467
Interest income	<u>11,147</u>	<u>10,106</u>	<u>(1,041)</u>	<u>10,459</u>
<u>Total revenues</u>	<u>212,081</u>	<u>205,079</u>	<u>(7,002)</u>	<u>170,926</u>
<u>EXPENDITURES</u>				
Current operating				
General and administrative				
Collection fees	2,061	1,994	67	1,604
Office supplies	<u>          </u>	<u>          </u>	<u>          </u>	<u>21</u>
<u>Total expenditures</u>	<u>2,061</u>	<u>1,994</u>	<u>67</u>	<u>1,625</u>
<u>EXCESS OF REVENUES OVER</u>				
<u>(UNDER) EXPENDITURES</u>	<u>210,020</u>	<u>203,085</u>	<u>(6,935)</u>	<u>169,301</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers out	<u>(62,947)</u>	<u>(57,321)</u>	<u>5,626</u>	<u>(480,521)</u>
<u>Total other financing</u>	<u>(62,947)</u>	<u>(57,321)</u>	<u>5,626</u>	<u>(480,521)</u>
<u>sources (uses)</u>				
<u>EXCESS OF REVENUES AND OTHER</u>				
<u>SOURCES OVER (UNDER)</u>				
<u>EXPENDITURES AND OTHER USES</u>	<u>147,073</u>	145,764	<u>(1,309)</u>	(311,220)
<u>FUND BALANCE, beginning of year</u>		<u>511,968</u>		<u>823,188</u>
<u>FUND BALANCE, end of year</u>		<u>657,732</u>		<u>511,968</u>

DEBT SERVICE FUND

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

TOWN OF KROTZ SPRINGS, LOUISIANA  
DEBT SERVICE FUND  
BALANCE SHEET  
JUNE 30, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
<u>ASSETS</u>		
Cash	\$4,357	\$1,148
Assessments receivable Delinquent	—	2,435
<u>Total assets</u>	<u>4,357</u>	<u>3,583</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	<u>-0-</u>	<u>-0-</u>
<u>FUND BALANCE</u>		
Unreserved	4,357	\$3,583
<u>Total fund balance</u>	<u>4,357</u>	<u>3,583</u>
<u>Total liabilities and fund balance</u>	<u>4,357</u>	<u>3,583</u>

TOWN OF KROTZ SPRINGS, LOUISIANA  
DEBT SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

	<u>JUNE 30, 1999</u>			<u>JUNE 30,</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>	<u>1998</u>
				<u>ACTUAL</u>
<u>REVENUES</u>				
Assessments collected	\$1,500	\$774	\$(726)	\$403
<u>Total revenues</u>	<u>1,500</u>	<u>774</u>	<u>(726)</u>	<u>403</u>
<u>EXPENDITURES</u>				
Debt service				
Bond principal paid				8,991
Interest expense				787
Legal and paying agent fees				309
<u>Total expenditures</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>10,087</u>
<u>EXCESS OF REVENUES OVER</u> <u>(UNDER) EXPENDITURES</u>	<u>1,500</u>	774	<u>(726)</u>	(9,684)
<u>FUND BALANCE</u> , beginning of year		3,583		13,267
<u>FUND BALANCE</u> , end of year		<u>4,357</u>		<u>3,583</u>

CAPITAL PROJECTS FUND

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

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

TOWN OF KROTZ SPRINGS, LOUISIANA  
CAPITAL PROJECTS FUND  
BALANCE SHEET  
JUNE 30, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
<u>ASSETS</u>		
<u>Total assets</u>	<u>-0-</u>	<u>-0-</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
<u>Total liabilities</u>	<u>-0-</u>	<u>-0-</u>
<u>Fund Balance</u>	<u>-0-</u>	<u>-0-</u>
<u>Total liabilities and fund balance</u>	<u>-0-</u>	<u>-0-</u>

TOWN OF KROTZ SPRINGS, LOUISIANA  
CAPITAL PROJECTS FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
<u>REVENUES</u>		
Intergovernmental		
Community Development Block		
Grant	---	\$22,742
<u>Total revenues</u>	<u>-0-</u>	<u>22,742</u>
<u>EXPENDITURES</u>		
Capital projects		
Contractor fees		112,692
Engineering fees	---	<u>8,166</u>
<u>Total expenditures</u>	<u>-0-</u>	<u>120,858</u>
<u>EXCESS OF REVENUES OVER (UNDER)</u>		
<u>EXPENDITURES</u>	<u>-0-</u>	<u>(98,116)</u>
<u>OTHER FINANCING SOURCES (USES)</u>		
Operating transfers in	---	<u>98,116</u>
<u>Total other financing</u>		
<u>sources (uses)</u>	<u>-0-</u>	<u>98,116</u>
<u>EXCESS OF REVENUES AND OTHER</u>		
<u>SOURCES OVER (UNDER) EXPENDITURES</u>		
<u>AND OTHER USES</u>		
<u>FUND BALANCE, beginning of year</u>	---	---
<u>FUND BALANCE, end of year</u>	<u>-0-</u>	<u>-0-</u>



TOWN OF KROTZ SPRINGS, LOUISIANA  
CAPITAL PROJECTS FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

	<u>JUNE 30, 1999</u>			<u>JUNE 30,</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>	<u>1998</u>
				<u>ACTUAL</u>
<u>REVENUES</u>				
Intergovernmental				
Community Development				
Block Grant	<u>---</u>	<u>---</u>	<u>---</u>	<u>\$22,742</u>
<u>Total revenues</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>22,742</u>
<u>EXPENDITURES</u>				
Capital projects				
Water tower construction	<u>---</u>	<u>---</u>	<u>---</u>	<u>120,858</u>
<u>Total expenditures</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>120,858</u>
<u>EXCESS OF REVENUES OVER (UNDER)</u>				
<u>EXPENDITURES</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(98,116)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in	<u>---</u>	<u>---</u>	<u>---</u>	<u>98,116</u>
<u>Total other financing</u>				
<u>sources (uses)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>98,116</u>
<u>EXCESS OF REVENUES AND OTHER</u>				
<u>SOURCES OVER (UNDER)</u>				
<u>EXPENDITURES AND OTHER USES</u>	<u>-0-</u>		<u>-0-</u>	
<u>FUND BALANCE, beginning of year</u>		<u>---</u>		<u>---</u>
<u>FUND BALANCE, end of year</u>		<u>-0-</u>		<u>-0-</u>

ENTERPRISE FUNDS

The Enterprise Funds are used to account for operations that are financed and operated in a manner where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

TOWN OF KROTZ SPRINGS, LOUISIANA  
ENTERPRISE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 1999 AND 1998

	<u>GAS FUND</u>	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>TOTALS</u>
				<u>1999</u> <u>1998</u>
<u>ASSETS</u>				
<u>CURRENT ASSETS</u>				
Cash and cash equivalents	\$199,315	\$67,651	\$60,614	\$258,588
Investments	388,882	155,553	33,721	566,091
Receivables, net of allowance for uncollectibles				
Accounts	6,101	6,678	6,436	18,669
Assessments			748	4,461
Interest receivable	230	290	155	449
From other funds		1,037		4,071
NSF checks			2,592	3,629
Due from meter deposit account	50			20
Prepaid insurance	1,993		1,993	50
<u>Total current assets</u>	<u>596,571</u>	<u>2,028</u>	<u>106,259</u>	<u>6,014</u>
		<u>233,237</u>		<u>936,067</u>
<u>RESTRICTED ASSETS</u>				
Cash	20,670			18,075
Investments	15,140			15,140
Interest receivable	60			69
<u>Total restricted assets</u>	<u>35,870</u>	<u>-0-</u>	<u>-0-</u>	<u>33,284</u>
<u>PROPERTY AND EQUIPMENT</u>				
Utility plant, net	<u>260,697</u>	<u>966,429</u>	<u>1,518,100</u>	<u>2,745,226</u>
	<u>893,138</u>	<u>1,199,666</u>	<u>1,624,359</u>	<u>3,717,163</u>
				<u>3,761,749</u>

Total assets

Continued on next page.

TOWN OF KROTZ SPRINGS, LOUISIANA  
ENTERPRISE FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
JUNE 30, 1999 AND 1998

	<u>GAS FUND</u>	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>TOTALS</u>
				<u>1999</u> <u>1998</u>
<u>LIABILITIES AND FUND EQUITY</u>				
<u>CURRENT LIABILITIES (from current assets)</u>				
Accounts payable	\$684	\$1,304	\$980	\$2,968
Accrued compensated absences	3,527	1,417	356	5,300
Due to other funds	<u>558</u>		<u>1,240</u>	<u>1,798</u>
Total	<u>4,769</u>	<u>2,721</u>	<u>2,576</u>	<u>10,066</u>
<u>CURRENT LIABILITIES (from restricted assets)</u>				
Customers' deposits	23,682			23,682
Due to operating account	<u>50</u>			<u>50</u>
Total	<u>23,732</u>	<u>-0-</u>	<u>-0-</u>	<u>23,732</u>
Total liabilities	<u>28,501</u>	<u>2,721</u>	<u>2,576</u>	<u>33,798</u>
<u>FUND EQUITY</u>				
Contributed capital				
Contribution from municipality	2,307		662,985	665,292
Contribution from customers			26,366	26,366
Contribution from grants	566,500	1,223,606	1,480,488	3,270,594
Less amortization	<u>(307,107)</u>	<u>(281,699)</u>	<u>(462,429)</u>	<u>(1,051,235)</u>
Total contributed capital	<u>261,700</u>	<u>941,907</u>	<u>1,707,410</u>	<u>2,911,017</u>
Retained earnings				
Reserved for customers' deposits	12,138			12,138
Unreserved retained earnings	<u>590,799</u>	<u>255,038</u>	<u>(85,627)</u>	<u>760,210</u>
Total retained earnings	<u>602,937</u>	<u>255,038</u>	<u>(85,627)</u>	<u>772,348</u>
Total fund equity	<u>864,637</u>	<u>1,196,945</u>	<u>1,621,783</u>	<u>3,683,365</u>
Total liabilities and fund equity	<u>893,138</u>	<u>1,199,666</u>	<u>1,624,359</u>	<u>3,717,163</u>
				<u>3,761,749</u>

TOWN OF KROTZ SPRINGS, LOUISIANA  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS  
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

	<u>GAS FUND</u>	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>TOTALS</u>
	<u>1999</u>	<u>1999</u>	<u>1999</u>	<u>1998</u>
<u>OPERATING REVENUES</u>				
Charges for services	\$111,025	\$50,148	\$51,698	\$212,871
Total operating revenues	<u>111,025</u>	<u>50,148</u>	<u>51,698</u>	<u>212,871</u>
<u>OPERATING EXPENSES</u>				
Personal services	47,122	15,998	14,795	77,915
Contractual services	30,842	1,500	3,325	35,667
Supplies	8,327	4,485	979	13,791
Other expenses	9,685	21,364	15,290	46,339
Depreciation	<u>27,499</u>	<u>63,796</u>	<u>55,782</u>	<u>147,077</u>
Total operating expenses	<u>123,475</u>	<u>107,143</u>	<u>90,171</u>	<u>320,789</u>
<u>OPERATING (LOSS)</u>	<u>(12,450)</u>	<u>(56,995)</u>	<u>(38,473)</u>	<u>(107,918)</u>
<u>NONOPERATING REVENUES</u>				
Interest income	<u>22,454</u>	<u>8,924</u>	<u>399</u>	<u>31,777</u>
<u>INCOME (LOSS) BEFORE OPERATING TRANSFERS</u>	10,004	(48,071)	(38,074)	(76,141)
<u>OPERATING TRANSFERS IN (OUT)</u>	<u>(243)</u>	<u>26,509</u>	<u>2,513</u>	<u>28,779</u>
<u>NET INCOME (LOSS)</u>	9,761	(21,562)	(35,561)	(47,362)
Add depreciation on fixed assets acquired by grants, entitlements, and shared revenues externally restricted for capital acquisitions and construction that reduces contributed capital				
	<u>27,305</u>	<u>56,274</u>	<u>37,012</u>	<u>120,591</u>
<u>INCREASE IN RETAINED EARNINGS</u>	37,066	34,712	1,451	73,229
<u>RETAINED EARNINGS, beginning of year</u>	<u>565,871</u>	<u>220,326</u>	<u>(87,078)</u>	<u>699,119</u>
<u>RETAINED EARNINGS, end of year</u>	<u>602,937</u>	<u>255,038</u>	<u>(85,627)</u>	<u>772,348</u>

TOWN OF KROTZ SPRINGS, LOUISIANA  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 1999

	<u>GAS FUND</u>	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>TOTALS</u>
<u>CASH FLOWS FROM OPERATING</u>				
<u>ACTIVITIES</u>				
Cash received from customers	\$113,843	\$48,400	\$51,807	\$214,050
Cash payments to suppliers for goods and services	(49,732)	(27,717)	(19,249)	(96,698)
Cash payments to employees for services	(45,255)	(16,330)	(14,653)	(76,238)
<u>Net cash provided (used)</u> <u>by operating activities</u>	<u>18,856</u>	<u>4,353</u>	<u>17,905</u>	<u>41,114</u>
<u>CASH FLOWS FROM NONCAPITAL</u>				
<u>FINANCING ACTIVITIES</u>				
Operating transfers in (out)	(285)	26,079	4,182	29,976
<u>Net cash provided (used)</u> <u>by noncapital financing</u> <u>activities</u>	<u>(285)</u>	<u>26,079</u>	<u>4,182</u>	<u>29,976</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED</u>				
<u>FINANCING ACTIVITIES</u>				
Purchase of fixed assets	(1,125)	(21,585)		(22,710)
Contribution from customers	_____	_____	3,713	3,713
<u>Net cash (used) by</u> <u>capital and related</u> <u>financing activities</u>	<u>(1,125)</u>	<u>(21,585)</u>	<u>3,713</u>	<u>(18,997)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Purchase of investments	(11,953)	(112)		(12,065)
Interest on investments	22,495	8,663	401	31,559
<u>Net cash provided by</u> <u>investing activities</u>	<u>10,542</u>	<u>8,551</u>	<u>401</u>	<u>19,494</u>
<u>NET INCREASE IN CASH</u>	27,988	17,398	26,201	71,587
<u>CASH, July 1, 1998</u>	<u>191,997</u>	<u>50,253</u>	<u>34,413</u>	<u>276,663</u>
<u>CASH, June 30, 1999</u>	<u>219,985</u>	<u>67,651</u>	<u>60,614</u>	<u>348,250</u>

Continued on next page.

TOWN OF KROTZ SPRINGS, LOUISIANA  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 1999

	<u>GAS FUND</u>	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>TOTALS</u>
<u>RECONCILIATION OF OPERATING INCOME</u>				
<u>TO NET CASH PROVIDED (USED) BY</u>				
<u>OPERATING ACTIVITIES</u>				
Operating (loss)	\$(12,450)	\$(56,995)	\$(38,473)	\$(107,918)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	27,499	63,796	55,782	147,077
(Increase) decrease in accounts receivable	1,114	(1,749)	89	(546)
(Increase) decrease in prepaid insurance	168	132	166	466
(Increase) decrease in NSF checks			20	20
Increase (decrease) in accounts payable	(1,045)	(499)	179	(1,365)
Increase (decrease) in accrued compensated absences	1,867	(332)	142	1,677
Increase (decrease) in customers' meter deposits	<u>1,703</u>			<u>1,703</u>
<u>Total adjustments</u>	<u>31,306</u>	<u>61,348</u>	<u>56,378</u>	<u>149,032</u>
 <u>Net cash provided (used)</u> <u>by operating activities</u>	 <u>18,856</u>	 <u>4,353</u>	 <u>17,905</u>	 <u>41,114</u>

TOWN OF KROTZ SPRINGS, LOUISIANA  
ENTERPRISE FUNDS  
SCHEDULE OF OPERATING EXPENSES  
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
<u>GAS FUND EXPENSES</u>		
<u>Personal services</u>		
Salaries	\$42,000	\$34,547
Payroll taxes	3,254	2,752
Compensated absences	1,868	(1,672)
<u>Contractual services</u>		
Gas purchases	29,967	48,250
Survey expense	875	658
<u>Supplies</u>		
Materials and supplies	4,694	3,159
Meters and regulators	3,214	5,821
Uniforms	419	
<u>Other</u>		
Repairs and maintenance	622	120
Insurance	3,449	3,505
Miscellaneous	672	332
Legal and professional	3,600	5,332
Bad debt expense		224
Workshops		230
Drug testing	1,342	1,248
<u>Depreciation</u>	<u>27,499</u>	<u>27,493</u>
<u>Total gas fund expenses</u>	<u>123,475</u>	<u>131,999</u>
<u>WATER FUND EXPENSES</u>		
<u>Personal services</u>		
Salaries	\$15,156	\$19,786
Payroll taxes	1,175	1,550
Compensated absences	(333)	701
<u>Contractual services</u>		
Survey expense	1,500	
<u>Supplies</u>		
Materials and supplies	4,485	2,991
<u>Other</u>		
Dues and subscriptions	150	150

Continued on next page.



TOWN OF KROTZ SPRINGS, LOUISIANA  
ENTERPRISE FUNDS  
SCHEDULE OF OPERATING EXPENSES (CONTINUED)  
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
<u>WATER FUND EXPENSES</u> - Continued		
Repairs and maintenance	\$3,340	\$4,869
Insurance	3,462	3,505
Legal and professional	3,600	3,332
Utilities	9,740	8,715
Bad debt expense	106	187
Telephone	966	848
Pipes and fittings		613
<u>Depreciation</u>	<u>63,796</u>	<u>57,343</u>
<u>Total water fund expenses</u>	<u>107,143</u>	<u>104,590</u>
 <u>SEWER FUND EXPENSES</u>		
<u>Personal services</u>		
Salaries	\$13,599	\$24,770
Payroll taxes	1,054	1,945
Compensated absences	142	(1,370)
<u>Contractual services</u>		
Survey expense	3,325	1,980
<u>Supplies</u>		
Office supplies and postage	979	1,257
<u>Other</u>		
Repairs and maintenance	246	347
Insurance	3,447	3,504
Legal and professional	3,200	3,332
Utilities	7,557	8,399
Miscellaneous	801	50
Bad debt expense	39	292
<u>Depreciation</u>	<u>55,782</u>	<u>54,848</u>
<u>Total sewer fund expenses</u>	<u>90,171</u>	<u>99,354</u>

FIDUCIARY FUND TYPES

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

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

TOWN OF KROTZ SPRINGS, LOUISIANA  
AGENCY FUND - PAYROLL ACCOUNT  
BALANCE SHEET  
JUNE 30, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
<u>ASSETS</u>		
Cash	\$7,359	\$5,283
Due from other funds	<u>4,500</u>	<u>6,240</u>
<u>Total assets</u>	<u>11,859</u>	<u>11,523</u>
<u>LIABILITIES</u>		
Payroll taxes payable	\$1,239	\$1,131
Retirement payable	1,454	1,226
Due to other funds	<u>9,166</u>	<u>9,166</u>
<u>Total liabilities</u>	<u>11,859</u>	<u>11,523</u>

FINANCIAL STATEMENTS OF ACCOUNT GROUPS

GENERAL FIXED ASSETS ACCOUNT GROUP

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

TOWN OF KROTZ SPRINGS, LOUISIANA  
STATEMENT OF GENERAL FIXED ASSETS  
JUNE 30, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
<u>GENERAL FIXED ASSETS</u>		
Land	\$294,898	\$294,898
Building	294,807	294,807
Improvements other than building	134,390	134,390
Equipment	251,787	239,400
Furniture and fixtures	7,345	7,345
Other structures and improvements	<u>849,425</u>	<u>821,234</u>
<u>Total general fixed assets</u>	<u>1,832,652</u>	<u>1,792,074</u>
<u>INVESTMENT IN GENERAL FIXED ASSETS</u>		
General fund	\$811,437	\$770,859
Special assessments	198,349	198,349
Federal revenue sharing fund	207,871	207,871
Sales tax fund	325,373	325,373
Federal grants	184,281	184,281
State grants	<u>105,341</u>	<u>105,341</u>
<u>Total investments in general fixed assets</u>	<u>1,832,652</u>	<u>1,792,074</u>

GENERAL LONG-TERM DEBT ACCOUNT GROUP

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

TOWN OF KROTZ SPRINGS, LOUISIANA  
STATEMENT OF GENERAL LONG-TERM DEBT  
JUNE 30, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
<u>AMOUNT AVAILABLE AND TO BE PROVIDED</u>		
<u>FOR THE PAYMENT OF GENERAL LONG-TERM DEBT</u>		
Amount to be provided for retirement of general long-term obligations	\$ <u>28,601</u>	\$ <u>24,604</u>
<u>Total available and to be provided</u>	<u>28,601</u>	<u>24,604</u>
<u>GENERAL LONG-TERM DEBT</u>		
Compensated absences payable	\$27,217	\$22,184
Capital lease payable	<u>1,384</u>	<u>2,420</u>
<u>Total general long-term debt</u>	<u>28,601</u>	<u>24,604</u>



RELATED REPORTS

Joel Lanclos, Jr., CPA  
 Russell J. Stelly, CPA  
 Chizal S. Fontenot, CPA  
 James L. Nicholson, Jr., CPA  
 G. Kenneth Pavy, II, CPA  
 Darren J. Carl, CPA  
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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
 REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
 ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the general purpose financial statements of the Town of Krotz Springs, Louisiana as of and for the year ended June 30, 1999, and have issued our report thereon dated July 27, 1999. In our report, our opinion on the financial statements was qualified because of the inadequacy of accounting records on general fixed assets and we were unable to satisfy ourselves by means of other audit procedures. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Town of Krotz Springs' general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under Government Auditing Standards which is described in the accompanying Schedule of Findings and Questioned Costs as Findings 1999-1.

Internal Control Over Financial Reporting

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

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

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

*John S. Dowling & Company*  
Opelousas, Louisiana  
July 27, 1999

TOWN OF KROTZ SPRINGS, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 1999

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses a qualified opinion on the general purpose financial statements of the Town of Krotz Springs, Louisiana.
2. No reportable conditions relating to the audit of the financial statements are reported in the Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. One instance of noncompliance material to the financial statements of the Town of Krotz Springs, Louisiana was disclosed during the audit.
4. There was no single audit required under OMB Circular A-133.

B. 1999 FINDING - FINANCIAL STATEMENT AUDIT

Compliance

1999-1. Inadequate Records for Fixed Assets

Condition:

The Town of Krotz Springs, Louisiana does not have adequate accounting records for all general fixed assets. Annual physical inventories have not been conducted.

Criteria:

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

Effect:

The amounts reported as general fixed assets may not be accurate for financial statement purposes and requires the independent auditor to qualify his opinion.

Recommendation:

A physical inventory should be taken annually for all movable property owned by the Town. We recommend that the Town place a value on all of the assets inventoried in order to obtain reasonable assurance that the amounts reported as general fixed assets are accurate for financial statement purposes.

Management Response:

The Town is in the process of completing a list of all assets owned. Either the original cost or an estimated value will be placed on all of the assets. The total amount from this list will be compared to the amount recorded on the general fixed asset account group and the necessary adjustments will be made.

SUPPLEMENTARY INFORMATION

TOWN OF KROTZ SPRINGS, LOUISIANA  
COMBINED SCHEDULE OF INVESTMENTS - ALL FUNDS  
JUNE 30, 1999

<u>GENERAL FUND</u>	<u>INTEREST RATES</u>	<u>MATURITY DATES</u>	<u>TOTAL BOOK VALUE</u>
Certificate of Deposit American Bank and Trust Co.	5.25%	1/3/00	\$100,000
Certificate of Deposit American Bank and Trust Co.	5.25%	1/3/00	50,000
Certificate of Deposit American Bank and Trust Co.	5.00%	10/1/99	13,723
Certificate of Deposit American Bank and Trust Co.	5.00%	12/8/99	75,000
Certificate of Deposit American Bank and Trust Co.	5.00%	10/1/99	<u>3,727</u>
			<u>242,450</u>
 <u>SALES TAX FUND</u>			
Certificate of Deposit American Bank and Trust Co.	5.00%	12/8/99	100,000
Certificate of Deposit American Bank and Trust Co.	5.00%	10/1/99	1,467
Certificate of Deposit American Bank and Trust Co.	5.00%	12/8/99	150,000
Certificate of Deposit American Bank and Trust Co.	5.00%	12/8/99	<u>150,000</u>
			<u>401,467</u>
 <u>ENTERPRISE FUNDS</u>			
Certificate of Deposit American Bank and Trust Co.	5.00%	9/30/99	59,421
Certificate of Deposit American Bank and Trust Co.	5.00%	9/30/99	83,190
Certificate of Deposit American Bank and Trust Co.	5.00%	10/1/99	57,866
Certificate of Deposit American Bank and Trust Co.	5.00%	10/1/99	15,140
Certificate of Deposit American Bank and Trust Co.	5.00%	11/28/99	96,132
Certificate of Deposit American Bank and Trust Co.	5.00%	10/1/99	33,721
Investment in Louisiana Asset Management Pool	N/A	N/A	<u>247,826</u>
			<u>593,296</u>
<u>Total</u>			<u>1,237,213</u>

TOWN OF KROTZ SPRINGS, LOUISIANA  
SCHEDULE OF INSURANCE IN FORCE

JUNE 30, 1999  
(UNAUDITED)

<u>POLICY NUMBER</u>	<u>INSURER</u>	<u>ASSETS COVERED</u>	<u>TYPE OF COVERAGE</u>	<u>LIMITS OF COVERAGE</u>		<u>EFFECTIVE DATES</u>	
				<u>FROM</u>	<u>TO</u>	<u>FROM</u>	<u>TO</u>
FER496920	Commercial Union Insurance	Blanket policy on building occupied as police station, jail and city hall and contents, and buildings in parks	Fire, lightning and extended coverage	Various		3/14/99	3/14/00
58447-1	New Hampshire Insurance Co.	Workmen's compensation	Workmen's compensation	\$500,000		2/16/99	2/16/00
LML-270	Louisiana Municipal Risk Management Agency and Audubon Insurance Company	1991 Chevrolet 1993 Ford pickup 1994 Chevrolet 1995 Ford F150 1996 Ford C/V	Bodily injury Uninsured motorists Collision Property coverage Property damage	\$500,000		2/14/98	2/14/01
LEPL 324-65-58-RA	National Union Fire Insurance Company of Louisiana	Law Enforcement Professional Liability	Bodily injury Property damage Personal injury	\$1,000,000 \$2,500 deductible		3/14/99	3/14/00
POL 060282	Commercial Underwriters Insurance Company	Public Official's Liability Policy	Blanket Bond	\$500,000 \$2,500 deductible		3/14/99	3/14/00
MHP0030285	Audubon Insurance Company	1981 Wellington mobile home and contents	Property damage	\$11,000 \$250 deductible		9/2/98	9/2/99
GL 0000-709-94-1699	New Hampshire Insurance Company	General liability	General liability	\$500,000		3/14/99	3/14/00

TOWN OF KROTZ SPRINGS, LOUISIANA  
SCHEDULE OF COMPENSATION PAID TO GOVERNING BODY  
FOR THE YEAR ENDED JUNE 30, 1999

GENERAL

COMPENSATION TO BOARD MEMBERS

The compensation of the Town of Krotz Spring's governing body is included in the general administrative expenditures of the General Fund. The Mayor is paid \$700 per month and the board members are paid \$125 per month. Board members are also paid \$62.50 for any special meetings attended.

	<u>COMPENSATION</u>
Gary Soileau, Mayor	\$8,400
Tony Collette, Alderman	1,750
Bill Bryson, Alderman	1,750
Mary Lou Lacassin, Alderwoman	1,750
Donald Williams, Alderman	1,750
Keith Ardoin, Alderman	<u>1,750</u>
	<u>17,150</u>



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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

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

We have audited the general purpose financial statements of the Town of Krotz Springs, Louisiana, as of and for the year ended June 30, 1999, and have issued our report thereon dated July 27, 1999. Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole.

The year 2000 supplementary information on page 56 is not a required part of the general purpose financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that the Town of Krotz Springs' is or will become year 2000 compliant, that the Town of Krotz Springs' year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Town of Krotz Springs does business are or will become year 2000 compliant.

*John S. Dowling & Company*  
 Opelousas, Louisiana  
 July 27, 1999

TOWN OF KROTZ SPRINGS, LOUISIANA  
YEAR 2000 REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 1999

The Town of Krotz Springs, Louisiana, currently uses two computer software packages in their operations which could be affected by the year 2000 issue. The Town of Krotz Springs has updated the accounting software, which is manufactured by CPASoftware, to be year 2000 compliant. The Town of Krotz Springs also uses Utility Data Software package which is year 2000 compliant. If failure of the software would occur, personnel of the Town of Krotz Springs are familiar with maintaining a manual accounting and data system. The Town has inquired of their financial institutions about their systems also being year 2000 compliant. The financial institutions have communicated to the Town of Krotz Springs that extensive testing under state and federal guidelines is currently being performed.

TOWN OF KROTZ SPRINGS, LOUISIANA  
SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 1999

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

1998 - 1        Inadequate Records for Fixed Assets

Recommendation

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

Unresolved - Repeat comment.

SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

No findings.

SECTION III - MANAGEMENT LETTER

No findings.