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**CITY OF SCOTT, LOUISIANA**

## Financial Report

Year Ended June 30, 2004

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the State Budget Office of the Legislative Auditor and, where appropriate, at the office of the parish/parish district.

Release Date 10-20-04

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# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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## INDEPENDENT AUDITORS' REPORT

The Honorable Hazel Myers, Mayor,  
and Members of the Board of Aldermen  
City of Scott, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Scott, Louisiana, as of and for the year ended June 30, 2004, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Scott, Louisiana, as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated September 10, 2004 on our consideration of the City of Scott's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

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The required supplementary information on pages 48 through 49 are not a required part of the basic financial statements but are 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 express no opinion on it.

The City of Scott has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Scott, Louisiana's basic financial statements. The other supplementary information on pages 44 through 73 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

*Kalder, Champagne, Slaven & Company, LLC*  
Certified Public Accountants

Lafayette, Louisiana  
September 10, 2004

## BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWS)**

CITY OF SCOTT, LOUISIANA

Statement of Net Assets

June 30, 2004

With Comparative Totals for June 30, 2003

	2004		2003 Totals	
	Governmental Activities	Business-Type Activities		
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and interest-bearing deposits	\$ 4,370,573	\$ 871,883	\$ 5,242,456	\$ 3,181,796
Investments	2,283,899	44,044	2,327,943	2,280,002
Receivables, net	541,948	234,827	776,775	276,783
Internal balances	(249,146)	249,146	-	-
Due from other governmental units	4,330	-	4,330	7,809
Prepaid items	78,758	18,188	96,946	41,411
<b>Total current assets</b>	<b>4,318,458</b>	<b>1,378,088</b>	<b>5,696,502</b>	<b>7,791,801</b>
<b>Noncurrent assets:</b>				
<b>Restricted assets:</b>				
Cash and interest-bearing deposits	-	353,750	353,751	489,803
Investments	-	124,313	124,313	314,239
Capital assets, net	7,029,728	7,488,264	14,517,992	14,922,628
<b>Total noncurrent assets</b>	<b>7,029,728</b>	<b>7,866,327</b>	<b>15,006,056</b>	<b>15,726,670</b>
<b>Total assets</b>	<b>11,348,186</b>	<b>9,244,415</b>	<b>21,702,558</b>	<b>23,518,471</b>
<b>LIABILITIES</b>				
<b>Current liabilities:</b>				
Accounts and other payables	188,979	60,582	249,561	173,281
Deferred revenues	11,181	-	11,181	281,094
Bonds payable	260,880	-	260,880	303,088
Accrued interest	6,831	-	6,831	22,426
<b>Total current liabilities</b>	<b>467,871</b>	<b>60,582</b>	<b>535,152</b>	<b>780,889</b>
<b>Noncurrent liabilities:</b>				
Customers deposits payable	-	111,902	111,902	127,287
Bonds payable	683,880	249,384	933,264	3,146,573
<b>Total noncurrent liabilities</b>	<b>683,880</b>	<b>361,286</b>	<b>1,044,166</b>	<b>3,273,860</b>
<b>Total liabilities</b>	<b>1,151,751</b>	<b>411,868</b>	<b>1,579,318</b>	<b>1,054,749</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	4,395,728	7,368,888	11,764,616	13,595,864
Restricted for debt service	418,992	262,928	681,920	687,569
Unrestricted	6,533,467	1,612,619	8,146,022	7,635,038
<b>Total net assets</b>	<b>11,348,187</b>	<b>9,244,425</b>	<b>20,591,558</b>	<b>21,918,571</b>

The accompanying notes are an integral part of the basic financial statements.



CITY OF SCOTT, LOUISIANA

Statement of Activities  
For the Year Ended June 30, 2004

Governmental activities	Expenses	Fees, Fines, and Charges for Services	Operating Gains and Losses	Capital Gains and Losses	Net Disposition/Reversals and Changes in Net Assets	
					Governmental Activities	Business-Type Activities
General government	\$ 47,384	\$ 181,444	\$ -	\$ -	\$ (134,060)	\$ -
Public safety						
Police	691,295	95,164	447	48,269	(793,111)	-
Fire	26,976	-	-	-	(26,976)	-
Recycling policy	154,484	-	-	-	(154,484)	-
Fees	1,001,507	-	(1,711)	664,818	(178,014)	-
Services	2,884	-	-	-	(2,884)	-
Interest on long-term debt	1,243,172	-	-	185,875	(1,057,297)	-
Total governmental activities	3,026,692	281,611	5,362	880,071	(1,868,249)	-
Business-type activities						
Gas	205,488	248,004	-	-	-	(11,202)
Water	622,263	881,440	-	-	-	(29,562)
Sewer	697,251	248,681	-	-	-	(18,488)
Total business-type activities	1,524,999	1,378,125	-	-	-	(59,252)
Total	\$ 4,551,691	\$ 1,659,736	\$ 5,362	\$ 880,071	\$ (1,868,249)	\$ (68,452)

General revenues:

Taxes -						
Property taxes, levied for general purposes	\$ 117,609	\$ -	\$ -	\$ -	\$ 117,609	\$ -
State and local sales taxes, levied for general purposes	1,481,924	-	-	-	1,481,924	-
Franchise taxes	160,697	-	-	-	160,697	-
Other non-contributions not restricted to specific programs -						
State income	15,347	-	-	-	15,347	-
Interest and investment earnings	65,009	8,466	-	-	73,475	-
Miscellaneous	19,895	-	-	-	19,895	-
Transfers	(103,129)	229,038	-	-	125,909	-
Total general revenues not restricted to specific programs	1,588,762	237,504	-	-	1,826,266	-
Total general revenues not restricted to specific programs	1,826,266	237,504	-	-	2,063,770	-
Change in net assets	(118,814)	9,466	-	-	(109,348)	122,470
Net assets - July 1, 2003	11,754,712	8,229,281	-	-	19,983,993	21,543,071
Net assets - June 30, 2004	\$ 11,635,898	\$ 8,238,747	\$ -	\$ -	\$ 19,874,645	\$ 21,665,541

The accompanying notes are an integral part of the basic financial statements.

**FUND FINANCIAL STATEMENTS (FFS)**

## **FUND DESCRIPTIONS**

### **General Fund**

The General Fund is used to account for revenues traditionally associated with governments which are not required to be accounted for in another fund.

### **Special Revenue Funds**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

#### **1968 Sales Tax Fund -**

To account for the receipt and use of proceeds of the City's 7% sales and use tax. These taxes are dedicated and used for the purpose of construction, acquiring, extending, improving and/or maintaining sewers and sewerage disposal works, waterworks, drainage facilities, streets and sidewalks, including the purchase of equipment therefor, title to which improvements shall be in the public name, or for any one or more of said purposes. The tax is also subject to funding into bonds of the City in the manner authorized in the Louisiana Revised Statutes.

#### **1984 Sales Tax Fund -**

To account for the receipt and use of proceeds of the City's 7% sales and use tax. These taxes are dedicated and used for the purpose of construction, acquiring, extending, improving, operating and/or maintaining public streets and bridges, sewers and sewerage disposal works, recreational facilities and drainage facilities, purchasing and acquiring the necessary land, equipment and furnishings for any of the aforesaid public works, improvements and facilities; providing additional funds to maintain the City's auxiliary police force and volunteer fire department; maintaining the natural gas transmission and distribution system of the City; and funding into bonds for any of these purposes in accordance with the Louisiana Revised Statutes.

### **Enterprise Fund**

#### **Utility Fund -**

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

CITY OF SCOTT, LOUISIANA

Balance Sheet  
Governmental Funds  
June 30, 2004

1993 Comparative Totals for June 30, 2003

4,652.075

	General	1994 Sales Tax Special Revenue	1994 Sales Tax Special Revenue	Other Governmental Funds	Totals	1993	Totals
					(Millions)		(Millions)
Cash	\$ 288,177	\$ 1,704	\$ 377	\$ -	\$ 290,258	\$ 194,648	\$ 194,648
Interest-bearing deposits	514,334	600,377	4,129,537	866,647	4,990,935	4,495,123	4,495,123
Investments	-	2,338,919	-	-	2,338,919	2,156,419	2,156,419
Receivables:							
Taxes	2,009	69,864	69,864	-	142,737	140,325	140,325
Accounts Interest	199	41	1,871	402	2,413	2,908	2,908
Due from other funds	193,652	34,843	647	-	189,142	183,176	183,176
Due from other governmental units	4,234	-	-	-	4,234	3,619	3,619
Other	179	-	-	-	179	179	179
Prepaid items	28,159	-	-	-	28,159	30,658	30,658
<b>Total assets</b>	<b>\$ 973,315</b>	<b>\$ 3,074,901</b>	<b>\$ 4,267,238</b>	<b>\$ 866,647</b>	<b>\$ 8,178,101</b>	<b>\$ 7,223,314</b>	<b>\$ 7,223,314</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities:</b>							
Accounts payable	\$ 41,123	\$ 15,472	\$ 6,004	\$ -	\$ 62,599	\$ 104,938	\$ 104,938
Accrued liabilities	7,333	200	1,737	-	9,270	2,347	2,347
Due to other funds	168,189	97,482	880,227	-	1,145,898	647,321	647,321
Deferred revenue	13,381	-	-	-	13,381	283,899	283,899
<b>Total liabilities</b>	<b>330,026</b>	<b>113,284</b>	<b>967,968</b>	<b>-</b>	<b>1,411,278</b>	<b>1,039,405</b>	<b>1,039,405</b>
<b>Fund balances -</b>							
Reserved for prepaid items	29,150	-	-	-	29,150	11,818	11,818
Reserved for debt service	-	-	-	421,880	421,880	414,446	414,446
Reserved for street improvements	-	-	-	180,180	180,180	98,383	98,383
Unreserved, designated for capital expenditures	-	-	-	386,770	386,770	442,945	442,945
Unreserved, undesignated	611,136	2,864,627	2,011,268	-	5,487,031	3,448,779	3,448,779
<b>Total fund balances</b>	<b>640,286</b>	<b>2,864,627</b>	<b>2,011,268</b>	<b>588,050</b>	<b>6,104,231</b>	<b>4,485,691</b>	<b>4,485,691</b>
<b>Total liabilities and fund balances</b>	<b>\$ 973,315</b>	<b>\$ 3,074,901</b>	<b>\$ 4,267,238</b>	<b>\$ 588,050</b>	<b>\$ 8,178,101</b>	<b>\$ 7,223,314</b>	<b>\$ 7,223,314</b>

The accompanying notes are an integral part of the basic financial statements.

CITY OF SCOTT, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Assets

June 30, 2004

Total fund balances for governmental funds at June 30, 2004		\$ 6,416,288	
Total net assets reported for governmental activities in the statement of net assets is different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:			
Land	\$ 182,212		
Buildings and improvements, net of \$282,979 accumulated depreciation	1,215,608		
Infrastructure, net of \$7,298,818 accumulated depreciation	5,818,579		
Equipment, furniture, and fixtures net of \$1,184,265 accumulated depreciation	<u>498,289</u>	7,875,728	
Long-term liabilities at June 30, 2004:			
Bonds payable	(780,000)		
Accrued interest payable	<u>(5,811)</u>	<u>(785,811)</u>	
Total net assets of governmental activities at June 30, 2004			<u>\$ 12,715,177</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF SCOTT, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances -

Governmental Funds

For the Year Ended June 30, 2009

With Comparative Funds for the Year Ended June 30, 2008

	Current	2008 Sales Tax Special Revenue	2009 Sales Tax Special Revenue	Other Governmental Funds	Funds	
					2008	2009
<b>Revenues:</b>						
Taxes	\$ 2,797,666	\$ 808,214	\$ 829,214	\$ -	\$ 2,228,094	\$ 1,994,318
Licenses and permits	18,041	-	-	-	18,041	18,047
Intergovernmental	508,486	-	-	-	508,486	216,716
Fines and forfeits	91,148	-	-	-	91,148	117,311
Miscellaneous	34,552	26,421	22,287	13,471	80,841	51,002
<b>Total revenues</b>	<b>3,534,933</b>	<b>834,635</b>	<b>851,501</b>	<b>13,471</b>	<b>2,726,150</b>	<b>2,498,414</b>
<b>Expenditures:</b>						
Current -						
General government	145,443	5,287	9,159	-	160,889	311,143
Public safety	176,211	-	-	-	794,203	739,603
Auxiliary Police	-	-	11,118	-	12,418	14,841
Fire	-	-	111,887	-	150,887	311,411
Highways and streets	308,471	149,842	99,634	-	558,147	386,044
Capital outlay	142,867	27,794	-	-	480,261	413,448
Debt service -						
Principal retirement	-	-	-	150,000	150,000	188,000
Interest and fiscal charges	-	-	-	20,524	20,524	21,491
<b>Total expenditures</b>	<b>3,471,341</b>	<b>185,123</b>	<b>314,631</b>	<b>170,524</b>	<b>3,321,015</b>	<b>3,229,532</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>63,592</b>	<b>653,512</b>	<b>536,970</b>	<b>(157,053)</b>	<b>405,135</b>	<b>268,882</b>
<b>Other financing sources (uses):</b>						
Transfers in	915,889	-	-	262,424	1,180,628	884,024
Transfers out	-	(373,009)	(111,431)	(373,009)	(1,180,628)	(2,271,423)
<b>Total other financing sources (uses)</b>	<b>915,889</b>	<b>(373,009)</b>	<b>(111,431)</b>	<b>(635,585)</b>	<b>1,180,199</b>	<b>(1,387,399)</b>
<b>Net changes in fund balances</b>	<b>68,468</b>	<b>19,480</b>	<b>109,539</b>	<b>(94,579)</b>	<b>1,044,199</b>	<b>201,485</b>
<b>Fund balances - beginning</b>	<b>288,226</b>	<b>2,170,792</b>	<b>2,171,421</b>	<b>288,451</b>	<b>6,433,899</b>	<b>6,222,921</b>
<b>Fund balances, ending</b>	<b>3,556,704</b>	<b>2,189,272</b>	<b>2,280,960</b>	<b>1,933,872</b>	<b>7,478,098</b>	<b>6,424,406</b>

This accompanying notes are an integral part of the basic financial statements.

CITY OF SCOTT, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and  
 Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Year Ended June 30, 2004

Total net changes in fund balances at June 30, 2004 per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ (19,609)
The change in net assets reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 249,661	
Depreciation expense for the year ended June 30, 2004	<u>(248,252)</u>	(248,589)
Governmental funds report bonded debt payments as expenditures. However, this expenditure does not appear in the statement of activities since the payment is applied against the bond payable balance on the state- ment of net assets		
		181,808
Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis		
		<u>1,678</u>
Total changes in net assets at June 30, 2004 per Statement of Activities		<u>\$ 1,281,120</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF SCOTT, LOUISIANA

Comparative Statement of Net Assets  
Proprietary Fund  
June 30, 2004 and 2003

	Enterprise Fund	
	2004	2003
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash	\$ 231,898	\$ 103,813
Interest-bearing deposits	682,960	434,341
Investments	44,104	42,360
Receivables:		
Accounts	78,620	94,382
Unbilled utility receivables	44,223	17,869
Accrued interest receivable	1,178	1,404
Due from other funds	283,189	134,373
Prepaid items	18,133	19,333
<b>Total current assets</b>	<u>1,170,226</u>	<u>1,064,905</u>
<b>Measurement assets:</b>		
Restricted assets -		
Cash	10,014	148,316
Interest-bearing deposits	141,717	142,486
Investments	124,313	114,230
<b>Capital assets, net of accumulated depreciation</b>	<u>7,639,264</u>	<u>7,619,712</u>
<b>Total measurement assets</b>	<u>7,854,328</u>	<u>8,014,744</u>
<b>Total assets</b>	<u>9,024,554</u>	<u>9,079,649</u>
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts payable	36,881	51,413
Accrued liabilities	8,623	14,641
Due to other funds	36,043	35,843
Payable from restricted assets-		
Revenue bonds	-	128,800
Accrued interest payable	-	14,825
<b>Total current liabilities</b>	<u>81,547</u>	<u>335,522</u>
<b>Measurement liabilities:</b>		
Customers' deposits	123,992	127,397
Revenue bonds payable	248,184	268,372
<b>Total measurement liabilities</b>	<u>372,176</u>	<u>395,769</u>
<b>Total liabilities</b>	<u>453,723</u>	<u>731,291</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	7,296,888	7,219,347
Restricted for debt service	282,923	361,324
Unrestricted	<u>1,121,118</u>	<u>1,098,978</u>
<b>Total net assets</b>	<u>8,700,929</u>	<u>8,679,649</u>

The accompanying notes are an integral part of the basic financial statements.



CITY OF SCOTT, LOUISIANA

Comparative Statement of Revenues, Expenses, and Changes in Fund Net Assets -  
 Proprietary Fund  
 For the Years Ended June 30, 2004 and 2003

	Enterprise Fund	
	2004	2003
Operating revenues:		
Charges for services -		
Gas charges	\$ 346,047	\$ 358,397
Water service charges	353,233	321,853
Sewer service charges	240,508	223,816
Fees, permits and connection fees	42,300	38,973
Miscellaneous	3,219	4,888
Total operating revenues	<u>1,028,307</u>	<u>1,157,927</u>
Operating expenses:		
Salaries	246,287	226,646
Retirement	18,211	12,827
Motor vehicle expenses	33,589	31,488
Disposal charges	2,071	2,878
Federal compliance	7,080	-
Beverage inspection	2,815	2,475
Gas and water purchases	518,890	478,071
Supplies and repairs	81,437	98,567
Repairs and maintenance	16,477	18,037
Utilities and telephone	42,841	48,532
Professional fees	12,975	12,371
General insurance	44,182	44,228
Group health insurance	39,653	16,587
Office expenses	7,173	7,090
Computer service	7,377	18,338
Payroll taxes	18,726	17,887
Travel expenses	8,741	7,769
Training	1,080	943
Uniforms	823	923
Equipment lease	10,578	10,170
Bad debts	3,823	3,368
Depreciation expense	251,029	243,839
Water and lab fees	11,867	11,308
Service agreement	11,743	-
Miscellaneous	3,816	4,697
Total operating expenses	<u>1,383,858</u>	<u>1,573,879</u>
Operating loss	<u>(355,551)</u>	<u>(415,952)</u>

(continued)

CITY OF SCOTT, LOUISIANA

Comparative Statement of Revenues, Expenses, and Changes in Fund Net Assets  
 Proprietary Fund (continued)  
 For the Years Ended June 30, 2004 and 2003

	Enterprise Fund	
	2004	2003
Nonoperating revenues (expenses):		
Interest income	9,894	11,818
Interest expense	(27,887)	(33,887)
Amortization of bond issuance cost	(2,171)	(2,171)
Total nonoperating revenues (expenses)	<u>(18,762)</u>	<u>(20,818)</u>
Loss before transfers	<u>(211,279)</u>	<u>(176,698)</u>
Transfers in (out):		
Transfer from 1994 Sales Tax Fund	275,000	150,000
Transfer from 1998 Sales Tax Fund	275,000	141,000
Transfer from Street System Construction Fund	78,139	33,818
Transfer to General Fund	<u>(600,000)</u>	<u>(160,000)</u>
Total transfers in (out)	<u>278,139</u>	<u>168,818</u>
Change in net assets	6,860	(8,880)
Net assets, beginning	<u>8,578,263</u>	<u>8,188,844</u>
Net assets, ending	<u>\$8,585,123</u>	<u>\$8,179,964</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF SCOTT, LOUISIANA

Comparative Statement of Cash Flows  
 Proprietary Fund  
 For the Years Ended June 30, 2004 and 2003

	Enterprise Fund	
	2004	2003
<b>Cash flows from operating activities:</b>		
Receipts from customers	\$1,184,813	\$1,338,889
Payments to suppliers	(897,628)	(768,118)
Payments to employees	(116,753)	(299,699)
Other receipts	3,232	4,089
Net cash provided by operating activities	<u>65,291</u>	<u>95,881</u>
<b>Cash flows from noncapital financing activities:</b>		
Cash received from other funds	49,084	32,405
Cash paid to other funds	-	(64,866)
Transfers from other funds	738,139	128,899
Transfers to other funds	(398,083)	(158,320)
Net cash provided by noncapital financing activities	<u>269,141</u>	<u>138,298</u>
<b>Cash flows from capital and related financing activities:</b>		
Principal paid on revenue bonds payable	(245,000)	(116,000)
Interest and fiscal charges paid on revenue bonds payable	(33,475)	(31,875)
Proceeds from motor deposits	38,739	36,798
Refund of motor deposits	(38,235)	(28,912)
Acquisition of property, plant and equipment	(61,632)	(286,352)
Net cash used by capital and related financing activities	<u>(339,603)</u>	<u>(326,389)</u>
<b>Cash flows from investing activities:</b>		
Proceeds of investments and interest-bearing deposits with maturity in excess of ninety days	833,708	681,648
Purchase of investments and interest-bearing deposits with maturity in excess of ninety days	(953,208)	(815,180)
Interest on investments	9,723	12,887
Net cash used by investing activities	<u>(110,783)</u>	<u>(120,645)</u>
<b>Net decrease in cash and cash equivalents</b>	<b>(88,971)</b>	<b>(214,904)</b>
Cash and cash equivalents, beginning of period	<u>130,786</u>	<u>345,790</u>
Cash and cash equivalents, end of period	<u>\$ 41,815</u>	<u>\$ 130,886</u>

(continued)

CITY OF SCOTT, LOUISIANA

Comparative Statement of Cash Flows  
Proprietary Fund (continued)  
For the Years Ended June 30, 2004 and 2003

	<u>Enterprise Fund</u>	
	<u>2004</u>	<u>2003</u>
Reconciliation of operating loss to net cash used by operating activities:		
Operating loss	\$(183,217)	\$(186,610)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation	291,189	241,859
Changes in current assets and liabilities:		
(Increase) decrease in accounts receivable	20,614	(2,340)
Increase (decrease) in provision for uncollectible accounts	(997)	152
(Increase) decrease in unbilled utility receivables	(6,154)	3,308
Increase in prepaid items	-	(1,359)
Increase (decrease) in accounts payable	(354)	9,253
Increase (decrease) in accrued liabilities	(5,020)	1,906
Net cash provided by operating activities	<u>\$ 85,321</u>	<u>\$ 93,801</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents, beginning of period -		
Cash - unrestricted	\$ 183,810	\$ 218,844
Interest-bearing deposits - unrestricted	426,161	488,378
Cash - restricted	146,216	128,769
Interest-bearing deposits - restricted	342,886	311,419
Less: Interest-bearing deposits with maturity in excess of 90 days	(698,218)	(641,136)
Total cash and cash equivalents, beginning of period	<u>370,755</u>	<u>385,765</u>
Cash and cash equivalents, end of period -		
Cash - unrestricted	251,898	303,833
Interest-bearing deposits - unrestricted	448,065	416,161
Cash - restricted	168,114	146,536
Interest-bearing deposits - restricted	342,337	342,986
Less: Interest-bearing deposits with maturity in excess of 90 days	(384,781)	(698,710)
Total cash and cash equivalents, end of period	<u>345,533</u>	<u>318,766</u>
Net decrease	<u>\$ (28,222)</u>	<u>\$ (216,914)</u>

The accompanying notes are an integral part of the basic financial statements.

## CITY OF SCOTT, LOUISIANA

### Notes to Basic Financial Statements

#### 1) Summary of Significant Accounting Policies

The accompanying financial statements of the City of Scott (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements, in the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

##### A. Financial Reporting Entity

The City of Scott was incorporated under the provisions of the Louisiana Act. The City operates under the Mayor-Board of Aldermen form of government.

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

Based on the foregoing criteria, a certain governmental organization is not part of the City and is thus excluded from the accompanying financial statements. This organization is the City of Scott Volunteer Fire Department. Although the City does provide facilities and some of its financing, no control is exercised over its operations.

##### B. Basis of Presentation

###### Government-Wide Financial Statements (GWFS)

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

## CITY OF SCOTTE, LOUISIANA

### Notes to Financial Statements (Continued)

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

#### Fund Financial Statements

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with financially-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of the City are classified into two categories: governmental and proprietary. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major funds of the City are described below:

#### 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.

## CITY OF SCOTT, LOUISIANA

### Notes to Financial Statements (Continued)

#### Special Revenue Funds

##### 1968 Sales Tax Fund -

The 1968 Sales Tax Fund is used to account for the proceeds of a one percent sales and use tax that is legally restricted to expenditures for specific purposes.

##### 1984 Sales Tax Fund -

The 1984 Sales Tax Fund is used to account for the proceeds of a one percent sales and use tax that is legally restricted to expenditures for specific purposes.

#### Proprietary Fund -

##### Enterprise Fund

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the 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; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City of Scott's enterprise fund is the Utility Fund.

#### C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

##### Measurement Focus

On the government-wide statement of net assets and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b, below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

## CITY OF SCOTT, LOUISIANA

### Notes to Financial Statements (Continued)

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

#### Basis of Accounting

In the government-wide statement of net assets and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

#### D. Assets, Liabilities and Equity

##### Cash, Interest-bearing Deposits, and Investments

For purposes of the statement of net assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the City.



## CITY OF SCOTT, LOUISIANA

### Notes to Financial Statements (Continued)

Under state law, the City may invest in United States bonds, treasury notes, or certificates. Investments are stated at amortized cost.

For the purpose of the proprietary fund statement of cash flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

#### Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables."

Long-term interfund loans (accruals portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net assets.

#### Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes. Business-type activities report customers' utility service receivables as their major receivables. Uncollectible utility service receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. The allowance for uncollectibles for customers' utility receivables was \$1,587 and \$4,894 at June 30, 2004 and 2003, respectively. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are recorded at year-end.

#### Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide or financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The City maintains a threshold level of \$1,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Prior to July 1, 2001, governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

## CITY OF SCOTT, LOUISIANA

### Notes to Financial Statements (Continued)

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	48 years
Equipment	5 years
Utility systems and improvements	30-60 years
Infrastructure	20 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

#### Restricted Assets

Restricted assets include cash and interest-bearing deposits of the proprietary fund that are legally restricted as to their use. The restricted assets are related to the revenue bond accounts and utility meter deposits.

#### Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of the revenue bonds payable and utility meter deposits payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

#### Compensated Absence

Vacation and sick leave are recorded as expenditures of the period in which paid. Vacation must be taken in the year accrued and cannot be carried over. All full-time employees are allowed 48 hours of annual sick leave. All unused sick leave may be carried over, with 30 percent of the accumulated balance payable at termination of employment. At June 30, 2004 the City has no material accumulated leave benefits required to be reported in accordance with GASB Statement No. 16 "Accounting for Compensated Absence".

CITY OF SCOTT, LOUISIANA

Notes to Financial Statements (Continued)

**Equity Classifications**

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements.

**E. Revenues, Expenditures, and Expenses**

**Operating Revenues and Expenses**

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

**Expenditures/Expenses**

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

- Governmental Funds - By Character
- Proprietary Fund - By Operating and Nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

## CITY OF SCOTT, LOUISIANA

### Notes to Financial Statements (Continued)

#### Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

#### F. Revenue Restrictions

The City has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Sales tax	See Note 3
Gas, water and sewer revenue	Debt service and utility operations

The City uses unrestricted resources only when restricted resources are fully depleted.

#### G. Budgetary Accounting

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

1. Prior to June 15, the City Clerk submits to the Mayor and Board of Aldermen a proposed operating budget for the fiscal year commencing the following July 1.
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 a resolution prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts anticipated require the approval of the Board of Aldermen.

CITY OF SCOTT, LOUISIANA

Notes to Financial Statements (Continued)

6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board of Aldermen. Such amendments were not material in relation to the original appropriations.

**H. Capitalization of Interest Expense**

It is the policy of the City of Scott to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets in the Proprietary Fund. At June 30, 2004, there were no borrowings for assets under construction and no capitalized interest expense was recorded on the books.

**I. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**J. Report Classification**

Certain previously reported amounts for the year ended June 30, 2003 have been reclassified to conform to the June 30, 2004 classifications.

**(C) Ad Valorem Taxes**

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

For the year ended June 30, 2004, taxes of 3.93 mills were levied on property with assessed valuations totaling \$29,832,444 and were dedicated to general corporate purposes.

Total taxes levied were \$117,141. Taxes receivable at June 30, 2004 was \$2,093, which was current.

CITY OF SCOTT, LOUISIANA

Notes to Financial Statements (Continued)

(3) Sales and Use Tax

Proceeds of a 1% sales and use tax levied by the City of Scott beginning June 22, 1998 (2004 collections \$828,514; 2003 \$824,105) are dedicated to the following purposes:

Construction, acquiring, extending, improving and/or maintaining sewers and sewerage disposal works, waterworks, drainage facilities, streets and sidewalks, including the purchase of equipment therein, title to which improvements shall be in the public name, or for any one or more of said purposes. The tax is also subject to funding into bonds of the City in the manner authorized in the Louisiana Revised Statutes.

Proceeds of a .75% sales and use tax levied by the City of Scott beginning April 1, 1984 (2004 collections \$828,514; 2003 \$824,105) are dedicated to the following purposes:

Constructing, acquiring, extending, improving, operating and/or maintaining public streets and bridges, sewers and sewerage disposal works, recreational facilities and drainage facilities; purchasing and acquiring the necessary land, equipment and furnishings for any of the aforesaid public works, improvements and facilities; providing additional funds to maintain the City's auxiliary police force and volunteer fire department; maintaining the natural gas transmission and distribution systems of the City; and funding into bonds for any of these purposes in accordance with the Louisiana Revised Statutes. The 1984 sales and use tax is currently dedicated to retiring the Series 1994 and Series 1997 Public Improvement Sales Tax Bonds.

(4) Cash, Interest-Bearing Deposits and Investments

A. 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 the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2004, the City had cash and interest-bearing deposits (book balances) totaling 15,187,187 as follows:

Demand deposits	\$ 432,178
Money market accounts	1,004,290
Time deposits	<u>1,350,718</u>
Total	<u>\$ 3,187,187</u>

CITY OF SCOTT, LOUISIANA

Notes to Financial Statements (Continued)

These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2004 were secured as follows:

Bank balances	<u>\$5,398,415</u>
Federal deposit insurance	\$ 313,800
Pledged securities (Category 3)	<u>5,084,615</u>
 Total FDIC insurance and pledged securities	 <u>\$5,398,415</u>

Pledged securities in Category 3 include uninsured or unregistered investments, for which securities are held by the broker or dealer, or by its trust department or agent, but not in the City's name. Even though the pledged securities are considered uncollateralized (Category 3), Louisiana Revised Statute 99:1129 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.

B. Investments

The City can invest in direct debt securities of the United States unless law expressly prohibits such an investment. The City's investments are categorized to give an indication of the level of risk assumed by it at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments with securities held by the counterpart's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments with securities held by the counterpart, or by its trust department or agent, but not in the City's name.

CITY OF SCOTT, LOUISIANA

Notes to Financial Statements (Continued)

In accordance with GASB Codification Section 150.105, the investment in LAMP is not categorized in the three risk categories provided by GASB Codification Section 150.104 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 not-for-profit corporation organized under the laws of the State of Louisiana, and is governed by a board of directors composed of representatives from various local governments and statewide professional organizations. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 3a-7, which governs registered money market funds. 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 these 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 187 days. The fair market value of investments is determined on a weekly basis to monitor any variances between amortized cost and market value. The fair value of the City's investment in LAMP is the same as the value of the pool shares. Normally, investments are required to be reported at fair value. For purposes of determining participants' shares, investments are valued at amortized cost. Investments in an external investment pool can be reported at amortized cost if the external investment pool operates in a manner consistent with the Security Exchange Commission's (SEC's) Rule 2a7. LAMP is an external investment pool that operates in a manner consistent with SEC Rule 2a7. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

At June 30, 2004, the City's investments totaled \$2,417,426 of which \$2,258,919 was for governmental activities and \$158,507 was for business-type activities. Investment information is as follows:

Description	Category	Interest Rate	Reported Amount	Approximate Fair Value
Louisiana Asset Management Pool (LAMP)	N/A	Variable	\$ 2,417,426	\$ 2,427,426



**CITY OF SCOTT, LOUISIANA**

**Notes to Financial Statements (Continued)**

**(5) Receivables**

Receivables at June 30, 2004 of \$267,915 consist of the following:

	<u>General</u>	<u>1988 Sales Tax</u>	<u>1984 Sales Tax</u>	<u>Other Governmental</u>	<u>Utility</u>	<u>Total</u>
Accounts	\$ -	\$ -	\$ -	\$ -	\$ 78,625	\$ 78,625
Unbilled utility	-	-	-	-	44,215	44,215
Taxes						
Ad valorem	2,085	-	-	-	-	2,085
Sales tax	-	69,864	69,864	-	-	139,728
Interest	199	44	1,071	832	1,179	3,319
Other	<u>179</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>179</u>
<b>Totals</b>	<b>\$ 2,473</b>	<b>\$69,908</b>	<b>\$70,935</b>	<b>\$ 832</b>	<b>\$134,027</b>	<b>\$267,915</b>

**(6) Due from Other Governmental Units**

Amounts due from other governmental units at June 30, 2004 consisted of the following:

**General Fund**

Amount due from the State of Louisiana Department of Transportation for grant cutting revenues earned during fiscal year ending June 30, 2004 \$ 4,356

**(7) Restricted Assets - Proprietary Fund Type**

Restricted assets consisted of the following at June 30, 2004:

Revenue bond and interest sinking account	\$ 415
Revenue bond reserve account	112,500
Revenue bond contingency account	158,000
Customers' deposits	133,960
Revenue bond construction fund	<u>81,217</u>
<b>Total restricted assets</b>	<b>\$478,092</b>

**CITY OF SCOTT, LOUISIANA**

Notes to Financial Statements (Continued)

**(9) Capital Assets**

Capital asset activity for the year ended June 30, 2004 was as follows:

	Balance 6/30/03	Additions	Deletions	Balance 6/30/04
<b>Governmental activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 143,589	\$ 48,960	\$ -	\$ 192,549
<b>Other capital assets:</b>				
Buildings	1,978,803	39,336	-	2,018,139
Infrastructure	12,077,187	-	-	12,077,187
Equipment, furniture and fixtures	1,411,862	169,342	-	1,581,204
Totals	<u>15,633,598</u>	<u>249,638</u>	<u>-</u>	<u>15,883,236</u>
<b>Less accumulated depreciation:</b>				
Buildings	239,186	43,370	-	282,556
Infrastructure	7,882,884	209,804	-	8,092,688
Equipment, furniture and fixtures	607,242	156,223	-	763,465
Total accumulated depreciation	<u>8,729,312</u>	<u>409,397</u>	<u>-</u>	<u>9,138,709</u>
<b>Governmental activities, capital assets, net</b>	<u>\$ 7,904,286</u>	<u>\$ 1,089,879</u>	<u>\$ -</u>	<u>\$ 9,004,265</u>
<b>Business-type activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land - sewer system	\$ 30,430	\$ -	\$ -	\$ 30,430
<b>Other capital assets:</b>				
Gas system	1,029,981	-	-	1,029,981
Water system	4,294,696	-	-	4,294,696
Sewer system	5,673,641	79,317	-	5,752,958
Machinery and equipment	234,659	-	-	234,659
Construction in progress	63,642	69,313	(69,886)	63,069
Totals	<u>11,667,619</u>	<u>148,630</u>	<u>(69,886)</u>	<u>11,746,363</u>
<b>Less accumulated depreciation:</b>				
Gas system	39,166.7	25,411	-	64,577.7
Water system	1,170,183	85,799	-	1,255,982
Sewer system	1,897,799	128,808	-	2,026,607
Machinery and equipment	185,129	11,002	-	196,131
Total accumulated depreciation	<u>3,492,278</u>	<u>320,119</u>	<u>-</u>	<u>3,812,397</u>
<b>Business-type activities, capital assets, net</b>	<u>\$ 8,254,341</u>	<u>\$ 1,769,711</u>	<u>\$ (69,886)</u>	<u>\$ 9,954,166</u>

**CITY OF SCOPE, LOUISIANA**

**Notes to Financial Statements (Continued)**

Depreciation expense was charged to governmental activities as follows:

General government	\$ 49,325
Police	114,942
Auxiliary police	14,746
Fire	427
Streets	<u>735,430</u>
Total depreciation expense	<u>\$ 914,870</u>

Depreciation expense was charged to business-type activities as follows:

Gas	\$ 25,418
Water	99,942
Sewer	<u>156,136</u>
Total depreciation expense	<u>\$ 281,506</u>

**(9) Accounts, Salaries, and Other Payables**

The accounts and other payables of \$199,441 consisted of the following at June 30, 2004:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Accounts	\$ 99,659	\$ 90,881	\$ 190,540
Other liabilities	<u>9,782</u>	<u>9,620</u>	<u>19,402</u>
Total	<u>\$ 109,441</u>	<u>\$ 90,502</u>	<u>\$ 199,943</u>

**(10) Deferred Revenue**

Deferred revenue in the General Fund of \$13,181 consisted of proceeds received from uncollected police narcotics cases.

**(11) Changes in Long-Term Debt**

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2004:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Long-term bonds payable, July 1, 2003	\$ 180,809	\$ 310,000	\$ 490,809
Long-term bonds issued	-	-	-
Long-term bonds retired	<u>(181,809)</u>	<u>(245,000)</u>	<u>(426,809)</u>
Long-term bonds payable, June 30, 2004	<u>\$ -</u>	<u>\$ 65,000</u>	<u>\$ 65,000</u>

CITY OF SCOTT, LOUISIANA

Notes to Financial Statements (Continued)

Long-term debt payable at June 30, 2004 is comprised of the following individual issues:

General obligation bonds -

\$655,000 Public Improvement Sales Tax Refunding Bonds, Series 1994, due in annual installments of \$100,000 through May 1, 2005; interest at 5.625 percent; payable from sales tax revenues	\$ 100,000
\$1,110,000 Public Improvement Sales Tax Refunding Bonds, Series 1997, due in annual installments of \$100,000 to \$100,000 through May 1, 2000; interest at 5.50 percent; payable from sales tax revenues	<u>600,000</u>
	<u>\$ 700,000</u>

Revenue bonds -

\$1,125,000 Utilities Revenue Refunding Bonds, Series 1995, due in annual installments of \$100,000 to \$100,000 through July 1, 2008; interest at 5.5 percent; payable from Utilities System Revenues	\$ 260,000
Less: costs for bond refunding	<u>(15,600)</u>
Net revenue bonds payable	<u>\$ 244,400</u>

The bonds are due as follows:

Year ending June 30,	Governmental Activities		Business-type Activities	
	Principal payments	Interest payments	Principal payments	Interest payments
2005	\$ 200,000	\$ 48,085	\$ -	\$ -
2006	100,000	10,160	100,000	11,000
2007	110,000	24,700	100,000	3,712
2008	110,000	18,000	-	-
2009	120,000	13,000	-	-
2010	<u>110,000</u>	<u>6,760</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 760,000</u>	<u>\$ 124,545</u>	<u>\$ 285,000</u>	<u>\$ 14,712</u>

CITY OF SCOTT, LOUISIANA

Notes to Financial Statements (Continued)

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

Under the terms of the bond indentures of the \$1,123,808 Series 1995 Utilities Revenues Refunding Bonds, all income and revenues (hereinafter referred to as revenues) 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 installment of principal and 1% of the next maturing installment of interest on the outstanding bonds. Such amount shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due and may be used only for such payments.

There shall also be set aside into a "Revenue Bond Reserve Fund" a sum equal to the Reserve Fund requirement (\$112,500 as June 30, 2004). The money in the Reserve Fund shall be retained solely for the purpose of paying the principal and interest on the bonds payable from the Sinking Fund as to which there would otherwise be default.

Each month, a sum at least equal to 3 percent of the gross revenues of the Utilities System Fund for the preceding month must be deposited into a "Capital Addition and Contingencies Fund" until a maximum sum of \$150,000 is accumulated therein. Money in this fund may be used for the making of extraordinary repairs or 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. Money in this fund may also be used to pay principal or interest on the bonds falling due at any time there is not sufficient money for payment in the other bond funds. The balance in this fund shall never be reduced below a minimum of \$20,000.

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

The City of Scott was in compliance with all significant limitations and restrictions in these bond indentures as June 30, 2004.

(12) **Employee Retirement**

All employees are members of one of the following retirement systems:

- Federal Social Security System
- Municipal Employees' Retirement System of Louisiana
- Municipal Police Employees' Retirement System of Louisiana

CITY OF SCOTT, LOUISIANA

Notes to Financial Statements (Continued)

Further information relative to each plan follows:

A) Federal Social Security System

All employees of the City of Scott are members of the Federal Social Security System. The City and its employees contribute a percentage of each employee's salary to the System (7.65% contributed by the City; 7.65% by the employee). Total covered wages for the years ended June 30, 2004, 2003 and 2002, totaled \$1,051,848, \$1,800,383, and \$1,804,947, respectively. The City's contribution during the years ended June 30, 2004, 2003, and 2002 amounted to \$80,191, \$76,768, and \$16,879, respectively.

B) Municipal Employees' Retirement System of Louisiana System

Eligible employees of the City participate in the Municipal Employees' Retirement System, which is a cost-sharing, multiple-employer defined benefit public employee retirement system. The plan is controlled and administered by a separate board of trustees. Further information relative to the plan follows:

Plan Description - The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan B.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan B, employees who retire at or after age 60 with at least 18 years of creditable service or at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2% of their final-average monthly salary in excess of \$180 for each year of creditable service. Furthermore, employees with at least 18 years of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 60, with the basic benefit reduced 2% for each year retirement precedes age 62, unless he has at least 58 years of creditable service. In any case, monthly retirement benefits paid under Plan B cannot exceed 100% of final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joint months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The system issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees' Retirement System of Louisiana, 7817 Office Park Boulevard, Baton Rouge, Louisiana 70809.

## CITY OF SCOTT, LOUISIANA

### Notes to Financial Statements (Continued)

**Funding policy** – Under Plan B, members are required by state to contribute 3.8% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 7.35%. Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the City are established and may be amended by state statute. As provided by R.S. 11:155, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contributions to the System under Plan B for the years ending June 30, 2004, 2005, and 2006 were \$41,149, \$39,383, and \$23,447 respectively, equal to the required contributions for each year.

#### C) Municipal Police Employees' Retirement System of Louisiana (System)

Eligible employees of the City participate in the Municipal Police Employees' Retirement System, which is a cost-sharing, multiple-employer defined benefit public employee retirement system. The plan is controlled and administered by a separate board of trustees. Pertinent information relative to the plan follows:

**Plan description** – All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 17 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 10% of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employer contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees' Retirement System, 8481 United Place Boulevard, Room 278, Baton Rouge, Louisiana 70809-7817.

**Funding Policy** – Plan members are required by state statute to contribute 7.2% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 21.5% of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by state statute. As provided by R.S. 11:155, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The contributions to the System for the years ending June 2004, 2005, and 2006 were \$41,779, \$28,219, and \$22,675, respectively, equal to the required contributions for each year.

CITY OF SCOTT, LOUISIANA

Notes to Financial Statements (Continued)

(14) Litigation and Claims

At June 30, 2004, the City is involved in several lawsuits claiming damages. In the opinion of the City's legal counsel, the only exposure to the City would be any costs in defense of the lawsuits with no liability to the City in excess of insurance coverage.

(15) Utility Fund Contracts

A. The City, under contract dated October 1, 1990, is required to purchase its natural gas from Louisiana Municipal Natural Gas Purchasing and Distribution Authority. Termination of the contract requires a six-month notice. The City purchased natural gas during the year ended June 30, 2004, in the amount of \$179,781, of which \$7,286 was owed for purchases for the month of June 2004.

B. The City, under a contract dated June 1, 1997, and expiring May 31, 2021, is required to purchase its water from the City of Lafayette. The City purchased water during the fiscal year ended June 30, 2004 in the amount of \$231,189.

(16) Segment Information for the Enterprise Fund

The City of Scott maintains one enterprise fund with three departments which provide gas, water, and sewerage services. Segment information for the year ended June 30, 2004, was as follows:

	<u>Gas Department</u>	<u>Water Department</u>	<u>Sewer Department</u>	<u>Total Enterprise Fund</u>
Operating revenues	<u>\$218,941</u>	<u>\$274,889</u>	<u>\$ 218,189</u>	<u>\$1,599,241</u>
Operating expenses:				
Depreciation	15,411	95,542	138,156	249,109
Other	<u>313,236</u>	<u>516,987</u>	<u>261,686</u>	<u>1,132,709</u>
Total operating expenses	<u>349,647</u>	<u>612,449</u>	<u>401,762</u>	<u>1,363,858</u>
Operating income (loss)	<u>\$ 7,294</u>	<u>\$ (37,560)</u>	<u>\$ (163,573)</u>	<u>\$ (183,837)</u>



CITY OF SCOTT, LOUISIANA

Notes to Financial Statements (Continued)

(17) Compensation of City Officials

A detail of compensation paid to the Mayor and Board of Aldermen for the year ended June 30, 2004 follows:

Haaz Myers, Mayor	\$16,909
Aldermen:	
Narciso Menard	8,216
Bob Beaudrean	8,803
Mark Morris	8,803
Furvis Morrison	8,803
Bill Young	8,803
	<u>\$68,131</u>

(18) Risk Management

The City is exposed to risks of loss in the areas of health care, general and auto liability, property hazards and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year.

(19) Interfund Transactions

A. Receivables and Payables

Interfund receivables and payables consisted of the following at June 30, 2004:

Due to the Utility Fund from the General Fund representing short-term loans	\$ 168,189
Due to the Utility Fund from the 1994 Sales Tax Fund representing short-term loans	112,080
Due to the 1998 Sales Tax Fund from the Utility Fund representing short-term loans	36,043
Due to the General Fund from the 1998 and 1994 Sales Tax funds for reimbursement for expenditures paid	112,052
Other balances	647
Total	<u>\$ 417,911</u>

CITY OF SCOTT, LOUISIANA

Notes to Financial Statements (Continued)

Summary of balances due from other funds reported in fund financial statements:

Due from other funds, Balance Sheet - Governmental Funds	\$ 188,742
Due from other funds, Statement of Net Assets - Proprietary Funds	<u>285,189</u>
Total	<u>\$473,931</u>

B. Operating transfers

Operating transfers consisted of the following at June 30, 2004:

	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
Major governmental funds:		
General Fund	\$ 915,080	\$ -
1988 Sales Tax Special Revenue Fund	-	571,808
1989 Sales Tax Special Revenue Fund	-	701,424
Non-major governmental funds:		
Sales Tax Bonds Debt Service Fund	245,424	-
Sewer System Construction Capital Projects Fund	-	70,139
Proprietary Fund:		
Enterprise Fund	<u>720,139</u>	<u>380,808</u>
Total	<u>\$1,880,563</u>	<u>\$ 1,480,563</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**REQUIRED  
SUPPLEMENTARY INFORMATION**

**CITY OF SCOTT, LOUISIANA**  
**General Fund**

**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2004**

With Comparative Actual Amounts for the Year Ended June 30, 2003

	2004			Variance with Final Budget Positive (Negative)	2003 Actual
	Budget		Actual		
	Original	Final			
<b>Revenues:</b>					
Taxes	\$ 351,000	\$ 411,088	\$ 397,655	\$ (14,433)	\$ 347,340
Licenses and permits	109,700	307,479	304,944	(2,535)	168,847
Intergovernmental	775,014	711,857	309,646	(402,211)	516,876
Fees and forfeits	140,000	91,000	83,100	(8,900)	117,831
Miscellaneous	14,000	70,000	24,000	(46,000)	70,884
<b>Total revenues</b>	<u>1,403,714</u>	<u>1,511,424</u>	<u>1,139,345</u>	<u>(372,079)</u>	<u>1,215,778</u>
<b>Expenditures:</b>					
General government	334,711	336,000	349,411	14,409	308,400
Public safety:					
Police	746,000	791,768	756,111	(35,657)	709,684
Highways and streets	307,000	395,694	308,471	(87,223)	298,598
Capital outlay	361,118	470,480	443,867	(26,613)	380,532
<b>Total expenditures</b>	<u>1,448,829</u>	<u>1,993,942</u>	<u>1,857,860</u>	<u>(136,113)</u>	<u>1,277,614</u>
<b>Deficiency of revenues over expenditures</b>	<u>(445,115)</u>	<u>(482,518)</u>	<u>(718,515)</u>	<u>(236,403)</u>	<u>(661,836)</u>
<b>Other financing sources:</b>					
Transfer from -					
Utility Fund	300,000	300,000	300,000	-	340,000
1998 Sales Tax Fund	215,000	200,000	200,000	-	200,000
1994 Sales Tax Fund	73,000	215,000	215,000	-	100,000
<b>Total other financing sources</b>	<u>588,000</u>	<u>715,000</u>	<u>715,000</u>	<u>-</u>	<u>640,000</u>
<b>Deficiency of revenue and other financing sources over expenditures</b>	<u>(857,115)</u>	<u>(767,518)</u>	<u>(1,003,515)</u>	<u>(236,513)</u>	<u>(661,836)</u>
<b>Fund balance, beginning</b>	<u>-</u>	<u>200,236</u>	<u>200,236</u>	<u>-</u>	<u>482,582</u>
<b>Fund balance, ending</b>	<u>\$ (857,115)</u>	<u>\$ (567,282)</u>	<u>\$ (803,279)</u>	<u>\$ (236,513)</u>	<u>\$ (189,254)</u>

CITY OF SCOTT, LOUISIANA  
1998 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule  
For the Year Ended June 30, 2003  
With Comparative Actual Amounts for the Year Ended June 30, 2002

	2003			Variance with Final Budget Positive (Negative)	2002 Actual
	Budget		Actual		
	Original	Final			
<b>Revenues:</b>					
Taxes:					
Intergovernmental revenue - state grant	\$ 111,000	\$ 109,888	\$ 109,514	\$ 514	\$ 104,183
Miscellaneous - interest	44,000	-	-	-	-
Total revenues	<u>155,000</u>	<u>109,888</u>	<u>109,514</u>	<u>(1,796)</u>	<u>104,183</u>
<b>Expenditures:</b>					
General government	9,600	9,608	9,261	348	10,408
Highways and streets	171,180	186,186	186,843	(126)	67,614
Capital outlay	71,000	12,794	12,794	-	5,882
Total expenditures	<u>251,780</u>	<u>208,588</u>	<u>208,901</u>	<u>607</u>	<u>83,904</u>
Excess of revenues over expenditures	<u>393,220</u>	<u>101,300</u>	<u>100,613</u>	<u>(771)</u>	<u>210,279</u>
<b>Other financing uses:</b>					
Transfers to other funds	<u>(495,000)</u>	<u>(113,000)</u>	<u>(370,000)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(101,780)</u>	<u>79,300</u>	<u>70,613</u>	<u>(771)</u>	<u>210,279</u>
Fund balance, beginning	<u>1,793,441</u>	<u>1,784,795</u>	<u>1,785,795</u>	<u>-</u>	<u>1,451,547</u>
Fund balance, ending	<u><u>1,691,661</u></u>	<u><u>1,864,095</u></u>	<u><u>1,856,408</u></u>	<u><u>1,113</u></u>	<u><u>1,661,826</u></u>

CITY OF SCOTT, LOUISIANA  
1994 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule  
For the Year Ended June 30, 2004  
With Comparative Actual Amounts for the Year Ended June 30, 2003

	2004			Variance with Final Budget Positive (Negative)	2003 Actual
	Budget		Actual		
	Original	Final			
<b>Revenues:</b>					
Taxes	\$ 715,000	\$ 820,000	\$ 820,514	\$ 514	\$ 824,083
Miscellaneous	22,000	20,000	20,187	287	21,810
Total revenues	<u>737,000</u>	<u>840,000</u>	<u>840,701</u>	<u>801</u>	<u>845,893</u>
<b>Expenditures:</b>					
General government	9,300	9,300	9,300	300	10,430
Public safety:					
Auxiliary police	20,000	12,044	11,189	(141)	14,041
Fire	112,988	120,117	131,807	(3,350)	121,411
Highways and streets	59,447	75,529	65,404	6,495	62,110
Capital outlay	-	-	-	-	34,895
Total expenditures	<u>211,735</u>	<u>217,090</u>	<u>216,696</u>	<u>3,120</u>	<u>242,897</u>
Excess of revenues over expenditures	<u>525,265</u>	<u>622,910</u>	<u>624,005</u>	<u>4,125</u>	<u>603,004</u>
<b>Other financing uses:</b>					
Transfers to other funds	<u>(635,000)</u>	<u>(770,000)</u>	<u>(731,420)</u>	<u>(65,420)</u>	<u>(555,424)</u>
Excess (deficiency) of revenues over expenditures and other uses	<u>(90,735)</u>	<u>(147,090)</u>	<u>(107,415)</u>	<u>(3,299)</u>	<u>147,580</u>
Fund balance, beginning	<u>3,110,763</u>	<u>3,110,471</u>	<u>3,110,472</u>	<u>-</u>	<u>3,057,791</u>
Fund balance, ending	<u>\$2,919,528</u>	<u>\$2,919,701</u>	<u>\$2,919,668</u>	<u>\$ (3,709)</u>	<u>\$2,913,471</u>

## OTHER SUPPLEMENTARY INFORMATION

## OTHER FINANCIAL INFORMATION



**CITY OF BOOTH, LOUISIANA**  
General Fund

**Budgetary Comparison Schedule - Revisions**  
**For the Year Ended June 30, 2004**  
**With Comparative Actual Amounts for the Year Ended June 30, 2003**

	2004			Variances with Final Budget Positive (Negative)	2003 Actual
	Budget		Actual		
	Original	Final			
<b>Taxes:</b>					
Ad valorem	\$ 386,000	\$ 382,000	\$ 317,689	\$ (6,311)	\$ 36,174
Franchise:					
Electric	221,000	304,000	289,883	(4,417)	286,237
Natural gas	3,000	9,886	9,681	1	6,507
Cable TV	15,000	17,888	16,381	(1,507)	11,250
Total taxes	<u>435,000</u>	<u>713,774</u>	<u>633,634</u>	<u>(14,423)</u>	<u>350,168</u>
<b>License and permits:</b>					
License and beer licenses	8,300	8,300	5,943	(2,357)	6,900
Occupational licenses	9,000	20,000	19,250	(750)	9,880
Insurance-occupational licenses	183,000	194,119	184,119	-	188,001
Building permits	23,000	23,000	20,781	(2,219)	31,000
Electrical permits	11,000	10,000	10,283	(717)	10,280
Culvert permits	3,100	4,000	5,088	888	3,450
Moving permits	6,000	6,718	7,626	1,116	6,770
Air-conditioner inspection	3,288	3,288	3,440	152	3,300
Total license and permits	<u>256,788</u>	<u>282,415</u>	<u>283,544</u>	<u>(1,111)</u>	<u>158,802</u>
<b>Intergovernmental:</b>					
<b>Federal grants -</b>					
Federal Emergency Management Assistance	-	-	-	-	181,417
Bridging Green Program - Education Project	172,818	211,000	211,000	-	41,880
Holiday Signs and Solar Campaigns	3,800	347	347	-	3,443
U.S. Department of Justice - COPD grant	-	-	-	-	9,294
<b>State of Louisiana -</b>					
Department of the Treasury:					
Emergency Management Assistance	-	-	-	-	13,908
Department of Revenue and Taxation:					
New taxes	12,888	16,888	12,347	(4,541)	11,287
Department of Transportation:					
Truck cutting	8,713	8,713	8,713	-	8,710
Office of Rural Development:					
Flooring grant	-	-	-	-	9,481
Police department:					
Police department equipment	40,000	40,000	40,258	258	33,000
Fire department equipment:					
Equipment grant	-	2,507	3,823	3,823	36
Travels Fund	-	10,000	8,188	(1,812)	-
Total intergovernmental	<u>176,606</u>	<u>310,807</u>	<u>285,886</u>	<u>(1,171)</u>	<u>116,876</u>

(continued)

CITY OF SCOTT, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Revenues (continued)  
For the Year Ended June 30, 2004

With Comparative Actual Amounts for the Year Ended June 30, 2003

	2004			Variance with Final Budget Positive (Negative)	2003 Actual
	Budget		Actual		
	Original	Final			
<b>Fees and forfeits:</b>					
Fees and court costs	<u>140,000</u>	<u>91,000</u>	<u>95,168</u>	<u>4,168</u>	<u>117,811</u>
<b>Miscellaneous:</b>					
Interest	9,000	1,910	4,794	2,794	9,287
Sale of assets	-	3,800	2,473	(2,627)	-
Insurance proceeds from police auto & equip.	-	20,000	18,243	(2,757)	-
Insurance refund	-	-	-	-	7,682
Other sources	<u>3,000</u>	<u>18,000</u>	<u>8,082</u>	<u>(1,918)</u>	<u>4,292</u>
Total miscellaneous	<u>12,000</u>	<u>43,710</u>	<u>33,592</u>	<u>(2,818)</u>	<u>31,861</u>
<b>Total revenues</b>	<b><u>\$ 152,000</u></b>	<b><u>\$1,344,711</u></b>	<b><u>\$1,302,873</u></b>	<b><u>\$28,899</u></b>	<b><u>\$ 871,768</u></b>

CITY OF SCOTT, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures  
For the Year Ended June 30, 2004

With Comparative Actual Amounts for the Year Ended June 30, 2003

	<u>2004</u>			Variance with Final Budget (Negative)	2003 Actual
	<u>Budget</u>		Actual		
	Original	Final			
<b>General government:</b>					
<b>Administration:</b>					
Mayor and council salaries	25,000	25,000	25,185	15	\$ 25,000
Other salaries	14,304	24,100	23,894	206	16,501
Payroll taxes	10,115	5,754	5,649	4,515	5,734
Retirement - contrib	7,500	7,500	7,594	94	7,196
Utilities	4,750	7,150	4,611	2,539	7,150
Telephone	10,500	9,100	10,504	1,404	9,811
Advertising and publications	18,000	18,000	18,491	491	16,500
Repairs and maintenance	14,000	14,000	13,074	926	9,014
Fees and reimburse	3,114	4,821	4,730	91	3,114
Legal fees	20,000	20,000	20,689	689	27,493
Accounting and auditing	14,500	14,500	13,611	889	14,000
Computer services	800	900	780	120	211
Office sup expense	820	820	974	(154)	839
General insurance	18,800	11,800	11,774	26	10,171
Group insurance	10,280	4,811	4,819	76	5,241
Office supplies	11,500	20,500	21,911	1,411	21,819
Alarm systems	300	300	300	-	300
Uniforms	1,000	1,000	1,021	21	1,000
Deprec charges	1,500	1,200	1,771	(571)	1,481
Treasure charges	400	100	100	-	391
Public relations	300	-	-	-	1,094
Web page	1,000	300	494	(294)	1,001
Bank service charges	2,150	1,350	1,190	1,160	4,831
Drug testing	1,600	1,341	1,341	259	1,594
Building permits	1,600	1,600	1,611	(111)	1,711
Electrical and air conditioner permits	4,100	4,000	4,010	90	4,311
A/E Inspection	1,000	1,000	1,100	(100)	1,001
Soft business application	800	1,900	1,414	486	871
Contract on Aging	1,600	1,600	1,600	-	1,600
Contract on training	1,000	1,000	1,000	-	1,000
Christmas in Scott	711	71	71	640	71
Prayer Day	940	300	414	(540)	330
March 15th parade	1,500	977	977	523	1,401
Electric fee	-	-	-	-	1,004
Appraisal fee	-	-	-	-	1,500
Miscellaneous	300	500	400	100	441
	<u>114,711</u>	<u>114,441</u>	<u>110,661</u>	<u>3,780</u>	<u>230,409</u>
<b>Civil Department:</b>					
Salaries	-	10,800	11,821	1,021	-
Payroll taxes & retirement	-	1,411	1,411	1,710	-
Group insurance	-	1,780	1,691	889	-
	<u>-</u>	<u>13,991</u>	<u>14,923</u>	<u>3,620</u>	<u>-</u>
<b>Total general government:</b>	<u>114,711</u>	<u>128,432</u>	<u>125,584</u>	<u>2,840</u>	<u>230,409</u>

(continued)

CITY OF SCOTT, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures (continued)  
For the Year Ended June 30, 2008  
With Comparative Actual Amounts for the Year Ended June 30, 2007

	2008			Variance with Final Budget Positive (Negative)	2007 Actual
	Budget		Actual		
	Original	Final			
<b>Public safety:</b>					
Police -					
Salaries	621,328	618,690	596,433	22,257	646,168
Salaries - Chief	-	28,800	28,022	(778)	-
Payroll taxes	71,800	73,790	74,029	307	71,670
Retirement - current	41,000	41,879	43,431	(1,552)	33,750
E-O training and food	-	-	-	-	2,100
Auto expense	43,000	40,840	40,078	162	40,312
Uniforms and supplies	2,000	2,000	2,000	198	11,708
Uniforms - police officer personnel	2,000	2,000	2,137	(137)	282
Supplies - detective division	1,200	1,200	1,269	(69)	793
Training, lodging and travel	5,000	3,350	3,686	(336)	5,847
dues and subscriptions	500	400	423	-	568
Drug testing	2,000	1,604	2,127	(423)	1,788
General insurance	22,400	24,673	26,213	(1,440)	26,283
Group insurance	67,100	63,100	63,090	980	61,409
Advertising	1,000	1,000	1,423	423	717
Miscellaneous	100	100	424	46	334
Disposal charges	200	200	111	111	714
Auto repairs and maintenance	25,000	26,200	26,011	(1,111)	24,361
Garage repairs and maintenance	18,700	18,700	17,311	1,387	18,823
Tire - change	2,000	4,310	4,310	-	3,900
Incidental	3,000	3,000	3,800	80	3,440
Firearms and ammunition	1,000	1,000	1,413	413	130
Telephone	18,000	17,000	17,086	886	8,058
Computer services	4,000	3,754	380	3,374	3,291
Office equipment - repairs and maintenance	4,000	3,883	4,331	1,382	6,107
Utilities	4,000	4,000	4,365	(365)	4,121
Office supplies	3,000	3,000	4,128	1,128	3,701
Civil Service -					
Contract services	-	175	175	-	-
Other supplies	-	332	332	(332)	-
<b>Total public safety</b>	<b>136,668</b>	<b>136,789</b>	<b>176,102</b>	<b>13,414</b>	<b>136,668</b>

(continued)

**CITY OF SCOTT, LOUISIANA**  
**General Fund**

**Budgetary-Comparative Schedule - Expenditures (continued)**  
**For the Year Ended June 30, 2004**  
**With Comparative Actual Amounts for the Year Ended June 30, 2003**

	2004			Variance with Final Budget Positive (Negative)	2003 Actual
	Budget		Actual		
	Original	Final			
<b>Highways and streets:</b>					
Salaries	189,689	189,280	182,598	(7,061)	128,619
Retirement - current	11,626	11,680	11,547	(147)	8,126
Payroll taxes	11,826	12,580	12,196	384	9,322
Street lighting	48,000	48,000	51,818	(3,818)	48,541
General insurance	43,780	44,000	58,598	(14,598)	48,024
Group insurance	38,121	38,480	9,573	267	14,417
Uniforms	850	1,020	1,028	-	850
Installement Christmas decorations	1,000	1,714	1,714	-	714
Lawn maintenance	800	6,580	6,977	(277)	628
Miscellaneous	180	680	781	(101)	288
<b>Total highways and streets</b>	<u>287,295</u>	<u>291,694</u>	<u>388,671</u>	<u>(11,177)</u>	<u>358,118</u>
<b>Central Garage:</b>					
Salaries	30,940	31,080	32,121	(1,121)	38,011
Payroll taxes	2,423	2,580	2,813	(15)	2,308
Municipal employee retirement - current	2,480	2,483	2,199	284	2,646
Supplies and parts	30,480	32,080	32,984	(904)	9,788
Tires	280	280	-	280	150
Truck expense	1,580	1,080	1,312	(512)	2,041
Repairs and maintenance	780	780	783	(83)	315
General insurance	4,280	4,280	4,858	(578)	5,428
Group insurance	2,580	1,780	1,896	144	2,815
Office expenditures	180	-	-	-	168
Uniforms	150	173	173	-	182
Disposal charge	-	908	1,043	(135)	-
Less: allocated to departments	<u>(21,215)</u>	<u>(24,222)</u>	<u>(28,562)</u>	<u>3,642</u>	<u>(14,988)</u>
<b>Total central garage</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(continued)

**CITY OF SCOTT, LOUISIANA**  
**General Fund**

**Budgetary Comparison Schedule - Expenditures (continued)**  
**For the Year Ended June 30, 2004**

With Comparative Actual Amounts for the Year Ended June 30, 2000

	2004			Variances with Final Budget Positive (Negative)	2000 Actual
	Budget		Actual		
	Original	Final			
<b>Capital outlay:</b>					
<b>General government -</b>					
Office fixtures and equipment	12,000	10,500	10,000	100	-
City hall repairs	-	4,000	4,000	-	2,000
Flooring	-	-	-	-	8,000
Land acquisition	20,000	40,000	40,000	1,000	-
Reapportionment plan	-	-	-	-	4,500
<b>Public safety -</b>					
<b>Police:</b>					
Automobiles	70,000	70,000	70,000	100	10,000
Equipment	-	7,000	7,100	(700)	10,000
Computer network upgrade/equipment	-	-	4,000	14,000	1,000
Police office renovations	40,000	40,000	40,000	(1,000)	7,000
<b>Fire:</b>					
Vehicle equipment (R.D. grant)	-	-	-	-	15,000
<b>Highways and streets -</b>					
Hurricane clean-up	-	-	-	-	210,000
Irrigation project	112,000	200,000	200,000	-	10,000
<b>Total capital outlay</b>	<u>264,000</u>	<u>610,500</u>	<u>602,000</u>	<u>(1,500)</u>	<u>383,100</u>
<b>Total expenditures</b>	<u>\$1,608,011</u>	<u>\$1,600,670</u>	<u>\$1,677,141</u>	<u>\$ 8,131</u>	<u>\$1,714,100</u>

**CITY OF SCOTT, LOUISIANA**  
**Special Revenue Fund**  
**1998 Sales Tax Fund**

**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2004**  
**With Comparative Actual Amounts for the Year Ended June 30, 2003**

	2004			Variance with Final Budget Positive (Negative)	2003 Actual
	Budget		Actual		
	Original	Final			
<b>Revenues:</b>					
Taxes	\$ 715,000	\$ 820,000	\$ 828,704	\$ 714	\$ 824,100
Intergovernmental revenue - state grant	44,000	-	-	-	-
Miscellaneous - interest	12,000	34,281	26,481	(1,294)	27,024
<b>Total revenues</b>	<u>811,000</u>	<u>854,281</u>	<u>855,185</u>	<u>(1,280)</u>	<u>851,124</u>
<b>Expenditures:</b>					
<b>General government -</b>					
Collection fees	3,450	3,400	3,427	(50)	3,388
Professional fees	5,000	5,800	5,800	799	6,458
<b>Total general government</b>	<u>8,450</u>	<u>9,200</u>	<u>9,227</u>	<u>349</u>	<u>9,846</u>
<b>Highways and streets -</b>					
Supplies and repairs	28,000	34,831	32,026	306	34,448
Herbicide program	34,500	34,500	31,816	2,684	31,683
Engineering - street improvements	28,000	14,899	17,263	(3,144)	-
Engineering fees - maintenance, etc.	-	21,730	19,763	1,937	7,703
Railroad crossing repairs	32,150	32,030	31,130	-	-
Wetgate 107Prestige Canal	64,000	8,087	9,894	(909)	-
School crossing lights	5,000	5,800	6,248	(1,248)	-
<b>Total highways and streets</b>	<u>157,150</u>	<u>146,166</u>	<u>146,841</u>	<u>134</u>	<u>81,404</u>
<b>Capital outlay -</b>					
<b>Highways and streets:</b>					
Trailer	10,000	17,794	17,794	-	-
Street curbing and sidewalk	218,000	-	-	-	-
Equipment	-	-	-	-	3,087
<b>Total capital outlay</b>	<u>228,000</u>	<u>17,794</u>	<u>17,794</u>	<u>-</u>	<u>3,087</u>
<b>Total expenditures</b>	<u>407,000</u>	<u>399,410</u>	<u>391,181</u>	<u>302</u>	<u>81,928</u>
<b>Excess of revenues over expenditures</b>	<u>404,000</u>	<u>454,871</u>	<u>464,004</u>	<u>(711)</u>	<u>778,218</u>

(continued)

CITY OF SCOTTE, LOUISIANA  
Special Revenue Fund  
1958 Sales Tax Fund

Budgetary Comparison Schedule (continued)  
For the Year Ended June 30, 2004  
With Comparative Actual Amounts for the Year Ended June 30, 2003

	2004				
	Budget		Actual	Variance with Final Budget Positive (Negative)	2003 Actual
	Original	Final			
Other financing sources (used):					
Transfer from (to) -					
Utility Fund	(175,000)	(175,000)	(175,000)	-	(145,000)
General Fund	(115,000)	(200,000)	(200,000)	-	(100,000)
Total other financing sources (used)	<u>(290,000)</u>	<u>(375,000)</u>	<u>(375,000)</u>	<u>-</u>	<u>(245,000)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(90,000)	79,473	79,492	(11)	331,218
Fund balance, beginning	<u>3,795,843</u>	<u>3,783,768</u>	<u>3,783,768</u>	<u>-</u>	<u>3,482,887</u>
Fund balance, ending	<u>\$3,805,843</u>	<u>\$3,863,241</u>	<u>\$3,864,260</u>	<u>\$ 1,117</u>	<u>\$3,965,105</u>



CITY OF SCOT, LOUISIANA  
 Special Revenue Fund  
 1994 Sales Tax Fund

Budgetary Comparison Schedule  
 For the Year Ended June 30, 1994  
 With Comparative Actual Amounts for the Year Ended June 30, 2003

	2003			Variance with Final Budget Positive (Negative)	2003 Actual
	Original	Final	Actual		
<b>Revenues:</b>					
Taxes	\$ 750,000	\$ 820,000	\$ 820,514	\$ 514	\$ 814,100
Miscellaneous -					
Interest	22,000	20,100	20,187	187	11,516
Total revenues	772,000	840,100	840,701	681	825,616
<b>Expenditures:</b>					
General government -					
Sales tax collection fee	1,500	1,620	1,477	143	1,808
Miscellaneous	300	-	81	(319)	-
Professional fees	1,500	4,000	3,870	130	4,450
Total general government	3,300	5,620	5,428	192	6,258
Public safety -					
Auxiliary police:					
Uniforms and equipment	20,000	6,653	6,920	(167)	12,950
Tattoo fees	-	4,477	4,477	-	-
Training	-	-	-	-	428
Drug testing	-	20	180	(160)	109
Auto expense	-	881	688	193	355
Total auxiliary police	20,000	11,931	12,265	(334)	13,522
Fire:					
Contract	71,000	71,000	71,000	-	71,000
Telephone and supplies	1,575	1,580	1,754	(174)	1,122
Uniforms	500	174	1,494	(920)	-
Professional fees	4,000	6,623	8,889	(2,266)	4,000
Salaries and benefits	31,143	30,820	30,287	533	28,560
Payroll taxes	1,770	1,484	1,349	121	1,418
Insurance	4,200	1,890	1,870	20	4,852
Total fire	123,088	135,567	123,847	(9,521)	121,442
Total public safety	143,088	147,511	146,052	(5,471)	134,964

(continued)

**CITY OF SCOTT, LOUISIANA**  
**Special Revenue Fund**  
**1994 Sales Tax Fund**

**Budgetary Comparison Schedule (continued)**  
**For the Year Ended June 30, 2004**  
**With Comparative Actual Amounts for the Year Ended June 30, 2003**

	2004			Variance with Final Budget Positive (Negative)	2003 Actual
	Budget		Actual		
	Original	Final			
<b>Highways and streets -</b>					
Central garage	18,787	18,226	18,248	(122)	14,768
<b>Vehicle and equipment</b>					
repairs and maintenance	26,000	29,000	27,345	1,657	21,866
Engineering	1,000	5,000	-	5,000	888
<b>Equipment lease</b>	<u>11,000</u>	<u>12,751</u>	<u>12,702</u>	-	<u>11,000</u>
<b>Total highways and streets</b>	<u>56,787</u>	<u>65,977</u>	<u>58,295</u>	<u>4,199</u>	<u>42,118</u>
<b>Capital outlay -</b>					
<b>Equipment - highways and streets</b>	-	-	-	-	26,200
<b>Equipment - auxiliary police</b>	-	-	-	-	3,688
<b>Total capital outlay</b>	-	-	-	-	<u>34,888</u>
<b>Total expenditures</b>	<u>211,735</u>	<u>218,168</u>	<u>215,896</u>	<u>3,134</u>	<u>245,010</u>
<b>Excess of revenues</b>					
<b>over expenditures</b>	<u>261,252</u>	<u>251,898</u>	<u>226,263</u>	<u>4,131</u>	<u>111,094</u>
<b>Other financing use -</b>					
<b>Transfers from (to):</b>					
Utility Fund	(221,000)	(177,000)	(177,000)	-	(208,000)
Sales Tax Beach Debt Service Fund	(236,000)	(236,000)	(241,424)	(5,424)	(245,414)
General Fund	(273,000)	(211,000)	(211,000)	-	(286,000)
<b>Total other financing use</b>	<u>(730,000)</u>	<u>(624,000)</u>	<u>(629,424)</u>	<u>(5,424)</u>	<u>(539,414)</u>
<b>Excess (deficiency) of revenues</b>					
<b>over expenditures and</b>					
<b>other use</b>	<u>(79,748)</u>	<u>104,898</u>	<u>106,139</u>	<u>(3,299)</u>	<u>17,680</u>
<b>Fund balance, beginning</b>	<u>2,118,261</u>	<u>2,133,477</u>	<u>2,133,477</u>	-	<u>2,105,787</u>
<b>Fund balance, ending</b>	<u>\$1,829,513</u>	<u>\$1,879,547</u>	<u>\$1,814,088</u>	<u>\$ (65,959)</u>	<u>\$1,120,427</u>

**CITY OF SCOTTS, LOUISIANA**  
**Managerial Governmental Funds**

Comparing Balance Sheet  
 June 30, 2008

With Comparative Totals for June 30, 2007

	Water Use Meters Fund	Sewer System Construction	Street Improvement and Construction Fund	Totals	
				2008	2007
<b>ASSETS</b>					
Interest-bearing deposits, at cost	\$ 421,883	\$ 388,771	\$ 305,353	\$ 1,115,907	\$ 916,980
Unearned interest receivable	-	632	-	632	6,231
<b>TOTAL ASSETS</b>	<b><u>421,883</u></b>	<b><u>389,403</u></b>	<b><u>305,353</u></b>	<b><u>1,116,539</u></b>	<b><u>923,211</u></b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	-	-	-	-	790
<b>Fund balances:</b>					
Reserved for debt service	421,883	-	-	421,883	416,644
Reserved for street improvement	-	-	388,383	388,383	49,189
Unreserved, designated for capital expenditures	-	388,771	-	388,771	447,811
<b>Total fund balances</b>	<b><u>421,883</u></b>	<b><u>388,771</u></b>	<b><u>388,383</u></b>	<b><u>1,199,037</u></b>	<b><u>913,644</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 421,883</u></b>	<b><u>\$ 388,771</u></b>	<b><u>\$ 388,383</u></b>	<b><u>\$ 1,199,037</u></b>	<b><u>\$ 923,211</u></b>

CITY OF SCOTT, LOUISIANA  
 Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Year Ended June 30, 2004  
 With Comparative Totals for June 30, 2003

	Sales Tax (Beats) Fund	Sewer System Construction	Street Improvement and Construction Fund	Totals	
				2003	2004
<b>Revenues:</b>					
Miscellaneous - Interest	\$ 4,452	\$ 3,661	\$ 502	\$ 8,615	\$ 5,614
<b>Expenditures:</b>					
Debt service -					
Principal retirement	183,000	-	-	183,000	186,000
Interest and fiscal charges	33,314	-	-	33,314	61,894
Total expenditures	216,314	-	-	216,314	247,894
 Excess (deficiency) of revenues over expenditures	<u>(211,862)</u>	<u>3,661</u>	<u>502</u>	<u>(207,699)</u>	<u>(209,480)</u>
<b>Other financing sources (uses):</b>					
Transfers from 1994 Sales Tax Fund	243,434	-	-	243,434	243,434
Transfers to Utility Fund	-	(78,133)	-	(78,133)	(73,693)
Total financing sources (uses)	243,434	(78,133)	-	165,301	169,741
 Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>32,572</u>	<u>(74,472)</u>	<u>502</u>	<u>(41,398)</u>	<u>(34,739)</u>
 Fund balance, beginning	<u>414,446</u>	<u>602,844</u>	<u>95,380</u>	<u>1,112,670</u>	<u>948,934</u>
 Fund balance, ending	<u>\$ 447,018</u>	<u>\$ 528,372</u>	<u>\$ 100,882</u>	<u>\$ 1,076,272</u>	<u>\$ 914,195</u>

## NONMAJOR DEBT SERVICE FUND

### Sales Tax Bonds Fund -

To accumulate monies for payment of \$750,000 of sales tax bonds, Series 1994, which are due in annual installments, plus interest, through maturity in 2005 and \$1,180,000 of public improvement sales tax refunding bonds, Series 1997 which are due in annual installments, plus interest, through maturity in 2010. Debt service is financed from the collection of the City's 1994 1% sales tax.

**CITY OF SCOTT, LOUISIANA**  
**Manager Debt Service Fund**  
**Sales Tax Bonds Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
 Budget (GAAP Basis) and Actual  
 For the Year Ended June 30, 2004  
 With Comparative Actual Amounts for the Year Ended June 30, 2003

	2004		Actual	Variance- Favorable (Unfavorable)	2003 Actual
	Budget				
	Original	Final			
<b>Revenues:</b>					
Miscellaneous - interest	\$ 8,820	\$ 1,200	\$ 4,467	\$ 3,240	\$ 7,889
<b>Expenditures:</b>					
Debt service -					
Principal retirement	183,800	183,800	180,000	-	180,000
Interest and fiscal charges	31,809	31,809	55,114	(23,315)	81,894
Total expenditures	<u>215,609</u>	<u>215,609</u>	<u>235,114</u>	<u>(23,315)</u>	<u>241,894</u>
Deficiency of revenues over expenditures	(227,009)	(214,800)	(234,667)	339	(234,485)
<b>Other financing sources:</b>					
Transfers from 1984 Sales Tax Fund	<u>234,800</u>	<u>234,800</u>	<u>249,430</u>	<u>8,430</u>	<u>241,424</u>
Excess of revenues and other sources over expenditures	8,811	1,994	11,237	19,343	18,939
Fund balance, beginning	<u>412,507</u>	<u>414,946</u>	<u>414,446</u>	<u>-</u>	<u>482,507</u>
Fund balance, ending	<u>\$421,318</u>	<u>\$416,940</u>	<u>\$425,683</u>	<u>\$ 10,163</u>	<u>\$414,446</u>

## NONMAJOR CAPITAL PROJECTS FUNDS

### Street System Construction Fund -

To account for improvements to be made to the City's sewerage system using proceeds from certificates of indebtedness.

### Street Improvement and Construction Fund -

To account for construction and improvements to be made to the City's streets using proceeds from the collection of the City's 1988 sales and use tax.

CITY OF SCOTT, LOUISIANA  
 Nonmajor Capital Projects Fund  
 Sewer System Construction Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
 Budget (CLASP Basis) and Actual  
 For the Year Ended June 30, 2004  
 With Comparative Actual Amounts for the Year Ended June 30, 2003

	2004				
	Budget		Actual	Variance - Favorable (Unfavorable)	2003 Actual
	Original	Final			
<b>Revenues:</b>					
Intergovernmental revenue - State grant	\$158,000	\$ -	\$ -	\$ -	\$ -
Miscellaneous - interest	4,300	300	8,807	3,787	(3,741)
<b>Total revenues</b>	<u>162,300</u>	<u>300</u>	<u>8,807</u>	<u>3,787</u>	<u>(3,741)</u>
<b>Expenditures:</b>					
	-	-	-	-	-
Excess (deficiency) of revenues over expenditures	162,300	300	8,807	3,787	(3,741)
<b>Other financing uses:</b>					
Transfers to Utility Fund	(124,028)	(70,880)	(79,079)	(118)	(13,819)
Deficiency of revenues over expenditures and other uses	(61,728)	(69,780)	(60,272)	3,628	(16,800)
Fund balance, beginning	479,842	442,842	442,842	-	479,842
Fund balance, ending	<u>\$418,114</u>	<u>\$373,062</u>	<u>\$382,570</u>	<u>\$ 3,628</u>	<u>\$463,042</u>



CITY OF SCOTT, LOUISIANA  
 Nonmajor Capital Projects Fund  
 Street Improvement and Construction Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
 Budget (GAAP Basis) and Actual  
 For the Year Ended June 30, 2004  
 With Comparative Actual Amounts for the Year Ended June 30, 2003

	2004				
	Budget		Actual	Variance - Favorable (Unfavorable)	2003 Actual
	Original	Final			
<b>Revenues:</b>					
Miscellaneous - Interest	\$ 1,000	\$ 1,205	\$ 921	\$ (289)	\$ 1,317
<b>Expenditures:</b>	-	-	-	-	-
Excess of revenues over expenditures	1,000	1,205	921	(289)	1,317
Fund balance, beginning	<u>98,900</u>	<u>98,180</u>	<u>98,180</u>	-	<u>97,823</u>
Fund balance, ending	<u>\$99,900</u>	<u>\$100,085</u>	<u>\$100,181</u>	<u>\$ (289)</u>	<u>\$99,180</u>

CITY OF SCOTT, LOUISIANA

Enterprise Fund

Utility Fund

Schedule of Number of Utility Customers

(Unaudited)

June 30, 2004 and 2003

Records maintained by the City indicated the following number of customers were being serviced during the month of June, 2004 and 2003:

<u>Department</u>	<u>2004</u>	<u>2003</u>
Gas (metered)	629	613
Water (metered)	2,682	2,662
Sewerage	1,731	1,731

## CITY OF SCOTT, LOUISIANA

Schedule of Insurance In Force  
(Unaudited)  
June 30, 2004

Description of Coverage	Coverage Amount
Workers' compensation - Employer's liability	Statutory \$ 100,000
Surety bonds - On public employees	100,000
Comprehensive general liability, bodily injury and property damage	500,000
Vehicle physical damage	475,242
Comprehensive auto liability, bodily injury and property damage	500,000
Special equipment floater	244,040
Fire and lighting, extended coverage, vandalism malicious mischief - Maintenance building on Lions Club Road Sewer plant on Miller Road Police department on Lions Club Road City Hall on Lions Club Road	1,438,782
Law enforcement officers comprehensive liability, personal injury and property damage, \$2,500 deductible	500,000
Public officials' errors and omissions, \$2,500 deductible	100,000
Flood insurance Buildings and contents	285,100
Boiler and machinery Property damage, \$1,000 deductible	1,587,150

**CITY OF SCOTT, LOUISIANA**

**Combined Schedule of Interest-Bearing Deposits and Investments - All Funds**  
**June 30, 2004**

	<u>Financial Institution</u>	<u>Maturity Date</u>	<u>Term</u>	<u>Interest Rate</u>	<u>Amount</u>
<b>Major governmental funds:</b>					
<b>General Fund -</b>					
Certificate of deposit	B	07/01/04	31 days	8.50%	\$ 501,134
Certificate of deposit	E	06/01/04	12 months	1.50%	<u>15,000</u>
<b>Total General Fund</b>					<u>516,134</u>
<b>1998 Sales Tax Fund -</b>					
Money market investment account	B	N/A	N/A	Variable	<u>608,777</u>
<b>1994 Sales Tax Fund -</b>					
Money market investment account	B	N/A	N/A	Variable	1,490,190
Certificate of deposit	F	06/01/04	12 months	1.25%	<u>413,800</u>
<b>Total 1994 Sales Tax Fund</b>					<u>2,104,012</u>
<b>Nonmajor governmental funds</b>					
<b>Debt Service Fund -</b>					
<b>Sales Tax Bonds Fund:</b>					
Money market investment account	F	N/A	N/A	Variable	81,185
Money market investment account	B	N/A	N/A	Variable	<u>334,617</u>
<b>Total Sales Tax Bonds Fund</b>					<u>415,802</u>
<b>Capital Projects Funds -</b>					
<b>Sewer System Construction Fund:</b>					
Certificate of deposit	F	06/01/04	365 days	2.00%	567,119
Money market investment account	B	N/A	N/A	Variable	<u>113,800</u>
<b>Total Sewer System Construction Fund</b>					<u>680,919</u>
<b>Street Improvements and Construction Fund:</b>					
Money market investment account	B	N/A	N/A	Variable	<u>800,000</u>
<b>Total nonmajor governmental funds</b>					<u>886,841</u>

(continued)

CITY OF SCOTT, LOUISIANA

Continued Schedule of Interest-Bearing Deposits and Investments - All Funds (Continued)  
June 30, 2004

	Financial Institution	Maturity Date	Term	Interest Rate	Amount
<b>Utility Fund:</b>					
Unrestricted -					
Certificate of deposit	B	10/15/04	182 days	8.99%	440,960
Restricted -					
Utility bond reserve:					
Certificate of deposit	B	11/01/04	182 days	1.00%	112,500
Utility contingency:					
Certificate of deposit	B	05/11/04	91 days	8.92%	150,000
Utility bond contribution:					
Money market investment account	E	N/A	N/A	Variable	81,357
<b>Total Utility Fund</b>					<u>784,817</u>
<b>Total interest-bearing deposits</b>					<u>4,845,017</u>
<b>Investments:</b>					
1988 Sales Tax Fund -					
Lump		N/A	N/A	1.24%	2,158,918
Utility Fund -					
Unrestricted - Lump					
		N/A	N/A	Variable	44,194
Restricted - Customer deposits - Lump					
		N/A	N/A	Variable	<u>134,213</u>
<b>Total investments</b>					<u>2,437,425</u>
<b>Total interest-bearing deposits and investments</b>					<u>\$7,282,442</u>

Financial Institution:

- B Bank One
- E Edward Jones
- F Herie Bank

## CITY OF SCOTT, LOUISIANA

## Enterprise Fund

## Utility Fund

Comparative Departmental Analysis of Revenues and Expenses  
Years Ended June 30, 2004 and 2003

	Total		Gas	
	2004	2003	2004	2003
<b>Operating revenues</b>				
Customer service charges	\$ 1,141,750	\$ 1,112,388	\$ 346,047	\$ 338,197
Fees, assessments and penalties	43,894	38,713	9,148	1,177
Miscellaneous	4,662	4,689	1,002	1,451
<b>Total operating revenues</b>	<u>1,190,306</u>	<u>1,155,790</u>	<u>356,200</u>	<u>340,825</u>
<b>Operating expenses</b>				
Salaries	214,800	190,856	78,088	54,657
Salaries - plant	10,000	11,880	-	-
Retirement - current	18,201	11,007	3,631	3,000
Motor vehicle expense	33,389	32,489	8,338	8,122
Disposal charges - plant	2,871	2,470	84	108
Federal compliance	1,000	-	-	-
Inventory inspection	2,871	2,470	-	-
Gas and water purchases	318,893	479,201	179,381	149,181
Supplies and repairs	34,887	44,270	16,361	9,149
Supplies - plant	24,370	34,282	-	-
Repairs and maintenance - garage	16,477	16,837	1,115	1,344
Training - plant	398	-	-	-
Travel charges	1,000	2,480	440	293
Telephone	581	-	-	-
Telephone - plant	1,811	6,777	-	-
Utilities	11,750	11,894	-	-
Utilities - plant	20,640	20,419	-	-
Professional fees	11,070	11,711	4,320	4,417
Insurance	28,170	31,776	14,059	14,157
Plant insurance	15,827	8,821	-	-
Insurance for employees	29,892	41,487	7,358	4,995
Office expense	7,170	7,080	2,088	1,594
Computer services	7,170	10,134	2,088	3,046
Payroll taxes	16,286	14,441	5,068	4,088
Payroll taxes - plant	2,438	1,451	-	-
Trade expenses	2,618	4,660	1,273	1,111
Trade expenses - plant	1,122	1,408	-	-
Training	581	581	148	168
Uniforms	629	771	188	282
Uniforms - plant	184	150	-	-
Equipment lease	16,178	18,179	3,030	3,088
Facilities	2,424	3,088	1,329	1,020
Depreciation	187,704	142,008	23,411	23,128
Depreciation - plant	43,401	41,080	-	-
Miscellaneous	971	2,000	140	1,000
Motor fee	1,307	2,286	-	-
Lease fee - plant	4,160	3,813	-	-
Service agreements	11,750	-	-	-
Motor cycle - plant	262	262	-	-
<b>Total operating expenses</b>	<u>1,582,438</u>	<u>1,431,672</u>	<u>346,647</u>	<u>346,536</u>
<b>Net operating income (loss)</b>	<u>\$ (392,132)</u>	<u>\$ (275,882)</u>	<u>\$ (90,447)</u>	<u>\$ (10,711)</u>

Water		Sewerage	
2004	2003	2004	2003
\$ 593,007	\$ 523,493	\$ 343,604	\$ 312,084
26,187	18,887	11,444	11,331
1,000	1,360	1,481	1,343
<u>594,894</u>	<u>543,740</u>	<u>356,529</u>	<u>324,758</u>
73,962	68,234	36,471	42,943
-	-	12,231	15,880
4,334	4,342	4,886	4,883
24,181	24,367	-	-
18	238	1,091	1,034
3,488	-	-	-
-	-	1,473	1,473
331,388	338,386	-	-
18,872	21,688	12,231	12,513
-	-	16,230	16,230
1,222	1,242	1,297	1,244
-	-	394	-
448	393	640	692
-	-	581	-
-	-	4,831	4,777
-	-	12,783	12,886
-	-	20,643	20,879
4,323	4,437	4,323	4,437
8,773	12,367	1,480	4,882
-	-	12,027	8,821
8,028	6,423	12,241	4,992
1,898	1,869	1,292	1,290
1,428	1,446	1,428	1,444
1,272	1,238	1,254	1,178
-	-	1,436	1,482
1,189	1,643	1,121	1,509
-	-	1,121	1,104
176	172	11	-
362	331	121	126
-	-	181	182
1,026	1,296	1,026	1,296
1,026	1,023	784	642
64,642	64,177	64,771	62,244
-	-	61,604	61,204
294	648	399	176
1,767	1,294	-	-
-	-	4,146	1,911
-	-	11,721	-
-	-	361	361
<u>612,442</u>	<u>598,282</u>	<u>621,281</u>	<u>616,688</u>
<u>\$ 17,668</u>	<u>\$ 16,964</u>	<u>\$168,242</u>	<u>\$ 170,117</u>

**COMPLIANCE  
AND  
INTERNAL CONTROL**



# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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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 Hazel Myers, Mayor  
and Members of the Board of Aldermen  
City of Scott, Louisiana

We have audited the financial statements of the City of Scott, Louisiana (the City) as of and for the year ended June 30, 2004, and have issued our report thereon dated September 30, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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's basic 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's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. 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's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying summary schedule of current and prior year audit findings and corrective action plan as item H-1(C).

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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 financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is a material weakness.

We also noted another matter concerning financial operations that we have reported to the management of the City in a separate letter dated September 10, 2004.

This report is intended solely for the information and use of the City's management and is not intended to be and should not be used by anyone other than these specified parties.

**Keller, Champagne, Simon & Company, LLC**  
Certified Public Accountants

Lafayette, Louisiana  
September 10, 2004

CITY OF SCOTT, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings  
and Corrective Action Plans  
For Fiscal Year 20, 2004

Find Year Finding Locality	Description of Finding	Corrective Action Taken	Corrective Action Planned	Mean of Control Process	Anticipated Completion Date
<b>Ref. No.</b> <b>Current Year (6/30/04)</b> <b>Internal Control</b>	<b>Description of Finding</b>	<b>Corrective Action Taken</b>	<b>Corrective Action Planned</b>	<b>Mean of Control Process</b>	<b>Anticipated Completion Date</b>
<b>64-0102</b> <b>Utilities</b>	Due to the small number of employees, the City of Scott did not have adequate segregation of functions within the accounting system. Based upon the number of additional personnel, it may not be feasible to achieve complete segregation of duties.	NA	No response is considered necessary.	NA	NA
<b>Management Letter:</b> <b>64-0201</b> <b>Utilities</b>	The City's water and sewer departments were operated at a loss for the year ended June 30, 2004. Consideration should be given to increasing rates and/or decreasing expenses in these departments in order to recover all costs of providing these services.	NA	Effective October 2003, the water and sewer rates were increased, rates were benchmarked to revenues indicated for operations and maintenance of the water and sewer systems are considered to be Utility Fund. Additionally, the City's management continually monitors the operating expenses in these departments and makes reductions when necessary.	Rates	6/30/2004
<b>FRASER TELLS (6/30/03)</b> <b>Internal Control:</b> <b>61-003</b> <b>Utilities</b>	Due to the small number of employees, the City of Scott did not have adequate segregation of functions within the accounting system. Based upon the number of additional personnel, it may not be feasible to achieve complete segregation of duties.	NA	No response is considered necessary.	NA	NA

(continued)

CITY OF SCOTT, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings  
and Corrective Action Plan (Continued)  
Year Ended June 30, 2004

Fiscal Year Finding Initials	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
Ref. No. 0000000 7900-07-04 (01/06/00) (continued) Management Letter 00-0040 - Unknown	<p>The City's water and sewer departments were operated at a loss for the year ended June 30, 2003. Consideration should be given to increasing rates and/or decreasing expenses to those departments in order to recover all costs of providing these services.</p>	<p>No</p>	<p>Management intends to review the rate structure and continuously monitor the operating expenses in those departments. Rates will be modified and/or expenses will be reduced to enable these departments to operate profitably.</p>	<p>Deann            Janorville,            City Clerk</p>	<p>6/28/2004</p>

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SOCIETY OF LOUISIANA  
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## MANAGEMENT LETTER

The Honorable Harold Myers, Mayor  
and Members of the Board of Aldermen  
City of Scott, Louisiana

During our audit of the basic financial statements of the City of Scott for the year ended June 30, 2004, we noted an area in which the efficiency and effectiveness of the operations of the City could be improved. This comment was also included in our management letter dated September 8, 2003 relative to our audit of the June 30, 2003 basic financial statements and is mentioned again for re-emphasis.

Due to the continued losses experienced by the various operations of the Utility Fund, we recommend that the City's management consider reviewing the utility rates and continue monitoring operating expenses in the water and sewer departments. Rates should be modified and/or expenses should be reduced to enable these departments to recover all costs of providing these services.

We would like to express our appreciation to you and your staff, particularly your office staff, for the courtesies and assistance rendered to us in the performance of our audit. Should you have any questions or need assistance please feel free to contact us.

*Kolder, Champagne, Slaven & Company, LLC*  
Certified Public Accountants

Lafayette, Louisiana  
September 10, 2004

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