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CITY OF SCOTT, LOUISIANA

Financial Report

Year Ended June 30, 2000

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Release Date 10-04-00

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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 general purpose financial statements of the City of Scott, Louisiana, as of and for the year ended June 30, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of the City of Scott, Louisiana, management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Scott, Louisiana, as of June 30, 2000, and the results of its operations and cash flows of its proprietary fund type for the year then ended, in conformity with generally accepted accounting principles.

The supplemental information (pages 29-80) is presented for purposes of additional analysis. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued a report dated August 2, 2000 on our consideration of the City of Scott's internal control over financial reporting and on our tests of its compliance with laws, regulations, contracts and grants.

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

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

Lafayette, Louisiana
August 2, 2000

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

CITY OF SCOTT, LOUISIANA

Combined Balance Sheet - All Fund Types and Account Groups
June 30, 2000

	Governmental Fund Types			Proprietary Fund Type Enterprise	Fiduciary Fund Type Agency	Account Groups			Totals		
	General	Debt				General Fixed Assets	Long-Term Debt	2000	1999	(Memorandum Only)	
		Special Revenue	Service							Capital Projects	General
ASSETS AND OTHER DEBITS											
Cash	\$425,452	\$ 250,000	\$ 58,412	\$ -	\$ 192,224	\$134,105	\$ -	\$ -	\$ 1,060,193	\$ 587,773	
Interest-bearing deposits, at cost	13,000	4,340,090	61,085	498,958	419,590	-	-	-	5,332,723	5,405,186	
Investments, at cost	-	-	250,761	-	-	-	-	-	250,761	253,436	
Receivables (net, where applicable, of allowances for uncollectibles):											
Taxes	324	196,792	-	-	-	-	-	-	197,116	170,234	
Accounts	-	-	-	-	91,522	-	-	-	91,522	77,251	
Unbilled utility receivables	-	-	-	-	34,806	-	-	-	34,806	38,171	
Accrued interest	558	39,469	2,354	7,654	8,182	-	-	-	58,217	21,676	
Due from other governmental agencies	11,575	-	-	-	-	-	-	-	11,575	31,208	
Due from other funds	194,957	453,463	-	250,000	518,720	12,770	-	-	1,429,910	1,264,045	
Restricted assets:											
Cash	-	-	-	-	128,458	-	-	-	128,458	126,031	
Interest-bearing deposits, at cost	-	-	-	-	267,359	-	-	-	267,359	263,729	
Investments	-	-	-	-	153,527	-	-	-	153,527	155,039	
Land and buildings	-	-	-	-	-	-	-	1,646,455	1,646,455	1,646,455	
Equipment, furniture and fixtures	-	-	-	-	-	-	-	1,322,345	1,322,345	1,235,906	
Construction in progress	-	-	-	-	258,191	-	-	-	258,191	131,055	
Utility property, plant, and equipment	-	-	-	-	10,536,414	-	-	-	10,536,414	10,415,789	
Accumulated depreciation	-	-	-	-	(3,059,404)	-	-	-	(3,059,404)	(2,822,389)	
Unamortized bond issuance costs	-	-	-	-	13,027	-	-	-	13,027	15,198	
Amount available in debt service fund	-	-	-	-	-	-	-	367,190	367,190	344,931	
Amount to be provided for retirement of general long-term debt	-	-	-	-	-	-	-	-	-	-	
Total assets and other debits	<u>\$645,866</u>	<u>\$5,279,814</u>	<u>\$372,612</u>	<u>\$756,612</u>	<u>\$9,562,616</u>	<u>\$146,875</u>	<u>\$2,968,800</u>	<u>1,102,810</u>	<u>\$21,203,195</u>	<u>\$20,635,793</u>	

(continued)

CITY OF SCOTT, LOUISIANA

Combined Balance Sheet - All Fund Types and Account Groups (Continued)
June 30, 2000

	Governmental Fund Types				Proprietary Fund Type Enterprise	Fiduciary Fund Type Agency	Account Groups			Totals (Memorandum Only)		
	General	Special Revenue	Debt Service	Capital Projects			General	Fixed Assets	Long-Term Debt		2000	1999
LIABILITIES, FUNDEQUITY, AND OTHER CREDITS												
Liabilities:												
Accounts payable	\$ 28,013	\$ 82,722	\$ -	\$ -	\$ 48,439	\$ -	\$ -	\$ -	\$ 159,174	\$ 201,685		
Contracts payable	-	64,956	-	-	-	-	-	-	64,956	-		
Retainage payable	-	5,474	-	-	-	-	-	-	5,474	8,377		
Accrued liabilities	23,845	-	-	440	17,447	-	-	-	41,732	125,069		
Payable from restricted assets -												
Revenue bonds	-	-	-	-	100,000	-	-	-	100,000	95,000		
Accrued interest	-	-	-	-	22,825	-	-	-	22,825	25,438		
Customers' deposits	-	-	-	-	81,697	-	-	-	81,697	81,457		
Due to other governmental agencies	-	-	-	-	51,726	-	-	-	51,726	-		
Due to other funds	4,035	1,195,192	5,422	-	78,386	146,875	-	1,470,000	1,429,910	1,264,045		
General obligation bonds payable	-	-	-	-	-	-	-	-	1,470,000	1,620,000		
Revenue bonds payable	-	-	-	-	730,000	-	-	-	730,000	830,000		
Less: deferred costs	-	-	-	-	(33,823)	-	-	-	(33,823)	(39,460)		
Total liabilities	55,893	1,348,344	5,422	440	1,096,697	146,875	-	1,470,000	4,123,671	4,211,611		
Equity and other credits:												
Contributed capital	-	-	-	-	7,066,626	-	-	-	7,066,626	6,853,182		
Investment in general fixed assets	-	-	-	-	-	-	-	-	2,968,800	2,882,361		
Retained earnings -												
Reserved for revenue bond retirement	-	-	-	-	271,660	-	-	-	271,660	273,132		
Unreserved	-	-	-	-	1,127,633	-	-	-	1,127,633	1,134,802		
Total retained earnings	-	-	-	-	1,399,293	-	-	-	1,399,293	1,407,934		
Fund balances -												
Reserved for debt service	-	-	367,190	-	-	-	-	-	367,190	344,931		
Unreserved:												
Designated	-	-	-	756,172	-	-	-	-	756,172	482,896		
Undesignated	589,973	3,931,470	-	-	-	-	-	-	4,521,443	4,452,878		
Total fund balances	589,973	3,931,470	367,190	756,172	-	-	-	-	5,644,805	5,280,705		
Total fund equity	589,973	3,931,470	367,190	756,172	8,465,919	-	-	-	17,079,524	16,424,182		
Total liabilities and fund equity	\$645,866	\$5,279,814	\$372,612	\$756,612	\$9,562,616	\$146,875	\$1,470,000	\$2,968,800	\$21,203,195	\$20,635,793		

The accompanying notes are an integral part of this statement.

CITY OF SCOTT, LOUISIANA

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -
All Governmental Fund Types
Year Ended June 30, 2000

	General Fund	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)	
					2000	1999
Revenues:						
Taxes	\$ 294,368	\$2,255,528	\$ -	\$ -	\$2,549,896	\$2,367,279
Licenses and permits	119,380	-	-	-	119,380	132,968
Intergovernmental	97,604	50,000	-	-	147,604	145,724
Fines and forfeits	267,922	-	-	-	267,922	131,454
Miscellaneous	15,464	232,938	11,413	23,716	283,531	253,741
Total revenues	<u>794,738</u>	<u>2,538,466</u>	<u>11,413</u>	<u>23,716</u>	<u>3,368,333</u>	<u>3,031,166</u>
Expenditures:						
Current -						
General government	328,270	22,408	-	-	350,678	377,180
Public safety:						
Police	717,863	-	-	-	717,863	851,027
Auxiliary Police	-	28,556	-	-	28,556	8,442
Fire	-	113,443	-	-	113,443	106,298
Highways and streets	233,007	122,668	-	-	355,675	487,019
Capital outlay	176,772	742,162	-	440	919,374	1,074,236
Debt service -						
Principal retirement	-	-	150,000	-	150,000	140,000
Interest and fiscal charges	-	-	89,449	-	89,449	97,191
Total expenditures	<u>1,455,912</u>	<u>1,029,237</u>	<u>239,449</u>	<u>440</u>	<u>2,725,038</u>	<u>3,141,393</u>
Excess (deficiency) of revenues over expenditures	<u>(661,174)</u>	<u>1,509,229</u>	<u>(228,036)</u>	<u>23,276</u>	<u>643,295</u>	<u>(110,227)</u>
Other financing sources (uses):						
Operating transfers in	930,279	-	250,295	250,000	1,430,574	1,345,945
Operating transfers out	-	(1,709,769)	-	-	(1,709,769)	(1,635,945)
Total other financing sources (uses)	<u>930,279</u>	<u>(1,709,769)</u>	<u>250,295</u>	<u>250,000</u>	<u>(279,195)</u>	<u>(290,000)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	269,105	(200,540)	22,259	273,276	364,100	(400,227)
Fund balances, beginning	<u>320,868</u>	<u>4,132,010</u>	<u>344,931</u>	<u>482,896</u>	<u>5,280,705</u>	<u>5,680,932</u>
Fund balances, ending	<u>\$ 589,973</u>	<u>\$3,931,470</u>	<u>\$367,190</u>	<u>\$756,172</u>	<u>\$5,644,805</u>	<u>\$5,280,705</u>

The accompanying notes are an integral part of this statement.

CITY OF SCOTT, LOUISIANA

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget (GAAP Basis) and Actual -
All Governmental Fund Types
Year Ended June 30, 2000

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:						
Taxes	\$ 293,600	\$ 294,368	\$ 768	\$2,200,000	\$2,255,528	\$ 55,528
Licenses and permits	115,140	119,380	4,240	-	-	-
Intergovernmental	108,770	97,604	(11,166)	50,000	50,000	-
Fines and forfeits	225,000	267,922	42,922	-	-	-
Miscellaneous	12,300	15,464	3,164	189,000	232,938	43,938
Total revenues	<u>754,810</u>	<u>794,738</u>	<u>39,928</u>	<u>2,439,000</u>	<u>2,538,466</u>	<u>99,466</u>
Expenditures:						
Current -						
General government	343,616	328,270	15,346	21,800	22,408	(608)
Public safety:						
Police	705,410	717,863	(12,453)	-	-	-
Auxiliary Police	-	-	-	32,794	28,556	4,238
Fire	-	-	-	118,115	113,443	4,672
Highways and streets	235,168	233,007	2,161	117,200	122,668	(5,468)
Capital outlay	175,887	176,772	(885)	754,353	742,162	12,191
Debt service -						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>1,460,081</u>	<u>1,455,912</u>	<u>4,169</u>	<u>1,044,262</u>	<u>1,029,237</u>	<u>15,025</u>
Excess (deficiency) of revenues over expenditures	<u>(705,271)</u>	<u>(661,174)</u>	<u>44,097</u>	<u>1,394,738</u>	<u>1,509,229</u>	<u>114,491</u>
Other financing sources (uses):						
Operating transfers in	935,000	930,279	(4,721)	-	-	-
Operating transfers out	-	-	-	(1,690,000)	(1,709,769)	(19,769)
Total other financing sources (uses)	<u>935,000</u>	<u>930,279</u>	<u>(4,721)</u>	<u>(1,690,000)</u>	<u>(1,709,769)</u>	<u>(19,769)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	229,729	269,105	39,376	(295,262)	(200,540)	94,722
Fund balances, beginning	<u>320,868</u>	<u>320,868</u>	<u>-</u>	<u>4,132,010</u>	<u>4,132,010</u>	<u>-</u>
Fund balances, ending	<u>\$ 550,597</u>	<u>\$ 589,973</u>	<u>\$ 39,376</u>	<u>\$3,836,748</u>	<u>\$3,931,470</u>	<u>\$ 94,722</u>

The accompanying notes are an integral part of this statement.

Debt Service Funds			Capital Projects Funds		
Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>7,318</u>	<u>11,413</u>	<u>4,095</u>	<u>19,943</u>	<u>23,716</u>	<u>3,773</u>
<u>7,318</u>	<u>11,413</u>	<u>4,095</u>	<u>19,943</u>	<u>23,716</u>	<u>3,773</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	440	(440)
150,000	150,000	-	-	-	-
<u>90,202</u>	<u>89,449</u>	<u>753</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>240,202</u>	<u>239,449</u>	<u>753</u>	<u>-</u>	<u>440</u>	<u>(440)</u>
<u>(232,884)</u>	<u>(228,036)</u>	<u>4,848</u>	<u>19,943</u>	<u>23,276</u>	<u>3,333</u>
230,000	250,295	20,295	250,000	250,000	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>230,000</u>	<u>250,295</u>	<u>20,295</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
(2,884)	22,259	25,143	269,943	273,276	3,333
<u>344,931</u>	<u>344,931</u>	<u>-</u>	<u>482,896</u>	<u>482,896</u>	<u>-</u>
<u>\$342,047</u>	<u>\$367,190</u>	<u>\$ 25,143</u>	<u>\$752,839</u>	<u>\$756,172</u>	<u>\$ 3,333</u>

CITY OF SCOTT, LOUISIANA
Proprietary Fund Type

Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings -
For the Years Ended June 30, 2000 and 1999

	Enterprise	
	2000	1999
Operating revenues:		
Charges for services	\$ 921,696	\$ 878,509
Permits, reconnections and penalties	44,397	55,588
Miscellaneous	4,065	1,729
Total operating revenues	970,158	935,826
Operating expenses:		
Gas department expenses	265,510	330,390
Water department expenses	512,205	607,776
Sewerage department expenses	265,740	403,908
Depreciation expense	237,015	229,179
Total operating expenses	1,280,470	1,571,253
Operating loss	(310,312)	(635,427)
Nonoperating revenues (expenses):		
Interest income	41,019	37,133
Interest expense	(51,287)	(57,650)
Amortization of bond issuance cost	(2,171)	(2,171)
Total nonoperating revenues (expenses)	(12,439)	(22,688)
Loss before operating transfers	(322,751)	(658,115)
Operating transfers in (out):		
Operating transfers in	875,000	1,060,000
Operating transfers out	(595,805)	(770,000)
Total operating transfers	279,195	290,000
Net loss	(43,556)	(368,115)
Add: Depreciation on fixed assets acquired by federal and parish grant revenues externally restricted for capital acquisitions and construction that reduces contributed capital	34,915	34,915
Decrease in retained earnings	(8,641)	(333,200)
Retained earnings, beginning	1,407,934	1,741,134
Retained earnings, ending	\$1,399,293	\$1,407,934

The accompanying notes are an integral part of this statement.

CITY OF SCOTT, LOUISIANA
Proprietary Fund Type

Comparative Statement of Cash Flows
Years Ended June 30, 2000 and 1999

	Enterprise Fund	
	2000	1999
Cash flows from operating activities:		
Net operating loss	<u>\$(310,312)</u>	<u>\$(635,427)</u>
Adjustments to reconcile net operating loss to net cash provided by operating activities -		
Depreciation	237,015	229,179
Changes in assets and liabilities:		
Increase in accounts receivable	(14,886)	(6,073)
Increase in provision for uncollectible accounts	615	247
Increase (decrease) in unbilled utility receivables	3,365	(4,346)
Increase (decrease) in accounts payable	(20,915)	29,602
Increase (decrease) in accrued liabilities	(83,840)	91,038
Increase in due to other governments	51,726	-
Total adjustments	<u>173,080</u>	<u>339,647</u>
Net cash used by operating activities	<u>(137,232)</u>	<u>(295,780)</u>
Cash flows from noncapital financing activities:		
Cash received from other funds	52,416	-
Cash paid to other funds	-	(1,900)
Operating transfers in from other funds	875,000	1,060,000
Operating transfers out to other funds	<u>(595,805)</u>	<u>(770,000)</u>
Net cash provided by noncapital financing activities	<u>331,611</u>	<u>288,100</u>
Cash flows from capital and related financing activities:		
Principal paid on revenue bonds	(95,000)	(95,000)
Interest paid on revenue bonds	(48,263)	(54,625)
Acquisition and construction of property, plant and equipment	(247,761)	(117,452)
Proceeds from meter deposits	14,695	15,210
Refund of meter deposits	(14,455)	(10,880)
Capital contributed from municipality	<u>248,359</u>	<u>117,454</u>
Net cash used by capital and related financing activities	<u>(142,425)</u>	<u>(145,293)</u>

(continued)

CITY OF SCOTT, LOUISIANA
Proprietary Fund Type

Comparative Statement of Cash Flows (Continued)
Years Ended June 30, 2000 and 1999

	Enterprise Fund	
	2000	1999
Cash flows from investing activities:		
Proceeds from investments and interest-bearing deposits with maturity in excess of ninety days	492,539	151,100
Purchase of investments and interest-bearing deposits with maturity in excess of ninety days	(546,742)	(492,539)
Interest received on interest-bearing deposits	38,753	37,619
Net cash used investing activities	(15,450)	(303,820)
Net increase (decrease) in cash and cash equivalents	36,504	(456,793)
Cash and cash equivalents, beginning of period	577,912	1,034,705
Cash and cash equivalents, end of period	\$ 614,416	\$ 577,912
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents beginning of period -		
Cash - unrestricted	129,395	212,941
Interest-bearing deposits, unrestricted	396,257	377,502
Cash - restricted	126,031	124,038
Interest-bearing deposits, restricted	263,729	471,324
Less: Interest-bearing deposits with a maturity in excess of 90 days	(337,500)	(151,100)
Total cash and cash equivalents	577,912	1,034,705
Cash and cash equivalents, end of period -		
Cash - unrestricted	192,224	129,395
Interest-bearing deposits, unrestricted	419,590	396,257
Cash - restricted	128,458	126,031
Interest-bearing deposits, restricted	267,359	263,729
Less: Interest-bearing deposits with a maturity in excess of 90 days	(393,215)	(337,500)
Total cash and cash equivalents	614,416	577,912
Net increase (decrease)	\$ 36,504	\$(456,793)

The accompanying notes are an integral part of this statement.

CITY OF SCOTT, LOUISIANA

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

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

The accounting and reporting policies of the City of Scott conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the industry audit guide, Audits of State and Local Governmental Units, published by the American Institute of Certified Public Accountants. The City's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary funds apply Financial Accounting Standards (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements in which case, GASB prevails.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

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

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

B. Fund Accounting

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

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

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

Debt service funds

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

Capital projects funds

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

Proprietary Funds -

Enterprise funds

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through 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 applies all applicable FASB pronouncements issued after November 30, 1989 in accounting and reporting for its enterprise fund. The City of Scott's enterprise fund is the Utility Fund.

Fiduciary Funds -

Agency funds

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

C. Fixed Assets and Long-Term Liabilities

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

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

CITY OF SCOTT, LOUISIANA

Notes to Financial Statements (Continued)

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group and are recorded as expenditures in the governmental fund types when purchased. The City has elected not to capitalize public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems. The expenditures for infrastructure during the current year were \$375,648. No depreciation has been provided on general fixed assets.

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

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

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

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

Utility System and Improvements	20 - 40 years
Equipment	5 - 10 years

D. Basis of Accounting

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

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Ad valorem taxes are recognized as revenue in the year in which they are billed and collected. Fees and nontax revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except that accumulated unpaid vacation and sick pay are not accrued and principal and interest on general long-term debt are recognized when due. Purchases of various operating supplies are regarded as expenditures at the time purchased.

CITY OF SCOTT, LOUISIANA

Notes to Financial Statements (Continued)

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

E. Budget and 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 is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of 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 estimated require the approval of the Board of Aldermen.
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.

F. Encumbrances

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

G. Cash and Interest-Bearing Deposits

Cash and interest-bearing deposits include amounts in demand deposits and time deposits.

CITY OF SCOTT, LOUISIANA
Notes to Financial Statements (Continued)

II. Investments

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

I. Short-Term Interfund Receivables/Payables

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

J. Statement of Cash Flows

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

K. Bad Debts

Uncollectible amounts due for ad valorem taxes and customers' utility 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. At June 30, 2000 and 1999, an allowance for ad valorem taxes was considered unnecessary due to the immateriality of uncollected ad valorem taxes (see Note 3). The allowance for uncollectibles for customers' utility receivables was \$4,817 and \$4,202 at June 30, 2000 and 1999, respectively.

L. Vacation and Sick Leave

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, 2000 the City has no material accumulated leave benefits required to be reported in accordance with GASB Statement No. 16 "Accounting for Compensated Absences".

M. Bond Discount and Bond Issue Costs

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

N. 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 fixed assets. At June 30, 2000 there were no assets under construction requiring interest to be capitalized.

CITY OF SCOTT, LOUISIANA

Notes to Financial Statements (Continued)

O. Comparative Data

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

P. Total Columns on Combined Statements - Overview

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

Q. Report Classification

Certain previously reported amounts for the year ended June 30, 1999 have been reclassified to conform to the June 30, 2000 classifications.

(2) Cash 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 state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2000, the City has cash and interest-bearing deposits (book balances) totaling \$6,788,733 as follows:

Demand deposits - non-interest bearing	\$1,188,651
Interest-bearing - demand deposit	1,101,651
Time deposits	<u>4,498,431</u>
Total	<u><u>\$6,788,733</u></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, 2000, are secured as follows:

Bank balances	<u>\$6,802,779</u>
Federal deposit insurance	\$ 292,493
Pledged securities (Category 3)	<u>6,510,286</u>
Total federal insurance and pledged securities	<u>\$6,802,779</u>

Pledged securities in Category 3 is comprised of uninsured and unregistered investments with securities held by the pledging institution, or by its trust department or agent, but not in the City's name. Even though the pledged securities are considered uncollateralized (Category 3) Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the City that the fiscal agent has failed to pay deposited funds upon demand.

B. Investments

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

	<u>1</u>	<u>2</u>	<u>3</u>	<u>Carrying Amount</u>	<u>Market Value</u>
U. S. Treasury Notes	<u>\$404,288</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$404,288</u>	<u>\$389,507</u>

CITY OF SCOTT, LOUISIANA

Notes to Financial Statements (Continued)

(3) 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 Lafayette Parish. City property tax revenues are budgeted in the year billed.

For the year ended June 30, 2000, taxes of 3.82 mills were levied on property with assessed valuations totaling \$21,201,018 and were dedicated to general corporate purposes.

Total taxes levied were \$80,988. Taxes receivable at June 30, 2000 were \$324 which was current.

(4) Interfund Receivables/Payables

A summary of interfund receivables and payables at June 30, 2000 follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 194,957	\$ 4,035
Special revenue funds:		
6/22/68 Sales Tax Fund	4,035	875,298
4/01/84 Sales Tax Fund	449,428	319,894
Debt service fund:		
Sales Tax Bonds Fund	-	5,422
Capital projects fund:		
Street Improvement and Construction Fund	250,000	
Utility Fund	518,720	78,386
Agency funds:		
Payroll Fund	5,912	29,897
Disbursement Fund	6,858	116,978
	<u> </u>	<u> </u>
Totals	<u>\$ 1,429,910</u>	<u>\$ 1,429,910</u>

CITY OF SCOTT, LOUISIANA
Notes to Financial Statements (Continued)

(5) Restricted Assets - Proprietary Fund Type (Utility Fund)

Restricted assets consisted of the following at June 30:

	2000	1999
Revenue: bond and interest sinking account	\$ 128,458	\$ 126,031
Revenue: bond reserve account	112,500	112,500
Revenue: bond contingency account	153,527	155,039
Revenue: bond construction account	73,162	69,772
Customers' deposits	81,697	81,457
Total restricted assets	\$ 549,344	\$ 544,799

(6) Fixed Assets

A summary of changes in general fixed assets follows:

	Balance 07/01/99	Additions	Deletions	Balance 06/30/00
Land and buildings	\$ 1,646,455	\$ -	\$ -	\$ 1,646,455
Equipment, furniture and fixtures	1,235,906	204,816	118,377	1,322,345
Total general fixed assets	\$ 2,882,361	\$ 204,816	\$ 118,377	\$ 2,968,800

A summary of proprietary fund type property, plant and equipment at June 30, 2000 follows:

	Enterprise
Land	\$ 50,420
Gas system	1,045,292
Water system	3,739,186
Sewerage system	2,657,129
Sewerage treatment plant	2,808,785
Machinery and equipment	235,602
Construction in progress	258,191
Total	10,794,605
Less: Accumulated depreciation	(3,059,404)
Net	\$ 7,735,201

CITY OF SCOTT, LOUISIANA

Notes to Financial Statements (Continued)

Construction in progress consists of the following projects:

Sewer rehabilitation	\$ 72,508
Sewer lift station	14,315
Water line extensions and improvements	171,368
	<u>\$258,191</u>

(7) Changes in Long-Term Debt

The following is a summary of bonds and sewerage certificate transactions of the City for the year ended June 30, 2000:

	<u>General Obligation</u>	<u>Utilities Revenue</u>	<u>Total</u>
Bonds and certificates payable, June 30, 1999	\$ 1,620,000	\$ 925,000	\$ 2,545,000
Bonds issued	-	-	-
Bonds and certificates retired	<u>(150,000)</u>	<u>(95,000)</u>	<u>(245,000)</u>
Bonds and certificates payable, June 30, 2000	<u>\$ 1,470,000</u>	<u>\$ 830,000</u>	<u>\$ 2,300,000</u>

Bonds and certificates payable at June 30, 2000 are comprised of the following individual issues:

General Obligation Bonds:

\$770,000 Public Improvement Sales Tax Refunding Bonds, Series 1994, due in annual installments of \$75,000 to \$100,000 through May 1, 2005; interest at 5.625 percent; payable from sales tax revenues	\$ 445,000
\$1,110,000 Public Improvement Sales Tax Refunding Bonds, Series 1997, due in annual installments of \$80,000 to \$130,000 through May 1, 2010; interest at 5.20 percent; payable from sales tax revenues	<u>1,025,000</u>
	<u>\$1,470,000</u>
\$1,125,000 Utilities Revenue Refunding Bonds, Series 1995, due in annual installments of \$100,000 to \$135,000 through July 1, 2006; interest at 5.5 percent; payable from Utilities System Revenues	<u>\$ 830,000</u>

CITY OF SCOTT, LOUISIANA

Notes to Financial Statements (Continued)

The annual requirements to amortize all debts outstanding at June 30, 2000, including interest payments of \$563,204 are as follows:

<u>Year Ending June 30,</u>	<u>General Obligation</u>	<u>Utility Revenue</u>	<u>Total</u>
2001	\$ 233,331	\$ 142,900	\$ 376,231
2002	239,953	147,125	387,078
2003	240,751	141,075	381,826
2004	236,009	144,750	380,759
2005	240,985	143,013	383,998
2006-2010	<u>673,600</u>	<u>279,712</u>	<u>953,312</u>
	<u>\$1,864,629</u>	<u>\$ 998,575</u>	<u>\$2,863,204</u>

(8) Dedication of Proceeds and Flow of Funds - 1% Sales and Use Tax Dated 6/22/68

Proceeds of a 1% sales and use tax levied by the City of Scott (2000 collections \$1,127,764; 1999 \$1,041,689) 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 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.

(9) Dedication of Proceeds and Flow of Funds - 1% Sales and Use Tax Dated 4/1/84

Proceeds of a 1% sales and use tax levied by the City of Scott beginning April 1, 1984 (2000 collections \$1,127,764; 1999 \$1,041,689) 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 system 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.

CITY OF SCOTT, LOUISIANA

Notes to Financial Statements (Continued)

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

Under the terms of the bond indentures of the \$1,125,000 Series 1995 Utilities Revenues Refunding Bonds, all income and revenues (hereinafter referred to as revenue) of every nature, earned or derived from operation of the Utilities System, are pledged and dedicated to the retirement of said bonds, and are to be set aside into the following special funds:

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

There shall also be set aside into a "Revenue Bond Reserve Fund" a sum equal to the Reserve Fund requirement (\$112,500 at June 30, 2000). 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 5 percent of the gross revenues of the Utilities System Fund for the preceding month must be deposited into a "Capital Additions 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 \$50,000.

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 regarded 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 at June 30, 2000.

(11) Retirement Commitments

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

Pertinent information relative to each plan follows:

CITY OF SCOTT, LOUISIANA

Notes to Financial Statements (Continued)

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, 2000, 1999 and 1998, totaled \$993,872, \$856,960, and \$741,430, respectively. The City's contribution during the years ended June 30, 2000, 1999, and 1998 amounted to \$76,031, \$65,557, and \$56,719, 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. Pertinent 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 10 years of creditable service 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 \$100 for each year of creditable service. Furthermore, employees with at least 10 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 3% for each year retirement precedes age 62, unless he has at least 30 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 joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The system issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees' Retirement System of Louisiana, 7937 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 5.0% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 4.5%. The rate was 3.25% for the fiscal year ended June 30, 1999, during which time the City's employees became members of the plan. 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. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contributions to the System under Plan B for the years ending June 30, 2000 and 1999 were \$54,498 and \$15,742, 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 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3% 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 employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees' Retirement System, 8401 United Plaza Boulevard, Room 270, Baton Rouge, Louisiana 70809-7017.

CITY OF SCOTT, LOUISIANA

Notes to Financial Statements (Continued)

Funding Policy - Plan members are required by state statute to contribute 7.5% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 9.0% 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. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The contributions to the System for the years ending June 2000 and 1999 (during which the City's employees became members of the system) were \$31,721 and \$27,741, respectively, equal to the required contributions for each year.

(12) Litigation and Claims

At June 30, 2000, 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.

(13) Utility Fund Contracts

- A. The City, under contract dated October 1, 1991, 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, 2000, in the amount of \$93,563, of which \$6,343 was owed for purchases for the month of June 2000.
- B. The City, under a contract dated June 1, 1997, and expiring May 31, 2022, is required to purchase its water from the City of Lafayette. The City purchased water during the fiscal year ended June 30, 2000 in the amount of \$356,004. Water purchases in the amount of \$111,849 were recorded for the year ended June 30, 1999 for incorrect undercharges by the City of Lafayette, of which \$34,041 was owed to the City of Lafayette at June 30, 2000. In addition, the City made an accrual of \$17,685 at June 30, 2000 for an amount owed to the Lafayette Parish Waterworks District North for incorrect overcharges made by the City to the District.

(14) Contributed Capital

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

CITY OF SCOTT, LOUISIANA
Notes to Financial Statements (Continued)

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

	<u>Municipality</u>	<u>Parish Grants</u>	<u>Federal Grants</u>	<u>Private Organizations</u>	<u>Total</u>
Total contributed capital	\$5,775,642	\$26,574	\$1,646,625	\$4,106	\$7,452,947
Less: Accumulated amortization	-	9,628	376,693	-	386,321
Net contributed capital	<u>\$5,775,642</u>	<u>\$16,946</u>	<u>\$1,269,932</u>	<u>\$4,106</u>	<u>\$7,066,626</u>

(15) 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, 2000 was as follows:

	<u>Gas Department</u>	<u>Water Department</u>	<u>Sewerage Department</u>	<u>Enterprise Fund</u>
Operating revenues	\$ 209,966	\$ 525,725	\$ 234,467	\$ 970,158
Depreciation	27,751	79,275	129,989	237,015
Other expenses	265,510	512,205	265,740	1,043,455
Total operating expenses	<u>293,261</u>	<u>591,480</u>	<u>395,729</u>	<u>1,280,470</u>
Operating income (loss)	<u>\$ (83,295)</u>	<u>\$ (65,755)</u>	<u>\$ (161,262)</u>	<u>\$ (310,312)</u>

(16) Compensation of City Officials

A detail of compensation paid to the Mayor and Board of Aldermen for the year ended June 30, 2000 follows:

Hazel Myers, Mayor	\$31,153
Aldermen:	
Norwood Menard	7,477
Gerald Boullion	4,985
John Blanchard	4,985
Bill Young	4,985
Bob Boudreaux	4,985
	<u>\$58,570</u>

CITY OF SCOTT, LOUISIANA

Notes to Financial Statements (Continued)

(17) 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.

SUPPLEMENTAL INFORMATION

**SCHEDULES OF INDIVIDUAL FUNDS
AND
ACCOUNT GROUPS**

GENERAL FUND

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

CITY OF SCOTT, LOUISIANA
General Fund

Comparative Balance Sheet
June 30, 2000 and 1999

	<u>2000</u>	<u>1999</u>
ASSETS		
Cash	\$425,452	\$112,066
Interest-bearing deposits	13,000	12,958
Receivables:		
Ad valorem taxes receivable	324	234
Accrued interest receivable	558	112
Due from other governmental agencies	11,575	31,208
Due from other funds	<u>194,957</u>	<u>243,602</u>
Total assets	<u>\$645,866</u>	<u>\$400,180</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 28,013	\$ 51,495
Accrued liabilities	23,845	23,782
Due to other funds	<u>4,035</u>	<u>4,035</u>
Total liabilities	55,893	79,312
Fund balance:		
Unreserved, undesignated	<u>589,973</u>	<u>320,868</u>
Total liabilities and fund balance	<u>\$645,866</u>	<u>\$400,180</u>

CITY OF SCOTT, LOUISIANA
General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year Ended June 30, 2000
With Comparative Actual Amounts for Year Ended June 30, 1999

	2000		Variance - Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
Revenues:				
Taxes	\$ 293,600	\$ 294,368	\$ 768	\$ 283,901
Licenses and permits	115,140	119,380	4,240	132,968
Intergovernmental	108,770	97,604	(11,166)	145,724
Fines and forfeits	225,000	267,922	42,922	131,454
Miscellaneous	12,300	15,464	3,164	6,653
Total revenues	<u>754,810</u>	<u>794,738</u>	<u>39,928</u>	<u>700,700</u>
Expenditures:				
General government:	343,616	328,270	15,346	353,235
Public safety:				
Police	705,410	717,863	(12,453)	851,027
Highways and streets	235,168	233,007	2,161	284,588
Capital outlay	175,887	176,772	(885)	189,782
Total expenditures	<u>1,460,081</u>	<u>1,455,912</u>	<u>4,169</u>	<u>1,678,632</u>
Deficiency of revenues over expenditures	<u>(705,271)</u>	<u>(661,174)</u>	<u>44,097</u>	<u>(977,932)</u>
Other financing sources:				
Operating transfers from -				
Utility Fund	600,000	595,805	(4,195)	770,000
1968 Sales Tax Fund	250,000	250,000	-	250,000
1984 Sales Tax Fund	85,000	84,474	(526)	85,000
Total other financing sources	<u>935,000</u>	<u>930,279</u>	<u>(4,721)</u>	<u>1,105,000</u>
Excess of revenues and other sources over expenditures	229,729	269,105	39,376	127,068
Fund balance, beginning	<u>320,868</u>	<u>320,868</u>	-	<u>193,800</u>
Fund balance, ending	<u>\$ 550,597</u>	<u>\$ 589,973</u>	<u>\$ 39,376</u>	<u>\$ 320,868</u>

CITY OF SCOTT, LOUISIANA
General Fund

Statement of Revenues Compared to Budget (GAAP Basis)
Year Ended June 30, 2000
With Comparative Actual Amounts for Year Ended June 30, 1999

	2000		Variance - Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
Taxes:				
Ad valorem	\$ 81,000	\$ 80,894	\$ (106)	\$ 72,872
Franchise -				
Electric	196,000	200,555	4,555	199,787
Natural gas	3,000	3,809	809	3,181
Cable TV	13,600	9,110	(4,490)	8,061
Total taxes	<u>293,600</u>	<u>294,368</u>	<u>768</u>	<u>283,901</u>
Licenses and permits:				
Liquor and beer licenses	7,000	6,030	(970)	5,730
Occupational licenses	7,800	7,945	145	7,605
Insurance occupational licenses	81,300	81,944	644	84,511
Building permits	10,700	14,016	3,316	22,462
Electrical permits	6,200	7,175	975	9,600
Work permits	340	475	135	710
Air conditioner permits	1,800	1,795	(5)	2,350
Total licenses and permits	<u>115,140</u>	<u>119,380</u>	<u>4,240</u>	<u>132,968</u>
Intergovernmental:				
Federal grant -				
U.S. Department of Justice	50,000	38,670	(11,330)	61,096
State of Louisiana -				
Department of the Treasury:				
Tobacco taxes	24,950	24,950	-	24,950
Department of Revenue and Taxation:				
Beer taxes	12,800	12,319	(481)	14,424
Video poker	9,095	9,095	-	35,621
Department of Transportation:				
Grass cutting	8,713	8,713		8,713
Other	3,212	3,857	645	920
Total intergovernmental	<u>108,770</u>	<u>97,604</u>	<u>(11,166)</u>	<u>145,724</u>

(continued)

CITY OF SCOTT, LOUISIANA
General Fund

Statement of Revenues Compared to Budget (GAAP Basis) (Continued)
Year Ended June 30, 2000
With Comparative Actual Amounts for Year Ended June 30, 1999

	2000		Variance - Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
Fines and forfeits:				
Fines and court costs	<u>225,000</u>	<u>267,922</u>	<u>42,922</u>	<u>131,454</u>
Miscellaneous:				
Interest	300	696	396	505
Other sources	<u>12,000</u>	<u>14,768</u>	<u>2,768</u>	<u>6,148</u>
Total miscellaneous	<u>12,300</u>	<u>15,464</u>	<u>3,164</u>	<u>6,653</u>
 Total revenues	 <u><u>\$ 754,810</u></u>	 <u><u>\$ 794,738</u></u>	 <u><u>\$ 39,928</u></u>	 <u><u>\$ 700,700</u></u>

CITY OF SCOTT, LOUISIANA
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis)
Year Ended June 30, 2000
With Comparative Actual Amounts for Year Ended June 30, 1999

	2000		Variance - Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
General government:				
Mayor and council salaries	\$ 56,400	\$ 58,570	\$ (2,170)	\$ 53,001
Other salaries	75,300	75,271	29	64,840
Auto expense	2,048	1,991	57	1,215
Payroll taxes	11,380	10,425	955	8,956
Retirement - current	3,638	3,261	377	2,655
Retirement - retroactive	-	-	-	37,836
Scott business appreciation	1,460	1,461	(1)	396
Utilities	6,285	6,550	(265)	5,873
Telephone	7,400	7,623	(223)	6,909
Advertising and publications	20,000	12,149	7,851	19,858
Repairs and maintenance	12,600	11,946	654	12,915
Dues and conventions	2,000	1,501	499	2,728
Legal fees	26,000	27,314	(1,314)	36,537
Other professional fees	13,800	12,685	1,115	13,750
General insurance	18,000	15,523	2,477	17,654
Group insurance	6,330	6,375	(45)	5,856
Office supplies	23,400	22,256	1,144	23,200
Alarm system	300	300	-	407
Uniforms	3,200	5,240	(2,040)	3,177
Tower charge	240	240	-	240
Public relations	100	50	50	1,216
Drug testing	3,535	2,955	580	4,280
Building permits	7,200	3,350	3,850	3,778
Electrical permits	5,600	5,990	(390)	6,848
Twinning - St. Aubin	4,000	4,000	-	4,000
Founders Day	-	-	-	2,000
Council on Aging	5,600	5,600	-	5,600
Vaccination	-	-	-	2,603
Culture	10,000	10,000	-	2,045
Congres Mondial	16,000	15,254	746	903
Miscellaneous	1,800	390	1,410	1,960
Total general government	<u>343,616</u>	<u>328,270</u>	<u>15,346</u>	<u>353,235</u>

(continued)

CITY OF SCOTT, LOUISIANA
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis) (Continued)
Year Ended June 30, 2000
With Comparative Actual Amounts for Year Ended June 30, 1999

	2000		Variance - Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
Public safety:				
Police -				
Salaries	396,370	398,497	(2,127)	343,959
Payroll taxes	33,700	34,413	(713)	29,938
Retirement - current	29,990	33,921	(3,931)	28,479
Retirement - retroactive	-	-	-	219,979
K-9 dog	10,000	9,940	60	1,329
Auto expense	44,000	42,736	1,264	24,726
Uniforms and supplies	3,500	4,082	(582)	7,570
Training, lodging and travel	15,000	13,678	1,322	3,744
Dues and subscriptions	850	967	(117)	952
General insurance	65,000	62,978	2,022	55,923
Group insurance	33,300	35,898	(2,598)	29,582
Miscellaneous	500	651	(151)	6,937
Disposal charges	550	565	(15)	-
Auto repairs and maintenance	25,000	28,419	(3,419)	39,870
Repairs and maintenance garage	14,850	16,557	(1,707)	21,224
Tower charges	5,300	5,328	(28)	6,240
Janitorial	4,000	4,114	(114)	4,681
Firearms and ammunition	2,100	2,219	(119)	2,353
Telephone	6,000	7,201	(1,201)	6,623
Office equipment repairs and maintenance	2,500	3,634	(1,134)	3,550
Utilities	3,500	3,543	(43)	4,248
Office supplies	7,900	8,402	(502)	8,880
Consulting fees	1,500	120	1,380	240
Total public safety	<u>705,410</u>	<u>717,863</u>	<u>(12,453)</u>	<u>851,027</u>

(continued)

CITY OF SCOTT, LOUISIANA
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis) (Continued)
Year Ended June 30, 2000
With Comparative Actual Amounts for Year Ended June 30, 1999

	2000		Variance - Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
Highways and streets:				
Salaries	120,147	119,616	531	81,916
Retirement - current	4,300	5,308	(1,008)	3,337
Retirement - retroactive	-	-	-	88,135
Payroll taxes	8,950	9,141	(191)	6,491
Street lighting	44,800	45,222	(422)	43,283
General insurance	42,000	39,991	2,009	27,829
Group insurance	12,385	11,569	816	13,687
Uniforms	1,286	1,305	(19)	1,088
Lawn maintenance	1,200	724	476	18,304
Miscellaneous	100	131	(31)	518
Total highways and streets	<u>235,168</u>	<u>233,007</u>	<u>2,161</u>	<u>284,588</u>
Capital outlay:				
General government -				
Office fixtures and equipment	6,000	7,990	(1,990)	8,514
Public safety -				
Police:				
Automobiles	129,420	124,919	4,501	131,107
Equipment	23,500	26,129	(2,629)	37,846
Highways and streets -				
Christmas decorations	2,135	2,133	2	6,235
Arboretum	6,000	6,864	(864)	6,080
Central garage -				
Equipment	8,832	8,737	95	-
Total capital outlay	<u>175,887</u>	<u>176,772</u>	<u>(885)</u>	<u>189,782</u>
Total expenditures	<u>\$ 1,460,081</u>	<u>\$ 1,455,912</u>	<u>\$ 4,169</u>	<u>\$ 1,678,632</u>

SPECIAL REVENUE FUNDS

06/22/68 Sales Tax Fund -

To account for the receipt and use of proceeds of the City's 1% sales and use tax. These taxes are dedicated and used for the purposes 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.

04/01/84 Sales Tax Fund -

To account for the receipt and use of the City's 1% sales and use tax. These taxes are dedicated and used for the purposes 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.

CITY OF SCOTT, LOUISIANA
Special Revenue Funds

Combining Balance Sheet
June 30, 2000
With Comparative Totals for June 30, 1999

	6/22/68 Sales Tax	4/1/84 Sales Tax	Totals	
			2000	1999
ASSETS				
Cash	\$ 250,000	\$ -	\$ 250,000	\$ -
Interest-bearing deposits, at cost	2,562,722	1,777,368	4,340,090	4,518,276
Receivables:				
Taxes receivable	98,396	98,396	196,792	170,000
Accrued interest receivable	24,727	14,742	39,469	8,093
Due from other funds	4,035	449,428	453,463	454,930
Total assets	<u>\$2,939,880</u>	<u>\$2,339,934</u>	<u>\$5,279,814</u>	<u>\$5,151,299</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 42,565	\$ 40,157	\$ 82,722	\$ 80,836
Contracts payable	64,956		64,956	-
Retainage payable	5,474	-	5,474	8,377
Due to other funds	875,298	319,894	1,195,192	930,076
Total liabilities	988,293	360,051	1,348,344	1,019,289
Fund balances:				
Unreserved, undesignated	1,951,587	1,979,883	3,931,470	4,132,010
Total liabilities and fund balances	<u>\$2,939,880</u>	<u>\$2,339,934</u>	<u>\$5,279,814</u>	<u>\$5,151,299</u>

CITY OF SCOTT, LOUISIANA
Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2000
With Comparative Totals for June 30, 1999

	6/22/68	4/1/84	Totals	
	<u>Sales Tax</u>	<u>Sales Tax</u>	<u>2000</u>	<u>1999</u>
Revenues:				
Taxes	\$1,127,764	\$1,127,764	\$2,255,528	\$2,083,378
Intergovernmental	50,000	-	50,000	-
Miscellaneous - interest	130,211	102,727	232,938	211,605
Total revenues	<u>1,307,975</u>	<u>1,230,491</u>	<u>2,538,466</u>	<u>2,294,983</u>
Expenditures:				
General government	11,204	11,204	22,408	23,945
Public safety:				
Auxiliary Police	-	28,556	28,556	8,442
Fire	-	113,443	113,443	106,298
Highways and streets	25,991	96,677	122,668	202,431
Capital outlay	421,110	321,052	742,162	884,454
Total expenditures	<u>458,305</u>	<u>570,932</u>	<u>1,029,237</u>	<u>1,225,570</u>
Excess of revenues over expenditures	849,670	659,559	1,509,229	1,069,413
Other financing uses:				
Operating transfers out	<u>(1,000,000)</u>	<u>(709,769)</u>	<u>(1,709,769)</u>	<u>(1,635,945)</u>
Deficiency of revenues over expenditures and other uses	(150,330)	(50,210)	(200,540)	(566,532)
Fund balances, beginning	<u>2,101,917</u>	<u>2,030,093</u>	<u>4,132,010</u>	<u>4,698,542</u>
Fund balances, ending	<u><u>\$1,951,587</u></u>	<u><u>\$1,979,883</u></u>	<u><u>\$3,931,470</u></u>	<u><u>\$4,132,010</u></u>

CITY OF SCOTT, LOUISIANA
Special Revenue Fund
6/22/68 Sales Tax Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year Ended June 30, 2000
With Comparative Actual Amounts for Year Ended June 30, 1999

	2000		Variance- Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
Revenues:				
Taxes	\$1,100,000	\$1,127,764	\$ 27,764	\$1,041,689
Intergovernmental	50,000	50,000	-	-
Miscellaneous - interest	112,000	130,211	18,211	114,174
Total revenues	<u>1,262,000</u>	<u>1,307,975</u>	<u>45,975</u>	<u>1,155,863</u>
Expenditures:				
General government -				
Collection fees	5,400	5,679	(279)	4,654
Professional fees	5,800	5,525	275	5,325
Total general government	<u>11,200</u>	<u>11,204</u>	<u>(4)</u>	<u>9,979</u>
Highways and streets -				
Supplies and repairs	31,500	25,991	5,509	33,646
Capital outlay -				
Highways and streets:				
Herbicide Program	33,260	40,892	(7,632)	18,546
Bridge repair	68,800	68,800	-	-
Street overlay and patchwork	46,445	43,179	3,266	517,731
	<u>148,505</u>	<u>152,871</u>	<u>(4,366)</u>	<u>536,277</u>
Water and sewer:				
Waterline extension and other projects	75,000	73,204	1,796	61,889
Apollo sewer	50,000	49,965	35	29,029
Clarifier air compressor	-	-	-	10,988
Block building - sewer plant	-	-	-	3,042
Engineering fees	37,500	31,675	5,825	35,207
Sewer improvements	75,000	72,458	2,542	33,255
Equipment	27,107	26,436	671	-
Total water and sewer	<u>264,607</u>	<u>253,738</u>	<u>10,869</u>	<u>173,410</u>

(continued)

CITY OF SCOTT, LOUISIANA
Special Revenue Fund
6/22/68 Sales Tax Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual (Continued)
Year Ended June 30, 2000
With Comparative Actual Amounts for Year Ended June 30, 1999

	2000		Variance - Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
Streets and drainage -				
Sidewalks and drainage projects	11,579	11,579	-	-
Engineering fees	3,500	2,922	578	7,403
Total streets and drainage	<u>15,079</u>	<u>14,501</u>	<u>578</u>	<u>7,403</u>
Total capital outlay	<u>428,191</u>	<u>421,110</u>	<u>7,081</u>	<u>717,090</u>
Total expenditures	<u>470,891</u>	<u>458,305</u>	<u>12,586</u>	<u>760,715</u>
Excess of revenues over expenditures	<u>791,109</u>	<u>849,670</u>	<u>58,561</u>	<u>395,148</u>
Other financing uses:				
Operating transfers to -				
General Fund	(250,000)	(250,000)	-	(250,000)
Utility Fund	(500,000)	(500,000)	-	(700,000)
Capital Projects Fund	<u>(250,000)</u>	<u>(250,000)</u>	<u>-</u>	<u>-</u>
Total other financing uses	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>-</u>	<u>(950,000)</u>
Deficiency of revenues over expenditures and other uses	(208,891)	(150,330)	58,561	(554,852)
Fund balance, beginning	<u>2,101,917</u>	<u>2,101,917</u>	<u>-</u>	<u>2,656,769</u>
Fund balance, ending	<u><u>\$1,893,026</u></u>	<u><u>\$1,951,587</u></u>	<u><u>\$ 58,561</u></u>	<u><u>\$2,101,917</u></u>

CITY OF SCOTT, LOUISIANA
Special Revenue Fund
4/1/84 Sales Tax Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year Ended June 30, 2000
With Comparative Actual Amounts for Year Ended June 30, 1999

	2000		Variance - Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
Revenues:				
Taxes	\$ 1,100,000	\$ 1,127,764	\$ 27,764	\$ 1,041,689
Miscellaneous -		-		
Interest	75,000	91,565	16,565	91,980
Other	2,000	11,162	9,162	5,451
Total revenues	<u>1,177,000</u>	<u>1,230,491</u>	<u>53,491</u>	<u>1,139,120</u>
Expenditures:				
General government -				
Sales tax collection fee	4,800	5,679	(879)	4,654
Professional fees	5,800	5,525	275	5,325
Miscellaneous	-	-	-	3,987
Total general government	<u>10,600</u>	<u>11,204</u>	<u>(604)</u>	<u>13,966</u>
Public safety -				
Auxiliary police:				
Uniforms and equipment	21,404	21,814	(410)	6,384
Training	5,110	4,225	885	-
Auto expense	6,280	2,517	3,763	2,058
Total auxiliary police	<u>32,794</u>	<u>28,556</u>	<u>4,238</u>	<u>8,442</u>
Fire:				
Contract	75,000	75,000	-	75,000
Telephone and supplies	3,600	3,662	(62)	3,560
Professional fees	4,500	890	3,610	5,235
Salaries and benefits	30,840	28,531	2,309	22,498
Uniforms	175	172	3	-
Insurance	4,000	5,188	(1,188)	5
Total fire	<u>118,115</u>	<u>113,443</u>	<u>4,672</u>	<u>106,298</u>
Total public safety	<u>150,909</u>	<u>141,999</u>	<u>8,910</u>	<u>114,740</u>

(continued)

CITY OF SCOTT, LOUISIANA
Special Revenue Fund
4/1/84 Sales Tax Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual (Continued)
Year Ended June 30, 2000
With Comparative Actual Amounts for Year Ended June 30, 1999

	2000		Variance - Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
Highways and streets -				
Central garage	15,000	16,557	(1,557)	21,225
Scott Lion's Club maintenance	1,000	1,000	-	-
Vehicle and equipment				45,565
repairs and maintenance	44,700	47,073	(2,373)	
Engineering	25,000	32,047	(7,047)	101,995
Total highways and streets	<u>85,700</u>	<u>96,677</u>	<u>(10,977)</u>	<u>168,785</u>
Capital outlay -				
Equipment - highways and streets	28,353	37,352	(8,999)	58,546
Equipment - auxiliary police	23,500	21,834	1,666	
Drainage and erosion projects	65,755	62,416	3,339	-
Service road project - I-10	167,770	166,667	1,103	
Streets overlay and patchwork	-	-	-	57,139
Parks	30,000	30,000	-	50,000
Other projects	10,784	2,783	8,001	1,679
Total capital outlay	<u>326,162</u>	<u>321,052</u>	<u>5,110</u>	<u>167,364</u>
Total expenditures	<u>573,371</u>	<u>570,932</u>	<u>2,439</u>	<u>464,855</u>
Excess of revenues over expenditures	<u>603,629</u>	<u>659,559</u>	<u>55,930</u>	<u>674,265</u>
Other financing uses -				
Operating transfers to:				
Utility Fund	(375,000)	(375,000)	-	(360,000)
Sales Tax Bonds Debt Service Fund	(230,000)	(250,295)	(20,295)	(240,945)
General Fund	(85,000)	(84,474)	526	(85,000)
Total other financing uses	<u>(690,000)</u>	<u>(709,769)</u>	<u>(19,769)</u>	<u>(685,945)</u>
Deficiency of revenues over expenditures and other uses	(86,371)	(50,210)	36,161	(11,680)
Fund balance, beginning	<u>2,030,093</u>	<u>2,030,093</u>	-	<u>2,041,773</u>
Fund balance, ending	<u><u>\$1,943,722</u></u>	<u><u>\$1,979,883</u></u>	<u><u>\$ 36,161</u></u>	<u><u>\$2,030,093</u></u>

DEBT SERVICE FUND

Sales Tax Bonds Fund -

To accumulate monies for payment of \$770,000 of sales tax bonds, Series 1994, which are due in annual installments, plus interest, through maturity in 2005 and \$1,110,000 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 1984 1% sales tax.

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

Comparative Balance Sheet
June 30, 2000 and 1999

	<u>2000</u>	<u>1999</u>
ASSETS		
Cash	\$ 58,412	\$ 94,563
Interest-bearing deposits, at cost	61,085	-
Investments, at cost	250,761	253,436
Accrued interest receivable	<u>2,354</u>	<u>2,354</u>
Total assets	<u><u>\$372,612</u></u>	<u><u>\$350,353</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Due to other funds	\$ 5,422	\$ 5,422
Fund balance :		
Reserved for debt service	<u>367,190</u>	<u>344,931</u>
Total liabilities and fund balance	<u><u>\$372,612</u></u>	<u><u>\$350,353</u></u>

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

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year Ended June 30, 2000
With Comparative Actual Amounts for Year Ended June 30, 1999

	2000		Variance - Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
Revenues:				
Miscellaneous - interest	\$ 7,318	\$ 11,413	\$ 4,095	\$ 14,033
Expenditures:				
Debt service -				
Principal retirement	150,000	150,000	-	140,000
Interest and fiscal charges	90,202	89,449	753	97,191
Total expenditures	<u>240,202</u>	<u>239,449</u>	<u>753</u>	<u>237,191</u>
Deficiency of revenues over expenditures	(232,884)	(228,036)	4,848	(223,158)
Other financing sources :				
Operating transfers from - 1984 Sales Tax Fund	<u>230,000</u>	<u>250,295</u>	<u>20,295</u>	<u>240,945</u>
Excess (deficiency) of revenues and other sources over expenditures	(2,884)	22,259	25,143	17,787
Fund balance, beginning	<u>344,931</u>	<u>344,931</u>	<u>-</u>	<u>327,144</u>
Fund balance, ending	<u><u>\$ 342,047</u></u>	<u><u>\$ 367,190</u></u>	<u><u>\$ 25,143</u></u>	<u><u>\$ 344,931</u></u>

CAPITAL PROJECTS FUNDS

Sewer 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 1968 1% sales tax.

CITY OF SCOTT, LOUISIANA
Capital Projects Funds

Combining Balance Sheet
June 30, 2000 and 1999

	<u>Sewer System Construction</u>	<u>Street Improvements and Construction</u>	<u>Totals</u>	
			<u>2000</u>	<u>1999</u>
ASSETS				
Interest-bearing deposits, at cost	\$ 498,958	\$ -	\$498,958	\$477,695
Receivables:				
Accrued interest receivable	7,654	-	7,654	5,201
Due from other funds	<u>-</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Total assets	<u>\$ 506,612</u>	<u>\$250,000</u>	<u>\$756,612</u>	<u>\$482,896</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accrued liabilities	\$ 440	\$ -	\$ 440	\$ -
Fund balances:				
Unreserved, designated for capital expenditures	<u>506,172</u>	<u>250,000</u>	<u>756,172</u>	<u>482,896</u>
Total liabilities and fund balances	<u>\$ 506,612</u>	<u>\$250,000</u>	<u>\$756,612</u>	<u>\$482,896</u>

CITY OF SCOTT, LOUISIANA
Capital Projects Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2000
With Comparative Totals for June 30, 1999

	Sewer System Construction	Street Improvements and Construction	Totals	
			2000	1999
Revenues:				
Miscellaneous - interest	\$ 23,716	\$ -	\$ 23,716	\$ 21,450
Expenditures:				
Capital outlay	440	-	440	-
Excess of revenues over expenditures	23,276	-	23,276	21,450
Other financing sources:				
Operating transfers in	-	250,000	250,000	-
Excess of revenues and other sources over expenditures	23,276	250,000	273,276	21,450
Fund balances, beginning	482,896	-	482,896	461,446
Fund balances, ending	\$ 506,172	\$ 250,000	\$ 756,172	\$ 482,896

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

Statement of Revenues, Expenditures, and Changes in Fund Balance -
 Budget (GAAP Basis) and Actual
 Year Ended June 30, 2000
 With Comparative Actual Amounts for Year Ended June 30, 1999

	2000		Variance - Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
Revenue:				
Miscellaneous - interest	\$ 19,943	\$ 23,716	\$ 3,773	\$ 21,450
Expenditures:				
Capital outlay - Sewer rehabilitation	-	440	(440)	-
Excess of revenues over expenditures	19,943	23,276	3,333	21,450
Fund balance, beginning	482,896	482,896	-	461,446
Fund balance, ending	<u>\$ 502,839</u>	<u>\$ 506,172</u>	<u>\$ 3,333</u>	<u>\$ 482,896</u>

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

Statement of Revenues, Expenditures, and Changes in Fund Balance -
 Budget (GAAP Basis) and Actual
 Year Ended June 30, 2000
 With Comparative Actual Amounts for Year Ended June 30, 1999

	2000		Variance - Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
Revenue:	\$ -	\$ -	\$ -	\$ -
Expenditures:	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Other financing sources:				
Transfer from 1968 Sales Tax Fund	<u>250,000</u>	<u>250,000</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over expenditures	250,000	250,000	-	-
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, ending	<u><u>\$ 250,000</u></u>	<u><u>\$ 250,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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
Enterprise Fund
Utility Fund

Comparative Balance Sheet
June 30, 2000 and 1999

	2000	1999
ASSETS		
Current assets:		
Cash	\$ 192,224	\$ 129,395
Interest-bearing deposits, at cost	419,590	396,257
Accounts receivable, net of allowance for uncollectible accounts (2000 \$4,817; 1999 \$4,202)	91,522	77,251
Unbilled utility receivables	34,806	38,171
Accrued interest receivable	8,182	5,916
Due from other funds	518,720	557,395
Total current assets	1,265,044	1,204,385
Restricted assets:		
Revenue bond and interest sinking account - Cash	128,458	126,031
Revenue bond reserve account - Interest-bearing deposits, at cost	112,500	112,500
Revenue bond contingency account - Investments	153,527	155,039
Revenue bond construction fund - Interest-bearing deposits, at cost	73,162	69,772
Customers' deposits - Interest-bearing deposits, at cost	81,697	81,457
Total restricted assets	549,344	544,799
Property, plant and equipment:		
Property, plant and equipment, at cost, net of accumulated depreciation (2000 \$3,059,404; 1999 \$2,822,389)	7,477,010	7,593,400
Construction in progress	258,191	131,055
Net property, plant and equipment	7,735,201	7,724,455
Other noncurrent assets:		
Unamortized bond issuance costs	13,027	15,198
Total assets	\$9,562,616	\$9,488,837

	<u>2000</u>	<u>1999</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Current liabilities (payable from current assets) -		
Accounts payable	\$ 48,439	\$ 69,354
Accrued liabilities	17,447	101,287
Due to other governmental agencies	51,726	-
Due to other funds	78,386	64,645
Total current liabilities (payable from current assets)	<u>195,998</u>	<u>235,286</u>
Current liabilities (payable from restricted assets) -		
Revenue bonds payable	100,000	95,000
Interest payable	22,825	25,438
Customers' deposits	81,697	81,457
Total current liabilities (payable from restricted assets)	<u>204,522</u>	<u>201,895</u>
Long-term liabilities:		
Revenue bonds payable, net of deferred costs (2000 \$33,823; 1999 \$39,460)	<u>696,177</u>	<u>790,540</u>
Total liabilities	<u>1,096,697</u>	<u>1,227,721</u>
Fund equity:		
Contributed capital -		
Municipality	5,775,642	5,527,283
Parish grants, net of accumulated amortization (2000 \$9,628; 1999 \$9,010)	16,946	17,564
Federal grants, net of accumulated amortization (2000 \$376,693; 1999 \$342,396)	1,269,932	1,304,229
Private organizations	4,106	4,106
Total contributed capital	<u>7,066,626</u>	<u>6,853,182</u>
Retained earnings -		
Reserved for revenue bond retirement	271,660	273,132
Unreserved	1,127,633	1,134,802
Total retained earnings	<u>1,399,293</u>	<u>1,407,934</u>
Total fund equity	<u>8,465,919</u>	<u>8,261,116</u>
Total liabilities and fund equity	<u>\$9,562,616</u>	<u>\$9,488,837</u>

CITY OF SCOTT, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings
Years Ended June 30, 2000 and 1999

	2000	1999
Operating revenues:		
Charges for services -		
Gas sales	\$ 201,435	\$ 196,757
Water sales	495,181	461,957
Sewer service charges	225,080	219,795
Penalties, permits and connection fees	44,397	55,588
Miscellaneous	4,065	1,729
Total operating revenues	970,158	935,826
Operating expenses:		
Gas and water purchases	449,567	475,466
Salaries	248,206	230,578
Retirement - current	10,745	7,622
Retirement - retroactive	-	270,814
Meter reader expense	28,231	27,791
Bad debts	3,593	3,382
Insurance	59,563	74,308
Insurance for employees	13,930	14,654
Professional fees	11,829	12,501
Supplies and repairs	84,729	102,832
Repairs and maintenance - central garage	17,935	18,192
Dump and disposal charges	2,374	1,925
Truck expense	9,306	5,504
Training	2,821	973
Uniforms	1,211	1,284
Service agreement	9,560	8,560
Equipment lease	18,495	16,791
Depreciation expense	237,015	229,179
Utilities and telephone	29,292	29,112
Payroll taxes	19,246	18,025
Sewerage inspection	4,051	3,075
Office expense	5,557	5,037
Computer services	6,259	5,907
Tower charge	2,051	2,100
Miscellaneous	716	856
Lab fees	3,925	4,522
Alarm system	263	263
Total operating expenses	1,280,470	1,571,253
Operating loss	(310,312)	(635,427)

(continued)

CITY OF SCOTT, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings (Continued)
Years Ended June 30, 2000 and 1999

	2000	1999
Nonoperating revenues (expenses):		
Interest income	\$ 41,019	\$ 37,133
Interest expense	(51,287)	(57,650)
Amortization of bond issuance cost	(2,171)	(2,171)
Total nonoperating expenses	(12,439)	(22,688)
Loss before operating transfers	(322,751)	(658,115)
Operating transfers in (out):		
Operating transfers in	875,000	1,060,000
Operating transfers out	(595,805)	(770,000)
Total operating transfers	279,195	290,000
Net loss	(43,556)	(368,115)
Add: Depreciation on fixed assets acquired by federal and parish grant revenues externally restricted for capital acquisitions and construction that reduces contributed capital	34,915	34,915
Decrease in retained earnings	(8,641)	(333,200)
Retained earnings, beginning	1,407,934	1,741,134
Retained earnings, ending	\$1,399,293	\$1,407,934

CITY OF SCOTT, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Cash Flows
Years Ended June 30, 2000 and 1999

	2000	1999
Cash flows from operating activities:		
Net operating loss	<u>\$ (310,312)</u>	<u>\$ (635,427)</u>
Adjustments to reconcile net operating loss to net cash provided by operating activities -		
Depreciation	237,015	229,179
Changes in assets and liabilities:		
Increase in accounts receivable	(14,886)	(6,073)
Increase in provision for uncollectible accounts	615	247
Increase (decrease) in unbilled utility receivables	3,365	(4,346)
Increase (decrease) in accounts payable	(20,915)	29,602
Increase (decrease) in accrued liabilities	(83,840)	91,038
Increase in due to other governmental agencies	51,726	-
Total adjustments	<u>173,080</u>	<u>339,647</u>
Net cash used by operating activities	<u>(137,232)</u>	<u>(295,780)</u>
Cash flows from noncapital financing activities:		
Cash received from other funds	52,416	-
Cash paid to other funds	-	(1,900)
Operating transfers in from other funds	875,000	1,060,000
Operating transfers out to other funds	<u>(595,805)</u>	<u>(770,000)</u>
Net cash provided by noncapital financing activities	<u>331,611</u>	<u>288,100</u>
Cash flows from capital and related financing activities:		
Principal paid on revenue bonds	(95,000)	(95,000)
Interest paid on revenue bonds	(48,263)	(54,625)
Acquisition and construction of property, plant and equipment	(247,761)	(117,452)
Proceeds from meter deposits	14,695	15,210
Refund of meter deposits	(14,455)	(10,880)
Capital contributed from municipality	<u>248,359</u>	<u>117,454</u>
Net cash used by capital and related financing activities	<u>(142,425)</u>	<u>(145,293)</u>

(continued)

CITY OF SCOTT, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Cash Flows (Continued)
Years Ended June 30, 2000 and 1999

	2000	1999
Cash flows from investing activities:		
Proceeds from investments interest-bearing deposits with maturity in excess of ninety days	492,539	151,100
Purchase of investments and interest-bearing deposits with maturity in excess of ninety days	(546,742)	(492,539)
Interest received on interest-bearing deposits	38,753	37,619
Net cash used by investing activities	(15,450)	(303,820)
Net increase (decrease) in cash and cash equivalents	36,504	(456,793)
Cash and cash equivalents, beginning of period	577,912	1,034,705
Cash and cash equivalents, end of period	\$ 614,416	\$ 577,912
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents beginning of period -		
Cash - unrestricted	\$ 129,395	\$ 212,941
Interest-bearing deposits, unrestricted	396,257	377,502
Cash - restricted	126,031	124,038
Interest-bearing deposits, restricted	263,729	471,324
Less: Interest-bearing deposits with a maturity in excess of 90 days	(337,500)	(151,100)
Total cash and cash equivalents	577,912	1,034,705
Cash and cash equivalents, end of period -		
Cash - unrestricted	192,224	129,395
Interest-bearing deposits, unrestricted	419,590	396,257
Cash - restricted	128,458	126,031
Interest-bearing deposits, restricted	267,359	263,729
Less: Interest-bearing deposits with a maturity in excess of 90 days	(393,215)	(337,500)
Total cash and cash equivalents	614,416	577,912
Net increase (decrease)	\$ 36,504	\$ (456,793)

CITY OF SCOTT, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Changes in Restricted Assets
Year Ended June 30, 2000

	Bond Sinking Fund	Reserve	Contingency	Revenue Bond Construction Fund	Totals
Cash and interest-bearing deposits, July 1, 1999	\$ 126,031	\$ 112,500	\$ 155,039	\$ 69,772	\$ 463,342
Cash receipts:					
Transfer from operating account	146,875	-	-	-	146,875
Interest on interest-bearing deposits	-	5,962	(1,512)	3,390	7,840
Total cash receipts	146,875	5,962	(1,512)	3,390	154,715
Total cash and interest-bearing deposits available	272,906	118,462	153,527	73,162	618,057
Cash disbursements:					
Principal payments	95,000	-	-	-	95,000
Interest payments	48,263	-	-	-	48,263
Paying agent fees	1,185	-	-	-	1,185
Transfer to operating account	-	5,962	-	-	5,962
Total disbursements	144,448	5,962	-	-	150,410
Cash, interest-bearing deposits and investments, June 30, 2000	\$ 128,458	\$ 112,500	\$ 153,527	\$ 73,162	\$ 467,647

AGENCY FUNDS

Payroll and Disbursement Funds -

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

CITY OF SCOTT, LOUISIANA
Agency Funds

Combining Balance Sheet
June 30, 2000
With Comparative Totals for June 30, 1999

	<u>Payroll Fund</u>	<u>Disbursement Fund</u>	<u>Totals</u>	
			<u>2000</u>	<u>1999</u>
ASSETS				
Cash	\$ 23,985	\$ 110,120	\$134,105	\$251,749
Due from other funds	<u>5,912</u>	<u>6,858</u>	<u>12,770</u>	<u>8,118</u>
Total assets	<u>\$ 29,897</u>	<u>\$ 116,978</u>	<u>\$146,875</u>	<u>\$259,867</u>
LIABILITIES				
Due to other funds	<u>\$ 29,897</u>	<u>\$ 116,978</u>	<u>\$146,875</u>	<u>\$259,867</u>

CITY OF SCOTT, LOUISIANA
Agency Funds

Combining Statement of Changes in Assets and Liabilities - All Agency Funds
Year Ended June 30, 2000

	<u>Balances</u> <u>July 1, 1999</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balances</u> <u>June 30, 2000</u>
<u>PAYROLL FUND</u>				
ASSETS				
Cash	\$174,139	\$ 833,286	\$ 983,440	\$ 23,985
Due from other funds	<u> -</u>	<u> 28,508</u>	<u> 22,596</u>	<u> 5,912</u>
Total assets	<u>\$174,139</u>	<u>\$ 861,794</u>	<u>\$ 1,006,036</u>	<u>\$ 29,897</u>
LIABILITIES				
Due to other funds	<u>\$174,139</u>	<u>\$ 885,418</u>	<u>\$ 1,029,660</u>	<u>\$ 29,897</u>
<u>DISBURSEMENT FUND</u>				
ASSETS				
Cash	\$ 77,610	\$1,671,961	\$ 1,639,451	\$110,120
Due from other funds	<u> 8,118</u>	<u> 263,075</u>	<u> 264,335</u>	<u> 6,858</u>
Total assets	<u>\$ 85,728</u>	<u>\$1,935,036</u>	<u>\$ 1,903,786</u>	<u>\$116,978</u>
LIABILITIES				
Due to other funds	<u>\$ 85,728</u>	<u>\$1,431,761</u>	<u>\$ 1,400,511</u>	<u>\$116,978</u>
<u>TOTALS - ALL AGENCY FUNDS</u>				
ASSETS				
Cash	\$251,749	\$2,505,247	\$ 2,622,891	\$134,105
Due from other funds	<u> 8,118</u>	<u> 291,583</u>	<u> 286,931</u>	<u> 12,770</u>
Total assets	<u>\$259,867</u>	<u>\$2,796,830</u>	<u>\$ 2,909,822</u>	<u>\$146,875</u>
LIABILITIES				
Due to other funds	<u>\$259,867</u>	<u>\$2,317,179</u>	<u>\$ 2,430,171</u>	<u>\$146,875</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

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

CITY OF SCOTT, LOUISIANA

Comparative Statement of General Fixed Assets
June 30, 2000 and 1999

	<u>2000</u>	<u>1999</u>
General fixed assets, at cost:		
Land and buildings	\$1,646,455	\$1,646,455
Equipment, furniture and fixtures	<u>1,322,345</u>	<u>1,235,906</u>
Total general fixed assets	<u><u>\$2,968,800</u></u>	<u><u>\$2,882,361</u></u>
Investment in general fixed assets:		
Property acquired from -		
General Fund revenues	\$ 710,614	\$ 593,337
Sales tax revenues	817,550	836,591
Federal revenue sharing revenues	82,402	87,441
State revenue sharing revenues	20,194	20,194
Capital Projects Fund revenues	1,338,040	1,338,040
Utility Fund revenues	<u>-</u>	<u>6,758</u>
Total investment in general fixed assets	<u><u>\$2,968,800</u></u>	<u><u>\$2,882,361</u></u>

CITY OF SCOTT, LOUISIANA

Statement of Changes in General Fixed Assets
Year Ended June 30, 2000

	<u>Land and Buildings</u>	<u>Equipment Furniture and Fixtures</u>	<u>Total</u>
General fixed assets, beginning of year	<u>\$ 1,646,455</u>	<u>\$1,235,906</u>	<u>\$2,882,361</u>
Additions:			
General Fund revenues	-	155,643	155,643
Sales tax revenues	-	49,173	49,173
Total additions	<u>-</u>	<u>204,816</u>	<u>204,816</u>
Deletions	<u>-</u>	<u>118,377</u>	<u>118,377</u>
General fixed assets, end of year	<u><u>\$ 1,646,455</u></u>	<u><u>\$1,322,345</u></u>	<u><u>\$2,968,800</u></u>

GENERAL LONG-TERM DEBT ACCOUNT GROUP

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

CITY OF SCOTT, LOUISIANA
Statement of General Long-Term Debt
June 30, 2000 and 1999

	Sales Tax Bonds	
	2000	1999
AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT		
Amount available in debt service funds for debt retirement	\$ 367,190	\$ 344,931
Amount to be provided from sales tax revenues	<u>1,102,810</u>	<u>1,275,069</u>
Total available and to be provided	<u><u>\$1,470,000</u></u>	<u><u>\$1,620,000</u></u>
GENERAL LONG-TERM DEBT PAYABLE		
Bonds payable	<u><u>\$1,470,000</u></u>	<u><u>\$1,620,000</u></u>

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

KOLDER, CHAMPAGNE, SLAVEN & RAINEY, 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 Meyers, Mayor
and Members of the Board of Aldermen
City of Scott, Louisiana

We have audited the general purpose financial statements of the City of Scott, Louisiana, as of and for the year ended June 30, 2000, and have issued our report thereon dated August 2, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Scott, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted 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 of Scott, Louisiana's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. The reportable condition is described in the accompanying summary schedule of current and prior year audit findings and corrective action plan as item 00-1(IC).

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

We also noted other matters involving internal control over financial reporting that we reported to the management of the City of Scott in a separate letter dated August 2, 2000.

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

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

Lafayette, Louisiana
August 2, 2000

CITY OF SCOTT, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
Year Ended June 30, 2000

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
CURRENT YEAR (6/30/00)						
<u>Internal Control:</u>						
00-1(IC)	Unknown	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 cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.	N/A	No response is considered necessary.	Donna Jumonville, City Clerk	N/A
<u>Management Letter:</u>						
00-1(ML)	Unknown	The City's gas, water and sewer departments were operated at a loss for the year ended June 30, 2000. The utility rate structure in these departments should be evaluated and increased so as to enable the City to operate these on a profitable basis.	Yes	Management intends to review the rate structure and continually monitor the operating expenses in each of these departments. Rates will be modified and/or expenses will be reduced to enable these departments to operate profitably.	Donna Jumonville, City Clerk	6/30/01
00-2(a)(ML)	1998	Some of the citation books given to police personnel are not properly accounted for. A list of citation books should be maintained and updated as new books are distributed and voided and unused citations are returned.	No	Management intends to review its database program in order enable the tracking of citations from distribution to resolution.	Donna Jumonville, City Clerk	6/30/01
00-2(b)(ML)	2000	Deposits for all amounts collected by the Police Department should be prepared and sent to City Hall on a timely basis.	No	Management will ensure that deposits for monies collected by the Police Department will be made on a timely basis.	Donna Jumonville, City Clerk	6/30/01

(continued)

OTHER SUPPLEMENTARY INFORMATION

CITY OF SCOTT, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers
(Unaudited)
June 30, 2000 and 1999

Records maintained by the City indicated the following number of customers were being serviced during the month of June, 2000 and 1999:

<u>Department</u>	<u>2000</u>	<u>1999</u>
Gas (metered)	575	586
Water (metered)	2,419	2,200
Sewerage	1,604	1,571

CITY OF SCOTT, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Departmental Analysis of Revenues and Expenses
Years Ended June 30, 2000 and 1999

	Totals		Gas	
	2000	1999	2000	1999
Operating revenues:				
Customers service charges	\$ 921,696	\$ 878,509	\$ 201,435	\$ 196,757
Permits, reconnections and penalties	44,397	55,588	7,176	6,751
Miscellaneous	4,065	1,729	1,355	577
Total operating revenues	<u>970,158</u>	<u>935,826</u>	<u>209,966</u>	<u>204,085</u>
Operating expenses:				
Salaries	212,769	194,823	94,331	83,440
Salaries - plant	35,437	35,755	-	-
Retirement - current	10,745	7,622	4,038	2,830
Retirement - retroactive	-	270,814	-	96,184
Meter reader expense	28,231	27,791	7,058	6,948
Disposal charges - plant	2,374	1,925	188	-
Sewerage inspection	4,051	3,075	-	-
Gas and water purchases	449,567	475,466	93,563	73,426
Supplies and repairs	55,038	54,819	8,057	5,987
Supplies - plant	29,691	48,013	-	-
Repairs and maintenance - garage	17,935	18,192	5,978	6,064
Training - plant	250	303	-	-
Tower charge	2,051	2,100	586	600
Service agreement	9,560	8,560	-	-
Telephone - plant	539	620	-	-
Utilities	9,520	9,857	-	-
Utilities - plant	19,233	18,635	-	-
Professional fees	11,829	12,501	3,943	4,162
Insurance	43,244	56,686	19,382	26,205
Plant insurance	16,319	17,622	-	-
Insurance for employees	13,930	14,654	5,006	5,337
Office expense	5,557	5,037	1,850	1,748
Computer services	6,259	5,907	2,092	1,969
Payroll taxes	16,500	15,343	7,308	6,488
Payroll taxes - plant	2,746	2,682	-	-
Truck expenses	6,963	3,751	1,684	1,179
Truck expenses - plant	2,343	1,753	-	-
Training	2,571	670	2,133	190
Uniforms	1,021	1,073	381	422
Uniforms - plant	190	211	-	-
Equipment lease	18,495	16,791	6,165	5,597
Bad debts	3,593	3,382	1,437	1,353
Depreciation	177,615	169,942	27,751	27,751
Depreciation - plant	59,400	59,237	-	-
Miscellaneous	716	856	330	261
Lab fees - plant	3,925	4,522	-	-
Alarm system - plant	263	263	-	-
Total operating expenses	<u>1,280,470</u>	<u>1,571,253</u>	<u>293,261</u>	<u>358,141</u>
Net operating loss	<u>\$ (310,312)</u>	<u>\$ (635,427)</u>	<u>\$ (83,295)</u>	<u>\$ (154,056)</u>

Water		Sewerage	
2000	1999	2000	1999
\$ 495,181	\$ 461,957	\$ 225,080	\$ 219,795
29,189	37,799	8,032	11,038
1,355	576	1,355	576
<u>525,725</u>	<u>500,332</u>	<u>234,467</u>	<u>231,409</u>
63,010	56,226	55,428	55,157
-	-	35,437	35,755
2,766	1,949	3,941	2,843
-	51,101	-	123,529
21,173	20,843	-	-
188	-	1,998	1,925
-	-	4,051	3,075
356,004	402,040	-	-
19,989	25,692	26,992	23,140
-	-	29,691	48,013
5,978	6,064	5,979	6,064
-	-	250	303
586	600	879	900
-	-	9,560	8,560
-	-	539	620
-	-	9,520	9,857
-	-	19,233	18,635
3,943	4,162	3,943	4,177
13,545	16,386	10,317	14,095
-	-	16,319	17,622
5,372	5,217	3,552	4,100
1,850	1,748	1,857	1,541
2,092	1,969	2,075	1,969
4,898	4,428	4,294	4,427
-	-	2,746	2,682
2,367	1,258	2,912	1,314
-	-	2,343	1,753
273	349	165	131
376	440	264	211
-	-	190	211
6,165	5,597	6,165	5,597
1,437	1,353	719	676
79,275	78,460	70,589	63,731
-	-	59,400	59,237
193	354	193	241
-	-	3,925	4,522
-	-	263	263
<u>591,480</u>	<u>686,236</u>	<u>395,729</u>	<u>526,876</u>
<u>\$ (65,755)</u>	<u>\$(185,904)</u>	<u>\$(161,262)</u>	<u>\$(295,467)</u>

CITY OF SCOTT, LOUISIANA

Schedule of Insurance In Force
(Unaudited)
June 30, 2000

Description of Coverage	Coverage Amounts
Workmen's 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	709,921
Comprehensive auto liability, bodily injury and property damage	500,000
Special equipment floater	264,134
Liability - water plant	1,000,000
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	1,386,000
Law enforcement officers comprehensive liability, personal injury and property damage, \$2,500 deductible	500,000
Public officials' errors and omissions, \$2,500 deductible	500,000
Flood Insurance Operations building on Mill Street Sludge building on Mill Street	231,300 83,200
Boiler and machinery Property damage, \$1,000 deductible	1,600,000

CITY OF SCOTT, LOUISIANA

Combined Schedule of Interest-Bearing Deposits and Investments - All Funds
June 30, 2000

	Financial Institution	Maturity Date	Term	Interest Rate	Amount
Interest-bearing deposits -					
General Fund:					
Certificate of deposit	E	10/13/00	12 months	6.00%	\$ 13,000
Special Revenue Funds:					
1968 Sales Tax Fund -					
Money Market investment account	B	N/A	N/A	Variable	417,239
Certificate of deposit	B	7/24/00	91 days	5.68%	2,145,483
Total 1968 Sales Tax Fund					<u>2,562,722</u>
1984 Sales Tax Fund -					
Money market investment account	B	N/A	N/A	Variable	419,592
Certificate of deposit	B	7/4/00	60 days	5.91%	1,357,776
Total 1984 Sales Tax Fund					<u>1,777,368</u>
Total Special Revenue Funds					<u>4,340,090</u>
Debt Service Fund:					
Sales Tax Bonds Fund -					
Money market investment account	B	N/A	N/A	Variable	<u>61,085</u>
Capital Projects Fund:					
Sewer System Construction Fund -					
Certificate of deposit	B	8/25/00	180 days	5.30%	396,418
Money market investment account	B	N/A	N/A	Variable	46,080
Money market investment account	B	N/A	N/A	Variable	<u>56,460</u>
Total Capital Projects Fund					<u>498,958</u>
Utility Fund:					
Utility - unrestricted -					
Certificate of deposit	B	10/23/00	182 days	5.66%	393,215
Money market investment account	B	N/A	N/A	Variable	26,375
Utility - bond reserve -					
Certificate of deposit	B	9/8/00	180 days	5.58%	112,500
Utility - bond construction -					
Money market investment account	B	N/A	N/A	Variable	73,162
Customer deposits -					
Money market investment account	B	N/A	N/A	Variable	1,658
Certificate of deposit	E	6/14/01	12 months	7.00%	<u>80,039</u>
Total Utility Fund					<u>686,949</u>
Total interest-bearing deposits					<u>\$5,600,082</u>
Investments -					
Sales Tax Bond Reserve Fund:					
U. S. Treasury Note		10/31/02	48 months	5.75%	\$ 250,761
Utility Fund:					
U. S. Treasury Note		10/31/02	48 months	5.75%	<u>153,527</u>
Total investments					<u>404,288</u>
Total interest-bearing deposits and investments					<u>\$6,004,370</u>

Financial Institution:

- B Bank One
- E Edward Jones