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CITY OF OAKDALE, LOUISIANA

Financial Report

Year Ended June 30, 2001

~~Parish Clerk of Court~~
~~LSA-RS 24:516 provides that this report shall be~~
~~available for inspection for a period of not less~~
~~than one year from the date of receipt.~~
~~Legislative Auditor~~

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Release Date 1/16/02

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Independent Auditor's Report

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The Honorable Mayor Robert Abrusley
And City Council Members
City of Oakdale, Louisiana

We have audited the accompanying primary government financial statements of the City of Oakdale, Louisiana, as of and for the year ended June 30, 2001, as listed in the table of contents. These primary government financial statements are the responsibility of the City of Oakdale, Louisiana's management. Our responsibility is to express an opinion on these primary government financial statements based on our audit.

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

A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as component units. In our opinion, the primary government financial statements present fairly, in all material respects, the financial position of the primary government of the City of Oakdale, Louisiana, as of June 30, 2001, 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.

However, the primary government financial statements, because they do not include the financial data of component units of the City of Oakdale, Louisiana, do not purport to, and do not, present fairly the financial position of the City of Oakdale, Louisiana, as of June 30, 2001, and the results of its operations and cash flows of its proprietary fund type for the year ended in conformity with accounting principles generally accepted in the United States of America.

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

Our audit was conducted for the purpose of forming an opinion on the primary government financial statements taken as a whole. The accompanying financial information listed as "Supplemental Information" in the table of contents is presented for purposes of additional analysis and is not a required part of the primary government financial statements of the City of Oakdale, Louisiana. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the primary government financial statements and, in our opinion, is fairly presented in all material respects in relation to the primary government financial statements taken as a whole.

The financial information for the preceding year, which is included for comparative purposes, was taken from the financial report for that year in which a qualified opinion on the financial statements of the City of Oakdale, Louisiana was expressed.

In accordance with Government Auditing Standards, we have also issued our report dated August 30, 2001, on our consideration of the City of Oakdale's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Dannall, Sikes & Frederick
A Corporation of Certified Public Accountants

Eunice, Louisiana
August 30, 2001



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

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Abbeville, LA 70510
337.893.5470

The Honorable Mayor Robert Abrusley
and City Council Members
City of Oakdale, Louisiana

We have audited the financial statements of the City of Oakdale, Louisiana, primary government, as of and for the year ended June 30, 2001, and have issued our report thereon dated August 30, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Oakdale's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the primary government financial statements and not to provide assurance on the internal control over financial reporting. However, we noted 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 Oakdale's ability to record, process, summarize and report financial data consistent with the assertions of management in the primary government financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 01-1.

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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 primary government financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control structure 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, of the reportable conditions described above, we consider item 01-1 to be a material weakness.

We also noted other matters involving the internal control over financial reporting that we have reported to management of the City of Oakdale, Louisiana, in a separate letter dated August 30, 2001.

This report is intended solely for the information of the City Council Members and management and is not intended to be and should not be used by anyone other than those specified parties.

Dannall, Sikes & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana

August 30, 2001

**PRIMARY GOVERNMENT FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)**

CITY OF OAKDALE, LOUISIANA

Combined Balance Sheet - All Fund Types and Account Groups
June 30, 2001

| | Governmental Fund Types | | |
|---|-------------------------|-------------------|-------------------|
| | General | Special Revenue | Debt Service |
| ASSETS AND OTHER DEBITS | | | |
| Cash | \$ 165,789 | \$ 160,514 | \$ - |
| Receivables | 330,101 | 77,971 | - |
| Prepaid expenditures | - | - | - |
| Due from other funds | 123,828 | 17,504 | - |
| Restricted assets | - | - | 518,580 |
| Fixed assets - net, where applicable, of accumulated depreciation | - | - | - |
| Other assets | - | - | - |
| Amount available in debt service funds | - | - | - |
| Amount to be provided for retirement of general long-term debt | - | - | - |
| Total assets and other debits | \$ 619,718 | \$ 255,989 | \$ 518,580 |
| LIABILITIES AND FUND EQUITY | | | |
| Liabilities: | | | |
| Accounts and contracts payable | \$ 148,561 | \$ 6,256 | \$ - |
| Other current liabilities | - | - | - |
| Due to other funds | 471,157 | 120,439 | 150,362 |
| Liabilities payable from restricted assets | - | - | - |
| Bonds payable | - | - | - |
| Estimated liabilities for claims and judgements | - | - | - |
| Certificates and notes payable | - | - | - |
| Total liabilities | 619,718 | 126,695 | 150,362 |
| Equity and other credits: | | | |
| Investment in general fixed assets | - | - | - |
| Contributed capital | - | - | - |
| Retained earnings - | | | |
| Reserved | - | - | - |
| Unreserved | - | - | - |
| Fund balances - | | | |
| Reserved for prepaid expenditures | - | - | - |
| Reserved for debt service | - | - | 368,218 |
| Unreserved - undesignated | - | 129,294 | - |
| Total equity and other credits | - | 129,294 | 368,218 |
| Total liabilities and fund equity | \$ 619,718 | \$ 255,989 | \$ 518,580 |

The accompanying notes are an integral part of this statement.

| Capital Projects | Proprietary Fund Type Enterprise | Fiduciary Fund Type Master Bank | Account Groups | | Totals (Memorandums Only) | |
|---------------------|--|---------------------------------------|----------------------------|----------------------------|------------------------------|----------------------|
| | | | General Fixed Assets | General Long- Term Debt | 2001 | 2000 |
| | | | | | | |
| \$ - | \$ 43 | \$ 41,478 | \$ - | \$ - | \$ 367,824 | \$ 848,610 |
| 5,154 | 146,456 | - | - | - | 559,682 | 489,292 |
| - | - | - | - | - | - | 24,387 |
| - | 683,853 | 679,559 | - | - | 1,504,744 | 1,099,456 |
| - | 392,517 | - | - | - | 918,097 | 460,215 |
| - | 4,972,684 | - | 8,417,718 | - | 13,390,402 | 12,933,792 |
| - | - | - | - | - | - | 94 |
| - | - | - | - | 368,218 | 368,218 | 411,980 |
| - | - | - | - | 2,349,477 | 2,349,477 | 1,774,729 |
| <u>\$ 5,154</u> | <u>\$ 6,202,553</u> | <u>\$ 721,037</u> | <u>\$ 8,417,718</u> | <u>\$ 2,717,695</u> | <u>\$ 19,458,444</u> | <u>\$ 18,042,555</u> |
| \$ 5,154 | \$ 178,408 | \$ - | \$ - | \$ - | \$ 338,379 | \$ 398,275 |
| - | 1,356 | 37,184 | - | - | 38,540 | 39,366 |
| - | 78,933 | 683,853 | - | - | 1,504,744 | 1,099,456 |
| - | 71,769 | - | - | - | 71,769 | 100,170 |
| - | 65,000 | - | - | 2,638,828 | 2,703,828 | 2,130,308 |
| - | - | - | - | 78,867 | 78,867 | 56,401 |
| - | - | - | - | - | - | 125,000 |
| <u>5,154</u> | <u>395,466</u> | <u>721,037</u> | <u>-</u> | <u>2,717,695</u> | <u>4,736,127</u> | <u>3,948,976</u> |
| - | - | - | 8,417,718 | - | 8,417,718 | 8,322,742 |
| - | 5,641,418 | - | - | - | 5,641,418 | 5,425,616 |
| - | 133,742 | - | - | - | 133,742 | 109,214 |
| - | 31,927 | - | - | - | 31,927 | (194,793) |
| - | - | - | - | - | - | 24,387 |
| - | - | - | - | - | 368,218 | 277,119 |
| - | - | - | - | - | 129,294 | 129,294 |
| - | 5,807,087 | - | 8,417,718 | - | 14,722,317 | 14,093,579 |
| <u>\$ 5,154</u> | <u>\$ 6,202,553</u> | <u>\$ 721,037</u> | <u>\$ 8,417,718</u> | <u>\$ 2,717,695</u> | <u>\$ 19,458,444</u> | <u>\$ 18,042,555</u> |

CITY OF OAKDALE, LOUISIANA

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -
All Governmental Fund Types
Year Ended June 30, 2001

| | General | Special Revenue | Debt Service | Capital Projects | Totals (Memorandums Only) | |
|--|------------------|--------------------|-------------------|---------------------|------------------------------|-------------------|
| | | | | | 2001 | 2000 |
| Revenues: | | | | | | |
| Taxes | \$ 386,983 | \$ 920,254 | \$ 70,677 | \$ - | 1,377,914 | \$ 1,386,340 |
| Licenses and permits | 177,651 | - | - | - | 177,651 | 173,215 |
| Intergovernmental | 157,874 | 1,100 | - | 149,214 | 308,188 | 141,929 |
| Fines and forfeits | 36,978 | - | - | - | 36,978 | 24,074 |
| Miscellaneous | 619,930 | 4,344 | 15,545 | - | 639,819 | 537,179 |
| Total revenues | <u>1,379,416</u> | <u>925,698</u> | <u>86,222</u> | <u>149,214</u> | <u>2,540,550</u> | <u>2,262,737</u> |
| Expenditures: | | | | | | |
| Current - | | | | | | |
| General government | 618,063 | 16,540 | - | - | 634,603 | 908,476 |
| Public safety | 742,189 | 177,221 | - | - | 919,410 | 853,341 |
| Health and recreation | 127,142 | - | - | - | 127,142 | 106,148 |
| Public works | 432,638 | - | - | - | 432,638 | 392,065 |
| Capital outlay | 151,000 | - | - | 149,214 | 300,214 | - |
| Debt service - | | | | | | |
| Principal retirement | 3,483 | - | 304,959 | - | 308,442 | 449,877 |
| Interest and fiscal charges | - | - | 81,520 | - | 81,520 | 103,481 |
| Issuance Costs | - | - | - | - | - | 11,770 |
| Grant expenditures | 100,295 | - | - | - | 100,295 | 89,773 |
| Total expenditures | <u>2,174,810</u> | <u>193,761</u> | <u>386,479</u> | <u>149,214</u> | <u>2,904,264</u> | <u>2,914,931</u> |
| Excess (deficiency) of revenues over expenditures | <u>(795,394)</u> | <u>731,937</u> | <u>(300,257)</u> | <u>-</u> | <u>(363,714)</u> | <u>(652,194)</u> |
| Other financing sources (uses): | | | | | | |
| Proceeds of refunding debt | - | - | - | - | - | 405,000 |
| Operating transfers in | 689,753 | 66,848 | 391,356 | - | 1,147,957 | 1,485,612 |
| Operating transfers out | (71,870) | (823,075) | - | - | (894,945) | (892,067) |
| Proceeds from borrowings | 153,124 | 668,510 | - | - | 821,634 | 854,195 |
| Payment to refunded debt escrow agent | - | - | - | - | - | (393,230) |
| Total other financing sources | <u>771,007</u> | <u>(87,717)</u> | <u>391,356</u> | <u>-</u> | <u>1,074,646</u> | <u>1,459,510</u> |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | <u>(24,387)</u> | <u>644,220</u> | <u>91,099</u> | <u>-</u> | <u>710,932</u> | <u>807,316</u> |
| Fund balances, beginning | 24,387 | 129,294 | 277,119 | - | 430,800 | 477,679 |
| Residual equity transfers to utility system fund | - | (644,220) | - | - | (644,220) | (854,195) |
| Fund balances, ending | <u>\$ -</u> | <u>\$ 129,294</u> | <u>\$ 368,218</u> | <u>\$ -</u> | <u>\$ 497,512</u> | <u>\$ 430,800</u> |

The accompanying notes are an integral part of this statement.

CITY OF OAKDALE, LOUISIANA

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget (GAAP Basis) and Actual
All Governmental Fund Types
Year Ended June 30, 2001

| | General Fund | | | Special Revenue Funds | | |
|--|--------------------|------------------|------------------------------------|-----------------------|-------------------|------------------------------------|
| | Budget | Actual | Variance - Favorable (Unfavorable) | Budget | Actual | Variance - Favorable (Unfavorable) |
| Revenues: | | | | | | |
| Taxes | \$ 370,500 | \$ 386,983 | \$ 16,483 | \$ 931,000 | \$ 920,254 | \$ (10,746) |
| Licenses and permits | 176,000 | 177,651 | 1,651 | - | - | - |
| Intergovernmental | 27,300 | 157,874 | 130,574 | 990 | 1,100 | 110 |
| Fines and forfeits | 23,010 | 36,978 | 13,968 | - | - | - |
| Miscellaneous | 313,500 | 619,930 | 306,430 | 5,000 | 4,344 | (656) |
| Total revenues | <u>910,310</u> | <u>1,379,416</u> | <u>469,106</u> | <u>936,990</u> | <u>925,698</u> | <u>(11,292)</u> |
| Expenditures: | | | | | | |
| Current - | | | | | | |
| General government | 743,556 | 618,063 | 125,493 | 16,800 | 16,540 | 260 |
| Public safety | 917,180 | 742,189 | 174,991 | 191,690 | 177,221 | 14,469 |
| Health and recreation | 96,380 | 127,142 | (30,762) | - | - | - |
| Public works | 352,100 | 432,638 | (80,538) | - | - | - |
| Capital outlay | - | 151,000 | (151,000) | - | - | - |
| Debt service - | | | | | | |
| Principal retirement | 9,178 | 3,483 | 5,695 | - | - | - |
| Interest and fiscal charges | - | - | - | - | - | - |
| Grant expenditures | - | 100,295 | (100,295) | - | - | - |
| Total expenditures | <u>2,118,394</u> | <u>2,174,810</u> | <u>(56,416)</u> | <u>208,490</u> | <u>193,761</u> | <u>14,729</u> |
| Excess (deficiency) of revenues over expenditures | <u>(1,208,084)</u> | <u>(795,394)</u> | <u>412,690</u> | <u>728,500</u> | <u>731,937</u> | <u>3,437</u> |
| Other financing sources (uses): | | | | | | |
| Operating transfers in | 1,200,000 | 689,753 | (510,247) | 98,700 | 66,848 | (31,852) |
| Operating transfers out | (123,000) | (71,870) | 51,130 | (827,200) | (823,075) | 4,125 |
| Proceeds from borrowing | 150,000 | 153,124 | 3,124 | - | 668,510 | 668,510 |
| Total other financing sources | <u>1,227,000</u> | <u>771,007</u> | <u>(455,993)</u> | <u>(728,500)</u> | <u>(87,717)</u> | <u>640,783</u> |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | 18,916 | (24,387) | (43,303) | - | 644,220 | 644,220 |
| Fund balances, beginning | 24,387 | 24,387 | - | 129,294 | 129,294 | - |
| Residual equity transfers to utility system fund | - | - | - | - | (644,220) | (644,220) |
| Fund balances, ending | <u>\$ 43,303</u> | <u>\$ -</u> | <u>\$ (43,303)</u> | <u>\$ 129,294</u> | <u>\$ 129,294</u> | <u>\$ -</u> |

| Debt Service Funds | | |
|--------------------|-------------------|--|
| Budget | Actual | Variance - Favorable (Unfavorable) |
| \$ 64,000 | \$ 70,677 | \$ 6,677 |
| - | - | - |
| - | - | - |
| - | - | - |
| <u>15,250</u> | <u>15,545</u> | <u>295</u> |
| <u>79,250</u> | <u>86,222</u> | <u>6,972</u> |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| 292,969 | 304,959 | (11,990) |
| 74,402 | 81,520 | (7,118) |
| - | - | - |
| <u>367,371</u> | <u>386,479</u> | <u>(19,108)</u> |
| <u>(288,121)</u> | <u>(300,257)</u> | <u>(12,136)</u> |
| 260,646 | 391,356 | 130,710 |
| - | - | - |
| - | - | - |
| <u>260,646</u> | <u>391,356</u> | <u>130,710</u> |
| (27,475) | 91,099 | 118,574 |
| 277,119 | 277,119 | - |
| - | - | - |
| <u>\$ 249,644</u> | <u>\$ 368,218</u> | <u>\$ 118,574</u> |

The accompanying notes are an integral part of this statement.

CITY OF OAKDALE, LOUISIANA
 Comparative Statements of Revenues, Expenses, and Changes in Retained Earnings
 Enterprise Fund
 Utility Fund

Years Ended June 30, 2001 and 2000

| | 2001 | 2000 |
|---|-------------------|-------------------|
| Operating revenues: | | |
| Utility sales - net | \$ 924,766 | \$ 906,115 |
| Service and miscellaneous charges | <u>64,850</u> | <u>69,665</u> |
| Total operating revenues | <u>989,616</u> | <u>975,780</u> |
| Operating expenses: | | |
| Salaries | 122,838 | 130,251 |
| Fringe benefits | 23,707 | 28,753 |
| Professional fees | - | 31,207 |
| Supplies | 52,876 | 42,943 |
| Repairs and maintenance | 147,808 | 334,381 |
| Auto and truck expenses | 10,789 | 11,397 |
| Utilities | 214,503 | 150,619 |
| Insurance | 12,806 | 5,991 |
| Bad debts | 8,077 | 5,680 |
| Other | 48,209 | 42,799 |
| Depreciation | <u>327,408</u> | <u>325,635</u> |
| Total operating expenses | <u>969,021</u> | <u>1,109,656</u> |
| Operating income (loss) | <u>20,595</u> | <u>(133,876)</u> |
| Nonoperating revenues (expenses): | | |
| Special assistance | 57,640 | 63,595 |
| Interest earned | 14,194 | 11,072 |
| Interest expense | <u>(16,588)</u> | <u>(14,221)</u> |
| Total nonoperating revenues | <u>55,246</u> | <u>60,446</u> |
| Income (loss) before operating transfers | 75,841 | (73,430) |
| Operating transfers: | | |
| Operating transfers in | 44,143 | 250,605 |
| Operating transfers out | <u>(297,156)</u> | <u>(609,859)</u> |
| Total operating transfers | <u>(253,013)</u> | <u>(359,254)</u> |
| Net loss before the add back of depreciation on federal grants | (177,172) | (432,684) |
| Add: Depreciation on fixed assets acquired by capital grants that reduces contributed capital from capital grants | <u>194,129</u> | <u>194,129</u> |
| Net decrease in retained earnings | 16,957 | (238,555) |
| Retained earnings, beginning | <u>148,712</u> | <u>387,267</u> |
| Retained earnings, ending | <u>\$ 165,669</u> | <u>\$ 148,712</u> |

The accompanying notes are an integral part of this statement.

CITY OF OAKDALE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statements of Cash Flows
Years Ended June 30, 2001 and 2000

| | 2001 | 2000 |
|--|------------|--------------|
| Cash flows from operating activities: | | |
| Operating income (loss) | \$ 20,595 | \$ (133,876) |
| Adjustments to reconcile operating income to net cash provided by operating activities - | | |
| Depreciation | 327,408 | 325,635 |
| Amortization | 103 | 315 |
| Changes in assets and liabilities: | | |
| Customers receivables | 8,616 | (6,121) |
| Due from other funds | 134,860 | - |
| Due from Master Bank | (269,217) | 268,527 |
| Other receivables | 99,213 | (95,082) |
| Accounts payable | (92,835) | 86,932 |
| Other current liabilities | 385 | (138) |
| Total adjustments | 208,533 | 580,068 |
| Net cash provided (used) by operating activities | 229,128 | 446,192 |
| Cash flows from noncapital financing activities: | | |
| Government subsidies | 57,640 | 63,595 |
| Decrease (increase) in customer deposits - net | 12,763 | (405) |
| Operating transfers in | 44,143 | 16,314 |
| Operating transfer out | (297,156) | (609,859) |
| Net cash provided (used) by noncapital financing activities | (182,610) | (530,355) |
| Cash flows from capital and related financing activities: | | |
| Contributed capital | 644,220 | 854,195 |
| Acquisition of property, plant and equipment | (689,042) | (672,979) |
| Repayments of revenue bonds and other indebtedness | (60,000) | (55,000) |
| Interest paid on long-term debt | (16,588) | (14,221) |
| Net cash provided (used) by capital and related financing activities | (121,410) | 111,995 |
| Cash flows from investing activities: | | |
| Proceeds from the maturity of investments | 109,214 | 149,104 |
| Purchase of investments | (133,742) | (109,214) |
| Interest received on investments | 14,194 | 11,072 |
| Net cash provided (used) by investing activities | (10,334) | 50,962 |
| Net increase (decrease) in cash and cash equivalents | (85,226) | 78,794 |
| Cash and cash equivalents, beginning of period | 351,044 | 272,250 |
| Cash and cash equivalents, end of period | \$ 265,818 | \$ 351,044 |

The accompanying notes are an integral part of this statement.

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Oakdale, Louisiana, is an incorporated municipality under the provisions of the Lawrason Act. The City operates under a Mayor-City Council Members form of government.

The financial statements of the City of Oakdale, Louisiana have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units, except for the omission of all component units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the City's accounting policies are described below.

A. Reporting Entity

The City of Oakdale, Louisiana, is a municipal corporation governed by an elected board. These financial statements present only the financial activity of the City of Oakdale, Louisiana, (the primary government). They do not include the data of the component units necessary for reporting in conformity with generally accepted accounting principles.

B. Fund Accounting

The City uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

The funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

Governmental Fund Types -

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 OAKDALE, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than 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 Fund

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

Proprietary Fund Type -

Enterprise Fund

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

Fiduciary Fund Type -

Master Bank Account

The Master Bank account is used to account for the operating checking account used by the City.

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting

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

The proprietary fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included in contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined, and "available" means the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Those revenues susceptible to accrual are property taxes, franchise taxes, grants, interest revenue, and charges for services. Fines, permits, and license revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The accrual basis of accounting is utilized by the proprietary fund. Under this method, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, with the following exceptions:

Utility services earned between billing cycles are not recognized as revenue until actually billed. Such amounts would not be material to the financial statements.

Purchases of various operating supplies are regarded as expenditures at the time purchased. Inventories, if any, are not material.

Proprietary fund types follow GAAP as prescribed by the Governmental Accounting Standards Board (GASBS) and all Financial Accounting Standards Board's (FASBS) standards issued prior to November 30, 1989. Subsequent to this date, the City has elected to apply FASB pronouncements provided they do not conflict or contradict GASB pronouncements.

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets

Operating budgets of proposed expenditures and the means of financing them were adopted for all governmental funds, consistent with generally accepted accounting principles. Budgeted amounts are as originally adopted or as amended by the City Council Members. Budgetary amendments involving the transfer of funds from one fund to another require approval of the City Council Members. All budgetary appropriations lapse at the end of each fiscal year.

E. Encumbrances

The City does not use the encumbrance method of accounting.

F. Cash and Investments

Cash includes amounts on hand and in demand deposits. Investments are stated at cost.

For the purpose of the statement of cash flows, management considers all highly liquid investments, including restricted assets, with a maturity of three months or less when purchased, to be cash equivalents.

G. 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.

H. Restricted Assets

Certain Utility System Enterprise Fund assets are classified as restricted assets because their use is limited by applicable bond covenants or action of the City Council Members. "Customers Deposit Accounts" report funds received from customers for utility deposits. The "Debt Service Account" segregates resources accumulated for debt service payments of the certificates of indebtedness over the next twelve months. The "Construction Account" segregates the proceeds of the certificates of indebtedness that are restricted for expansion of the sewerage treatment plant. "Sewer Plant Replacement Accounts" report resources set aside for future replacement of the City's sewerage treatment plant. "Water lines replacement account" segregates resources restricted for replacement of the City's water lines.

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Fixed Assets

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisitions and construction are reflected as expenditures in governmental funds, and the related assets are reported in the General Fixed Assets Account Group. All purchased fixed assets are valued at historical costs where records are available and at estimated historical costs where no historical records exist. Fixed assets with estimated historical costs of \$75,000 are included in the General Fixed Assets Account Group. Estimated historical costs were determined by management by comparison to costs of similar fixed assets acquired in the same general time frame for which historical cost records were available. Donated fixed assets are valued at their estimated fair market value on the date received.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are not capitalized, as these assets are immovable and of value only to the City.

Assets in the General Fixed Assets Account Group are not depreciated. Depreciation of buildings, equipment, and vehicles in the proprietary fund type is computed using the straight-line method.

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

J. Bond Issuance Costs

In governmental fund types, bond issuance costs are recognized in the current period. Bond issuance costs for the proprietary fund type are deferred and amortized over the term of the bonds using the effective interest method. Bond issuance costs are recorded as deferred charges.

K. Compensated Absences

Vacation and sick leave not used within the fiscal year does not accrue; therefore, no liability for compensated absences is reflected in the financial statements.

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Long-Term Obligations

Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financing resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in that fund.

M. Fund Equity

Contributed capital recorded in the proprietary fund represents capital grants or contributions from developers, customers, or other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

N. Memorandum Only - Total Columns

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

O. Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the government's financial position and operations. However, comparative data has not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

NOTE 2 LEGAL COMPLIANCE - BUDGETS

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

- A. The City Clerk prepares a proposed budget and submits same to the Mayor and City Council Members no later than fifteen days prior to the beginning of each fiscal year.

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements

NOTE 2 LEGAL COMPLIANCE – BUDGETS (CONTINUED)

- B. 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.
- C. A public hearing is held on the proposed budget after publication of the call for the hearing.
- D. After holding the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance.

Budgets for all Governmental Fund types are adopted consistent with state law which provides, in part, that appropriations for the fund cannot exceed estimated revenues plus fund balance. State law requires a budget amendment for General and Special Revenue Funds when revenue collections plus projected revenue collections for the remainder of the year, within a fund, are failing to meet estimated annual budgeted revenues by five percent or more, or when actual expenditures plus projected expenditures are exceeding budgeted expenditures by five percent or more.

NOTE 3 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, 2001, the City has cash and interest-bearing deposits (book balances) totaling \$1,285,921 as follows:

| | |
|-----------------|---------------------|
| Demand deposits | \$ 1,047,279 |
| Time deposits | <u>238,642</u> |
| Total | <u>\$ 1,285,921</u> |

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements

NOTE 3 CASH AND INTEREST-BEARING DEPOSITS (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, 2001 are secured as follows:

| | |
|---------------------------------|---------------------|
| Bank balances | <u>\$ 1,363,492</u> |
| Federal deposit insurance | 400,000 |
| Pledged securities (Category 3) | <u>2,000,720</u> |
| Total | <u>2,400,720</u> |
| Excess | <u>\$ 1,037,228</u> |

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

NOTE 4 RECEIVABLES

Receivables at June 30, 2001, consisted of the following:

| | |
|---|-------------------|
| General Fund: | |
| Accrued franchise taxes receivable | \$ 59,511 |
| Other receivables | 268,234 |
| Taxes receivable | 2,356 |
| Utility System Enterprise Fund: | |
| Accounts receivable - customers | 84,274 |
| Accounts receivable - other governmental entities | 49,550 |
| Other receivables | 12,632 |
| Special Revenue Funds: | |
| Sales tax receivable | 57,946 |
| Fire insurance tax receivable | 20,025 |
| Capital Projects Fund | |
| Other receivables | <u>5,154</u> |
| | <u>\$ 559,682</u> |

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements

NOTE 4 RECEIVABLES (Continued)

Accounts receivable - customers in the Enterprise Fund is shown net of allowance for doubtful accounts of \$51,637 at June 30, 2001.

NOTE 5 DUE FROM/TO OTHER FUNDS

Amounts due from or to other funds at June 30, 2001, consisted of the following:

| | <u>Due From Other Funds</u> | <u>Due to Other Funds</u> |
|--------------------------------|---------------------------------|-------------------------------|
| General Fund | \$ 123,828 | \$ 471,157 |
| Special Revenue Funds: | | |
| Sales Tax Fund | - | 89,166 |
| Fire Department Fund | 17,504 | 31,273 |
| Utility System Enterprise Fund | 683,853 | 78,933 |
| Master Bank Fund | 679,559 | 683,853 |
| Debt Service Fund | - | 150,362 |
| | <u>\$1,504,744</u> | <u>\$1,504,744</u> |

NOTE 6 RESTRICTED ASSETS

Restricted assets, at June 30, 2001, consisted of the following:

| | <u>Cash and Cash Equivalents</u> | <u>Investments</u> | <u>Total</u> |
|-------------------------------------|--|--------------------|-------------------|
| Customers' deposit accounts | \$ 71,554 | \$ 28,957 | \$ 100,511 |
| Debt service account | 680,281 | - | 680,281 |
| Construction account | 2,057 | - | 2,057 |
| Sewer plant replacement accounts | - | 133,742 | 133,742 |
| Water lines replacement account | <u>1,506</u> | <u>-</u> | <u>1,506</u> |
| | <u>\$ 755,398</u> | <u>\$ 162,699</u> | <u>\$ 918,097</u> |

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements

NOTE 7 FIXED ASSETS

A summary of changes in general fixed assets follows:

| | June 30, 2000 | Additions | Deletions | June 30, 2001 |
|----------------------------------|--------------------|-------------------|-------------------|--------------------|
| Land | \$ 532,583 | \$ - | \$ - | \$ 532,583 |
| Buildings | 5,610,391 | 26,178 | - | 5,636,569 |
| Improvements other than building | 178,306 | - | - | 178,306 |
| Equipment | 1,042,595 | 14,062 | 70,911 | 985,746 |
| Automobiles and trucks | <u>958,867</u> | <u>157,500</u> | <u>31,853</u> | <u>1,084,514</u> |
| Total general fixed assets | <u>\$8,322,742</u> | <u>\$ 197,740</u> | <u>\$ 102,764</u> | <u>\$8,417,718</u> |

A summary of proprietary fund type property, plant and equipment at June 30, 2001 follows:

| | |
|--|--------------------|
| Land | \$ 70,543 |
| Water department | 1,980,208 |
| Sewer department | 6,897,313 |
| General and administrative | 80,955 |
| Construction in progress | <u>1,308,947</u> |
| | 10,337,966 |
| Less: accumulated depreciation | <u>5,365,282</u> |
| Net Utility Fund property, plant and equipment | <u>\$4,972,684</u> |

In the Utility System Enterprise Fund, the following useful lives are used to compute depreciation on fixed assets:

| | |
|------------------|-------------|
| Waterworks: | |
| Wells | 20 years |
| Storage tanks | 40 years |
| Lines and meters | 50 years |
| Other equipment | 4-10 years |
| Sewerage System: | |
| Treatment plant | 20 years |
| Pump stations | 10-20 years |
| Lines | 50 years |
| Other equipment | 3-10 years |

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements

NOTE 7 FIXED ASSETS (CONTINUED)

Depreciation for the Utility System Enterprise Fund amounted to \$327,408 for the fiscal year.

Interest costs incurred in the Utility System Enterprise Fund amounted to \$16,588 for the fiscal year.

Interest costs capitalized in the Utility System Enterprise Fund amounted to \$42,921 for the fiscal year.

NOTE 8 LIABILITIES PAYABLE FROM RESTRICTED ASSETS

Liabilities payable from restricted assets at June 30, 2001, consisted of the following:

| | |
|---|------------------|
| Payable from customers' deposit accounts: | |
| Customers' deposits | <u>\$ 71,769</u> |

NOTE 9 LONG-TERM DEBT

The following is a summary of bonds and certificates of indebtedness transactions of the City for the year ended June 30, 2001:

The following is a summary of bonds and certificates of indebtedness transactions of the City for the year ended June 30, 2001:

| | June 30, 2000 | Additions | Deletions | June 30, 2001 |
|------------------------------|--------------------|-------------------|-------------------|---------------------|
| Capital leases, General Fund | \$ 5,031 | \$ - | \$ 5,031 | \$ - |
| Revolving loan | 854,195 | 668,510 | - | 1,522,705 |
| General obligation bonds | 1,271,082 | 150,000 | 304,959 | 1,116,123 |
| Revenue bonds | 125,000 | - | 60,000 | 65,000 |
| | <u>\$2,255,308</u> | <u>\$ 818,510</u> | <u>\$ 369,990</u> | <u>\$ 2,703,828</u> |

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements

NOTE 9 LONG-TERM DEBT (CONTINUED)

* Revolving Loan:

Revolving loan payable to the Louisiana Department of Environmental Quality (LDEQ) dated November 1, 1999. Payment terms require interest only from inception through February 1, 2002 at a rate of 3.45% plus an annual administrative fee of one-half of one percent (.5%) of the outstanding principal balance of the loan. The loan is secured by a borrower bond issued to the LDEQ in the amount of \$1,500,000. The bond is secured by a pledge of the City's 1% sales tax.

\$1,522,705

General obligation bonds and certificates of indebtedness:

General Obligation Refunding Bonds, dated 7/1/98, original issue of \$205,874, retired annually in various installment amounts, interest rate at 7.15% per annum, final maturity at 4/1/08

\$ 159,795

General Obligation Refunding Bonds of Sewerage District No. 1, dated 7/1/98, original issue of \$318,689, retired annually in various installment amounts, interest rate at 7.15% per annum, final maturity at 4/1/10

263,328

Certificate of Indebtedness, Series 1997, dated 5/1/96, original issue of \$500,000, retired annually in various installment amounts, interest rate at 5.5% per annum, final maturity 5/1/06

280,000

Sales Tax Refunding Bonds, Series 1999, dated 8/1/99, original issue of \$405,000, retired annually in various installment amounts, interest rate at 4.43% per annum, final maturity at 2/1/04

275,000

Certificate of Indebtedness, Series 2000, dated 12/1/00, original issue of \$150,000, retired annually in various installment amounts, interest rate at 5.75% per annum, final maturity at 5/1/10

138,000

\$1,116,123

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements

NOTE 9 LONG-TERM DEBT (CONTINUED)

Revenue Bonds and Certificates:

Certificate of Indebtedness, Series 1992, dated 1/1/92,
original issued of \$825,000, retired annually in
various installments amounts, interest rate of 7%
to 9% per annum, final maturity at 1/1/02

\$ 65,000

The annual requirements to amortize all debt outstanding as of June 30, 2001, including interest payments of \$1,030,464 are as follows:

| <u>Year Ending June 30,</u> | <u>Revolving Loan</u> | <u>General Obligation and Other Long-Term Debt</u> | <u>Revenue</u> | <u>Total</u> |
|---------------------------------|---------------------------|--|------------------|--------------------|
| 2002 | \$ 70,147 | \$ 259,721 | \$ 70,850 | \$ 400,718 |
| 2003 | 69,752 | 267,245 | - | 336,997 |
| 2004 | 74,357 | 261,071 | - | 335,428 |
| 2005 | 118,764 | 161,651 | - | 280,415 |
| 2006 | 121,394 | 159,241 | - | 280,635 |
| Beyond | <u>1,839,295</u> | <u>260,804</u> | <u>-</u> | <u>2,100,099</u> |
| Total | <u>\$2,293,709</u> | <u>\$1,369,733</u> | <u>\$ 70,850</u> | <u>\$3,734,292</u> |

*The revolving loan is anticipated to be an interim construction loan for the period from November 1, 1999 until the completion of the project. Provided the City is not in default with respect to the interim loan and the project is completed within specified time limits, LDEQ will convert the interim loan to a permanent loan. The borrower bond executed by the City as evidence of the interim loan will be appropriately marked after completion of the project and will represent the City's obligation to repay the loan. Terms of the bonded indebtedness require annual principal payments on February 1st of the years 2002-2021. Additional, interest payments will be required on February 1st and August 1st of each year at a rate of 3.45%.

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements

NOTE 10 RESERVED RETAINED EARNINGS - ENTERPRISE FUND

Changes in reserved retained earnings during the year were as follows:

| | <u>Sewer Plant Replacement</u> |
|-------------------------------|------------------------------------|
| Balance, beginning of year | \$ 109,214 |
| Interest earned on investment | 6,549 |
| Net transfers from operating | <u>17,979</u> |
| Balance, end of year | <u>\$ 133,742</u> |

NOTE 11 RESERVED FUND BALANCES - GOVERNMENTAL FUND TYPES

Reserved fund balances in governmental fund types consisted of the following at June 30, 2001:

| | |
|---------------------------|-------------------|
| Debt Service Funds: | |
| Reserved for debt service | <u>\$ 368,218</u> |

NOTE 12 AD VALOREM TAXES

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the City in September or October and are actually billed to the taxpayers in October or November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

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

For the year ended June 30, 2001, taxes of 17.40 mills were levied on property with assessed valuations totaling \$14,571,310 and were dedicated as follows:

| | |
|----------------------------|------------|
| General corporate purposes | 7.00 mills |
| Fire department | 5.77 mills |
| Debt service | 4.63 mills |

Total taxes levied were \$253,541.

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements

NOTE 13 ENTERPRISE FUND – OPERATIONS

The City operates a utility system consisting of a water production and distribution system, and a sewerage transmission and treatment plant. Following is a condensed summary of operations of the Utility System Enterprise Fund.

| | Water Department | Sewerage Department | Total Enterprise Fund |
|-------------------------|---------------------|------------------------|-----------------------------|
| Operating revenues | \$ 562,037 | \$ 427,579 | \$ 989,616 |
| Operating expenses | 259,238 | 709,783 | 969,021 |
| Operating income (loss) | \$ 302,799 | \$ (282,204) | \$ 20,595 |

NOTE 14 SPECIAL REVENUE FUNDS - SALES TAX

Sales Tax Ordinances

Proceeds of the one percent sales tax are to be used for the purpose of constructing, acquiring, extending, improving, operating and maintaining sewers and sewerage disposal works, waterworks facilities, streets, alleys, bridges, drains and drainage facilities; public buildings, purchasing and acquiring the necessary land, equipment and furnishings for the aforesaid public works, buildings, improvements and facilities; title to which shall be in the public, or for any one or more said purposes; and for the purpose of paying principal and interest on any bonded or funded indebtedness of the City incurred for any of the said purposes.

Proceeds of the three-tenths of one percent sales tax are dedicated for the purpose of improving, maintaining, and operating the Police and Fire Departments of the City, and for the purpose of paying the costs of the acquisition of equipment for the Department of Public Works.

The City received 23 percent of sales tax revenues from one taxpayer for the year ended June 30, 2001.

Flow of Funds - Restrictions on Use

Under the terms of the Sales Tax Refunding Bonds, Series 1999 and the Public Improvement Sales Tax Bonds, Series 1999 (which are used as collateral towards the revolving loan payable), all proceeds derived from the levy and collection of the City's one percent sales tax will be deposited in the Sales Tax Fund, a separate and special bank account established and maintained by the City. Out of the proceeds of the tax on deposit, after the reasonable and necessary costs and expenses of collection and administration of the tax have been paid, monies remaining are to be used in the following order of priority and for the following express purposes:

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements

NOTE 14 SPECIAL REVENUE FUNDS - SALES TAX (Continued)

The establishment and maintenance of Sales Tax Bond Sinking Funds for the payment of bonds and interest as they mature. Monthly transfers of sums equal to one-sixth of the interest falling due on the next interest payment date and one-twelfth of the bond principal falling due on the next principal payment date are to be made to this fund on or before the twentieth day of each month.

The establishment of a Reserve Fund. The Reserve Fund is to be retained solely for the purpose of paying the principal and interest on bonds payable from the aforementioned Public Improvement Sales Tax Bonds, Series 1999 issuance. The requirements are that the City will, on or before the twentieth of each month, deposit 25% of the amount required to be paid into the Sinking Fund until such time as there has been accumulated therein a sum equal to the lesser of 10% of the proceeds of the bonds or the maximum scheduled principal and interest requirements in any succeeding bond year.

Any money remaining after making the above required payments may be used for any purpose for which the imposition of the sales tax is authorized or for the purpose of retiring bonds in advance of their maturity.

NOTE 15 PENSION PLANS

Eligible employees of the City participate in one of three multiple-employer public employee retirement systems (PERS) which are controlled and administered by separate boards of trustees. These retirement systems provide retirement, disability and death benefits to plan members and their beneficiaries. Benefits under each system are established and amended by state statute. Pertinent information for each system follows:

Municipal Employees' Retirement System

The system, established by provisions of Louisiana Revised Statute 11:1731, requires eligible employees to contribute 9.25% of their annual covered salary to the system while the City is required to contribute at the statutory rate of 6.25% of the total annual covered salary. The City's contributions to the system for the years ended June 30, 2001, 2000, and 1999, were \$39,684, \$34,523, and \$36,717, respectively.

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

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements

NOTE 15 PENSION PLANS (Continued)

Municipal Police Employee's Retirement System

The system, established by provisions of Louisiana Revised Statute 11:2211, requires eligible employees to contribute 7.5% of their annual covered salary to the system while the City is required to contribute at the statutory rate of 9.0% of the total annual covered salary. The City's contributions to the system for the years ended June 30, 2001, 2000, and 1999, were \$39,634, \$38,507 and \$32,433, respectively.

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

Louisiana State Employees' Retirement System

The system, established by provisions of Louisiana Revised Statute 11:401, requires eligible employees to contribute 11.5% of their annual covered salary to the system while the City is required to contribute at the statutory rate of 12.4% of the total annual covered salary. The City's contributions to the system for the years ended June 30, 2001, 2000, and 1999, were \$1,713, \$1,529, and \$1,437, respectively.

NOTE 16 COMPENSATION OF TOWN OFFICIALS

A detail of compensation paid to the Mayor and City Council Members for the year ended June 30, 2001 follows:

| | |
|-----------------------|-----------|
| Bobby Abrusley, Mayor | \$ 25,764 |
| Aldermen: | |
| Nathan Benjamin | 6,000 |
| Roy Gordon | 5,400 |
| George A. Ashy II | 4,800 |
| Vernon Ware | 6,000 |
| Greg Strother | 5,400 |

NOTE 17 LEASES

The City leases City-owned land and buildings. These leases are classified as operating leases. The terms of the various leases are all one year or less, with no automatic renewal clauses contained in the lease agreements. Under the terms of the lease agreements, there are no contingent rentals, and the City received minimum lease payments totaling \$66,851 during the year ended June 30, 2001. The cost of land and buildings rented totaled \$2,981,004. These items are included in the General Fixed Assets Account Group and, accordingly, no depreciation is recorded.

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements

NOTE 18 STATEMENT OF CASH FLOWS

Below is a reconciliation of cash and cash equivalents per the statement of cash flows and the balance sheet:

| | |
|---------------------------|------------------|
| Cash and cash equivalents | \$265,818 |
| Investments | <u>133,742</u> |
| | <u>\$399,560</u> |

NOTE 19 EXCESS EXPENDITURES

The following funds had an excess of expenditures over appropriations for the year ended June 30, 2001:

| | <u>Budget</u> | <u>Actual</u> | <u>Excess of Actual over Budget</u> |
|------------------------------------|-------------------|-------------------|---|
| Debt Service: | | | |
| Certificate of Indebtedness - 1993 | <u>\$ 127,210</u> | <u>\$ 128,202</u> | <u>\$ 992</u> |
| Certificate of Indebtedness 2000 | <u>\$ -</u> | <u>\$ 17,717</u> | <u>\$ 17,717</u> |

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 OAKDALE, LOUISIANA
General Fund

Comparative Balance Sheets
June 30, 2001 and 2000

ASSETS

| | 2001 | 2000 |
|-----------------------|-------------------|-------------------|
| Cash | \$ 165,789 | \$ 144,046 |
| Accounts receivable | 330,101 | 175,847 |
| Prepaid expenditures | - | 24,387 |
| Due from other funds: | | |
| Utility System Fund | 78,933 | 78,933 |
| Sales Tax Fund | <u>44,895</u> | <u>44,895</u> |
| Total assets | <u>\$ 619,718</u> | <u>\$ 468,108</u> |

LIABILITIES AND FUND BALANCE

| | | |
|------------------------------------|-------------------|-------------------|
| Liabilities: | | |
| Accounts payable | \$ 148,561 | \$ 160,075 |
| Due to other funds - | | |
| Fire Department Fund | 16,689 | 16,689 |
| Master Bank | <u>454,468</u> | <u>266,957</u> |
| Total liabilities | <u>619,718</u> | <u>443,721</u> |
| Fund balance | | |
| Reserved for prepaid expenditures | <u>-</u> | <u>24,387</u> |
| Total liabilities and fund balance | <u>\$ 619,718</u> | <u>\$ 468,108</u> |

CITY OF OAKDALE, LOUISIANA
General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year Ended June 30, 2001
With Comparative Actual Amounts for Year Ended June 30, 2000

| | 2001 | | Variance - Favorable (Unfavorable) | 2000 Actual |
|--|--------------------|------------------|--|------------------|
| | Budget | Actual | | |
| Revenues: | | | | |
| Taxes | \$ 370,500 | \$ 386,983 | \$ 16,483 | \$ 399,509 |
| Licenses and permits | 176,000 | 177,651 | 1,651 | 173,215 |
| Intergovernmental | 27,300 | 157,874 | 130,574 | 140,939 |
| Fines and forfeits | 23,010 | 36,978 | 13,968 | 24,074 |
| Miscellaneous | <u>313,500</u> | <u>619,930</u> | <u>306,430</u> | <u>516,852</u> |
| Total revenues | <u>910,310</u> | <u>1,379,416</u> | <u>469,106</u> | <u>1,254,589</u> |
| Expenditures: | | | | |
| Current - | | | | |
| General government | 743,556 | 618,063 | 125,493 | 892,060 |
| Public safety | 917,180 | 891,869 | 25,311 | 678,045 |
| Health and recreation | 96,380 | 127,142 | (30,762) | 106,148 |
| Public works | 352,100 | 432,638 | (80,538) | 392,065 |
| Debt service | 9,178 | 4,803 | 4,375 | 10,834 |
| Grant expenditures | <u>-</u> | <u>100,295</u> | <u>(100,295)</u> | <u>89,773</u> |
| Total expenditures | <u>2,118,394</u> | <u>2,174,810</u> | <u>(56,416)</u> | <u>2,168,925</u> |
| Deficiency of revenues over expenditures | <u>(1,208,084)</u> | <u>(795,394)</u> | <u>412,690</u> | <u>(914,336)</u> |
| Other financing sources (uses): | | | | |
| Proceeds from bonds | 150,000 | 153,124 | 3,124 | - |
| Operating transfers in | 1,200,000 | 689,753 | (510,247) | 998,450 |
| Operating transfers out | <u>(123,000)</u> | <u>(71,870)</u> | <u>51,130</u> | <u>(78,092)</u> |
| Total other financing sources | <u>1,227,000</u> | <u>771,007</u> | <u>(459,117)</u> | <u>920,358</u> |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | 18,916 | (24,387) | (43,303) | 6,022 |
| Fund balance, beginning | <u>24,387</u> | <u>24,387</u> | <u>-</u> | <u>18,365</u> |
| Fund balance, ending | <u>\$ 43,303</u> | <u>\$ -</u> | <u>\$ (43,303)</u> | <u>\$ 24,387</u> |

CITY OF OAKDALE, LOUISIANA
General Fund

Statement of Revenues Compared to Budget (GAAP Basis)
Year Ended June 30, 2001
With Comparative Actual Amounts for Year Ended June 30, 2000

| | 2001 | | Variance - Favorable (Unfavorable) | 2000 Actual |
|---|-------------------|---------------------|--|---------------------|
| | Budget | Actual | | |
| Taxes: | | | | |
| Ad valorem | \$ 100,000 | \$ 96,647 | \$ (3,353) | \$ 111,972 |
| Franchise | 250,000 | 279,602 | 29,602 | 240,597 |
| Beer tax | 12,000 | 10,734 | (1,266) | 12,212 |
| Tobacco tax | 8,500 | - | (8,500) | 34,728 |
| | <u>370,500</u> | <u>386,983</u> | <u>16,483</u> | <u>399,509</u> |
| Licenses and permits: | | | | |
| Occupational licenses | 165,000 | 165,329 | 329 | 164,262 |
| Building permits | 11,000 | 12,322 | 1,322 | 8,953 |
| | <u>176,000</u> | <u>177,651</u> | <u>1,651</u> | <u>173,215</u> |
| Intergovernmental: | | | | |
| Housing authority - in lieu of taxes | 17,900 | 17,806 | (94) | 17,910 |
| State of Louisiana - State grant | - | 131,786 | 131,786 | 112,576 |
| Street maintenance | 9,400 | 6,258 | (3,142) | 9,725 |
| Allen Parish Police Jury - Other parish receipts | - | 2,024 | 2,024 | 728 |
| | <u>27,300</u> | <u>157,874</u> | <u>130,574</u> | <u>140,939</u> |
| Fines and forfeits: | | | | |
| Court fines | 20,010 | 31,319 | 11,309 | 19,342 |
| Penalties | 3,000 | 5,659 | 2,659 | 4,732 |
| | <u>23,010</u> | <u>36,978</u> | <u>13,968</u> | <u>24,074</u> |
| Miscellaneous: | | | | |
| DMV fees | 18,000 | 16,875 | (1,125) | 9,921 |
| Interest income | 8,000 | 5,483 | (2,517) | 13,256 |
| Rental income | 65,000 | 66,851 | 1,851 | 95,174 |
| Care of prisoners | 1,500 | 2,864 | 1,364 | 1,122 |
| Sale of surplus equipment | 1,000 | 54,890 | 53,890 | 2,003 |
| Sale of Highway 10 property | - | 91,271 | 91,271 | - |
| Gaming | 175,000 | 299,297 | 124,297 | 334,898 |
| Miscellaneous | 45,000 | 82,399 | 37,399 | 60,478 |
| | <u>313,500</u> | <u>619,930</u> | <u>306,430</u> | <u>516,852</u> |
| Total revenues | <u>\$ 910,310</u> | <u>\$ 1,379,416</u> | <u>\$ 469,106</u> | <u>\$ 1,254,589</u> |

CITY OF OAKDALE, LOUISIANA
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis)
Year Ended June 30, 2001
With Comparative Actual Amounts for Year Ended June 30, 2000

| | 2001 | | Variance - Favorable (Unfavorable) | 2000 Actual |
|--------------------------------------|---------------|---------------|--|----------------|
| | Budget | Actual | | |
| General government: | | | | |
| Legislative - | | | | |
| Salaries | \$ 27,600 | \$ 28,759 | \$ (1,159) | \$ 27,600 |
| Retirement | 1,325 | 1,372 | (47) | 1,277 |
| Employee health insurance | 11,500 | 6,835 | 4,665 | 9,204 |
| Payroll taxes | 350 | 713 | (363) | 686 |
| Travel and meetings | 4,500 | 4,191 | 309 | 2,699 |
| Dues, subscriptions, and memberships | <u>1,600</u> | <u>1,025</u> | <u>575</u> | <u>1,109</u> |
| | <u>46,875</u> | <u>42,895</u> | <u>3,980</u> | <u>42,575</u> |
| Judicial - | | | | |
| Salaries | 43,000 | 41,705 | 1,295 | 37,384 |
| Retirement | 1,750 | 2,004 | (254) | 207 |
| Employee health insurance | 14,000 | 10,084 | 3,916 | 12,362 |
| Unemployment | 165 | - | 165 | - |
| Payroll taxes | <u>250</u> | <u>229</u> | <u>21</u> | <u>95</u> |
| | <u>59,165</u> | <u>54,022</u> | <u>5,143</u> | <u>50,048</u> |
| Executive - | | | | |
| Salaries | 25,765 | 25,764 | 1 | 25,764 |
| Retirement | 1,600 | 1,610 | (10) | 1,481 |
| Employee health insurance | 10,500 | 6,385 | 4,115 | 9,213 |
| Travel | <u>3,000</u> | <u>3,596</u> | <u>(596)</u> | <u>3,194</u> |
| | <u>40,865</u> | <u>37,355</u> | <u>3,510</u> | <u>39,652</u> |
| Legal - | | | | |
| Salaries | 21,600 | 21,900 | (300) | 18,000 |
| Employee health insurance | 10,000 | 5,723 | 4,277 | 9,203 |
| Unemployment | 45 | - | 45 | - |
| Payroll taxes | <u>230</u> | <u>324</u> | <u>(94)</u> | <u>252</u> |
| | <u>31,875</u> | <u>27,947</u> | <u>3,928</u> | <u>27,455</u> |
| Financial administration - | | | | |
| Salaries | 125,000 | 122,282 | 2,718 | 122,595 |
| Retirement | 7,500 | 6,759 | 741 | 6,297 |
| Employee health insurance | 20,150 | 15,718 | 4,432 | 12,835 |
| Payroll taxes | 2,075 | 1,674 | 401 | 1,753 |
| Office and operating supplies | <u>42,200</u> | <u>36,553</u> | <u>5,647</u> | <u>38,738</u> |

(continued)

CITY OF OAKDALE, LOUISIANA
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis)
(Continued)
Year Ended June 30, 2001
With Comparative Actual Amounts for Year Ended June 30, 2000

| | 2001 | | Variance - Favorable (Unfavorable) | 2000 Actual |
|--------------------------------|--------------------|--------------------|--|--------------------|
| | Budget | Actual | | |
| Repairs and maintenance | 14,000 | 13,210 | 790 | 9,678 |
| Professional services | 25,000 | 25,510 | (510) | 18,610 |
| Telephone | 11,500 | 10,821 | 679 | 8,406 |
| Travel and meetings | 3,000 | 2,840 | 160 | 1,360 |
| Printing and advertising | 8,250 | 9,881 | (1,631) | 9,626 |
| Utilities | 20,500 | 20,882 | (382) | 23,762 |
| Insurance | 95,000 | 82,940 | 12,060 | 69,739 |
| Miscellaneous | 60,000 | 23,997 | 36,003 | 30,382 |
| Civil service board | 700 | 540 | 160 | 720 |
| Heliport expenses | 4,800 | 4,510 | 290 | 6,001 |
| Gas, oil, tires, and batteries | 600 | 591 | 9 | 590 |
| Litigation expense | 30,000 | 20,604 | 9,396 | 37,508 |
| Computer maintenance agreement | 10,000 | 11,166 | (1,166) | 9,343 |
| Christmas lighting | 13,000 | 12,688 | 312 | 14,485 |
| Capital outlay | - | 32,678 | (32,678) | 301,482 |
| Industrial buildings expenses | 7,001 | - | 7,001 | 8,420 |
| Civic Center | 29,500 | - | 29,500 | - |
| DMV fees | 35,000 | - | 35,000 | - |
| | <u>564,776</u> | <u>455,844</u> | <u>108,932</u> | <u>732,330</u> |
| Total general government | <u>743,556</u> | <u>618,063</u> | <u>125,493</u> | <u>892,060</u> |
| Public safety: | | | | |
| Salaries | 468,000 | 464,962 | 3,038 | 411,880 |
| Retirement | 43,730 | 40,642 | 3,088 | 39,646 |
| Employee health insurance | 53,000 | 44,807 | 8,193 | 28,874 |
| Payroll taxes | 6,250 | 10,946 | (4,696) | 7,346 |
| Office and operating supplies | 52,800 | 28,883 | 23,917 | 15,459 |
| Repairs and maintenance | 40,000 | 35,627 | 4,373 | 29,276 |
| Telephone | 8,200 | 7,550 | 650 | 7,187 |
| Witness fees | 16,000 | 15,055 | 945 | 14,925 |
| Utilities | 10,000 | 11,625 | (1,625) | 8,952 |
| Insurance | 15,000 | 14,833 | 167 | 25,254 |
| Uniform expense | 2,000 | 1,619 | 381 | 4,457 |
| Personnel training | 15,000 | 13,860 | 1,140 | 5,036 |
| Care of prisoners | 14,000 | 14,425 | (425) | 14,007 |
| Gas, oil, tires, and batteries | 19,700 | 20,302 | (602) | 17,288 |
| Capital expenditures | 150,000 | 165,061 | (15,061) | 44,488 |
| Miscellaneous | 3,500 | 1,672 | 1,828 | 3,970 |
| | <u>917,180</u> | <u>891,869</u> | <u>25,311</u> | <u>678,045</u> |

(Continued)

CITY OF OAKDALE, LOUISIANA
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis)
(Continued)
Year Ended June 30, 2001
With Comparative Actual Amounts for Year Ended June 30, 2000

| | Budget | Actual | Favorable (Unfavorable) | 2000 Actual |
|--------------------------------|---------------------|---------------------|----------------------------|---------------------|
| Health and Recreation: | | | | |
| Salaries | 30,000 | 38,320 | (8,320) | 26,298 |
| Retirement | 1,900 | 2,159 | (259) | 1,507 |
| Employee health insurance | 2,700 | 3,441 | (741) | - |
| Payroll taxes | 680 | 540 | 140 | 368 |
| Office and operating supplies | 8,000 | 7,310 | 690 | 8,152 |
| Repairs and maintenance | 17,500 | 43,963 | (26,463) | 40,989 |
| Utilities | 19,000 | 20,687 | (1,687) | 11,952 |
| Insurance | 1,300 | 1,344 | (44) | 1,751 |
| Coroner | 7,000 | 6,568 | 432 | 9,756 |
| Gas, oil, tires, and batteries | 3,500 | - | 3,500 | 2,724 |
| Capital expenditures | - | - | - | 2,150 |
| Miscellaneous | 4,800 | 2,810 | 1,990 | 501 |
| | <u>96,380</u> | <u>127,142</u> | <u>(30,762)</u> | <u>106,148</u> |
| Public works: | | | | |
| Salaries | 161,000 | 157,498 | 3,502 | 170,730 |
| Retirement | 11,000 | 7,945 | 3,055 | 7,701 |
| Employee health insurance | 20,000 | 17,359 | 2,641 | 10,053 |
| Payroll taxes | 2,300 | 2,385 | (85) | 2,563 |
| Office and operating supplies | 42,000 | 39,653 | 2,347 | 39,445 |
| Repairs and maintenance | 27,000 | 40,569 | (13,569) | 39,668 |
| Utilities | 57,000 | 76,326 | (19,326) | 69,163 |
| Insurance | 3,300 | 3,177 | 123 | 9,444 |
| Miscellaneous expenses | 12,000 | 71,356 | (59,356) | 6,679 |
| Gas, oil, tires, and batteries | 16,500 | 16,370 | 130 | 17,519 |
| Capital expenditures | - | - | - | 19,100 |
| | <u>352,100</u> | <u>432,638</u> | <u>(80,538)</u> | <u>392,065</u> |
| Debt service: | | | | |
| Principal | 9,178 | 4,803 | 4,375 | 10,834 |
| Grant expenditures | - | 100,295 | (100,295) | 89,773 |
| Total expenditures | <u>\$ 2,118,394</u> | <u>\$ 2,174,810</u> | <u>\$ (56,416)</u> | <u>\$ 2,168,925</u> |

SPECIAL REVENUE FUNDS

- Sales Tax Fund -** To account for the receipt and expenditure of funds received from the City's two sales taxes. Proceeds of the City's one percent sales tax are dedicated to (1) construction, acquiring, extending, improving, operating, and maintaining sewers and sewerage disposal works, waterworks facilities, streets, alleys, bridges, drains and drainage facilities, public buildings (2) acquiring the necessary land, equipment, and furnishings for the aforesaid public works, buildings, improvements, and facilities, and (3) paying principal and interest on any bonded or funded indebtedness of the City incurred for any of said purposes. Proceeds of the City's three-tenths of one percent sales tax are dedicated to (1) improving, maintaining, and operating the Police and Fire departments of the City, and (2) paying the costs of the acquisition of one hundred thousand dollars (\$100,000) of equipment for the Public Works Department of the City.
- Fire Department Fund -** To account for the operations of the Fire Department. Funding is provided by the Fire Department maintenance ad valorem tax and operating transfers from the General Fund and Sales Tax Fund.

CITY OF OAKDALE, LOUISIANA
Special Revenue Funds

Combining Balance Sheet
June 30, 2001
With Comparative Totals for June 30, 2000

| | | Sales Tax Fund | Fire Department Fund | Totals | |
|--|--|--------------------|----------------------------|--------------------|--------------------|
| | | | | 2001 | 2000 |
| ASSETS | | | | | |
| Cash | | \$ 160,514 | \$ - | \$ 160,514 | \$ 232,630 |
| Receivables: | | | | | |
| Sales tax | | 57,946 | - | 57,946 | 59,160 |
| Fire insurance tax | | - | 20,025 | 20,025 | - |
| Due from other funds: | | | | | |
| General Fund | | - | 16,689 | 16,689 | 16,689 |
| Sales Tax Fund | | - | 815 | 815 | 815 |
| | | <u> -</u> | <u> -</u> | <u> -</u> | <u> -</u> |
| Total assets | | <u>\$ 218,460</u> | <u>\$ 37,529</u> | <u>\$ 255,989</u> | <u>\$ 309,294</u> |
| LIABILITIES AND FUND BALANCE | | | | | |
| Liabilities: | | | | | |
| Accounts payable | | \$ - | \$ 6,256 | \$ 6,256 | \$ 8,121 |
| Due to other funds | | <u>89,166</u> | <u>31,273</u> | <u>120,439</u> | <u>171,879</u> |
| Total liabilities | | <u>89,166</u> | <u>37,529</u> | <u>126,695</u> | <u>180,000</u> |
| Fund balances - unreserved and undesignated | | <u>129,294</u> | <u> -</u> | <u>129,294</u> | <u>129,294</u> |
| Total liabilities and fund balances | | <u>\$ 218,460</u> | <u>\$ 37,529</u> | <u>\$ 255,989</u> | <u>\$ 309,294</u> |

CITY OF OAKDALE, LOUISIANA
Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2001
With Comparative Totals for Year Ended June 30, 2000

| | Sales Tax Fund | Fire Department Fund | Totals | |
|---|-------------------|----------------------------|-------------------|-------------------|
| | | | 2001 | 2000 |
| Revenues: | | | | |
| Taxes | \$ 812,156 | \$ 108,098 | \$ 920,254 | \$ 918,980 |
| Intergovernmental | - | 1,100 | 1,100 | 990 |
| Miscellaneous | <u>3,169</u> | <u>1,175</u> | <u>4,344</u> | <u>11,012</u> |
| Total revenues | <u>815,325</u> | <u>110,373</u> | <u>925,698</u> | <u>930,982</u> |
| Expenditures: | | | | |
| Current - | | | | |
| General government | 16,540 | - | 16,540 | 16,416 |
| Public safety | <u>-</u> | <u>177,221</u> | <u>177,221</u> | <u>175,296</u> |
| Total expenditures | <u>16,540</u> | <u>177,221</u> | <u>193,761</u> | <u>191,712</u> |
| Excess (deficiency) of revenues over expenditures | 798,785 | (66,848) | 731,937 | 739,270 |
| Other financing sources (uses): | | | | |
| Operating transfers in | - | 66,848 | 66,848 | 74,705 |
| Operating transfers out | (823,075) | - | (823,075) | (813,975) |
| Proceeds from borrowing | <u>668,510</u> | <u>-</u> | <u>668,510</u> | <u>854,195</u> |
| Total other financing sources (uses) | <u>(154,565)</u> | <u>66,848</u> | <u>(87,717)</u> | <u>114,925</u> |
| Excess of revenues and other sources over expenditures and other uses | 644,220 | - | 644,220 | 854,195 |
| Fund balances, beginning | 129,294 | - | 129,294 | 129,294 |
| Residual equity transfers to Utility System Fund | <u>(644,220)</u> | <u>-</u> | <u>(644,220)</u> | <u>(854,195)</u> |
| Fund balances, ending | <u>\$ 129,294</u> | <u>\$ -</u> | <u>\$ 129,294</u> | <u>\$ 129,294</u> |

CITY OF OAKDALE, LOUISIANA
Special Revenue Fund
Sales Tax Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year Ended June 30, 2001
With Comparative Actual Amounts for Year Ended June 30, 2000

| | 2001 | | Variance - Favorable (Unfavorable) | 2000 Actual |
|---|-------------------|-------------------|--|-------------------|
| | Budget | Actual | | |
| Revenues: | | | | |
| Taxes | \$ 840,000 | \$ 812,156 | \$ (27,844) | \$ 820,438 |
| Miscellaneous | 4,000 | 3,169 | (831) | 9,953 |
| Total revenues | <u>844,000</u> | <u>815,325</u> | <u>(28,675)</u> | <u>830,391</u> |
| Expenditures: | | | | |
| General government - | | | | |
| Sales tax collection fees | 16,800 | 16,540 | 260 | 16,416 |
| Total expenditures | <u>16,800</u> | <u>16,540</u> | <u>260</u> | <u>16,416</u> |
| Excess of revenues over expenditures | <u>827,200</u> | <u>798,785</u> | <u>(28,415)</u> | <u>813,975</u> |
| Other financing uses: | | | | |
| Operating transfers out | (827,200) | (823,075) | 4,125 | (1,048,266) |
| Proceeds from borrowings | - | 668,510 | 668,510 | 854,195 |
| Total other financing sources (uses) | <u>(827,200)</u> | <u>(154,565)</u> | <u>672,635</u> | <u>(194,071)</u> |
| Excess of revenues over expenditures and other uses | - | 644,220 | 644,220 | 619,904 |
| Fund balance, beginning | 129,294 | 129,294 | - | 129,294 |
| Residual equity transfers to Utility System Fund | - | (644,220) | (644,220) | (619,904) |
| Fund balance, ending | <u>\$ 129,294</u> | <u>\$ 129,294</u> | <u>\$ -</u> | <u>\$ 129,294</u> |

CITY OF OAKDALE, LOUISIANA
Special Revenue Fund
Fire Department Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year Ended June 30, 2001
With Comparative Actual Amounts for Year Ended June 30, 2000

| | 2001 | | Variance - Favorable (Unfavorable) | 2000 Actual |
|--|----------------|----------------|--|----------------|
| | Budget | Actual | | |
| Revenues: | | | | |
| Taxes - | | | | |
| Ad valorem taxes | \$ 74,000 | \$ 88,073 | \$ 14,073 | \$ 79,882 |
| Fire insurance tax | 17,000 | 20,025 | 3,025 | 18,660 |
| Intergovernmental - | | | | |
| Allen Parish Policy Jury | 990 | 1,100 | 110 | 990 |
| Miscellaneous | <u>1,000</u> | <u>1,175</u> | <u>175</u> | <u>1,059</u> |
| Total revenues | <u>92,990</u> | <u>110,373</u> | <u>17,383</u> | <u>100,591</u> |
| Expenditures: | | | | |
| Public safety - | | | | |
| Salaries | 110,000 | 110,409 | (409) | 106,637 |
| Fringe benefits | 19,000 | 15,027 | 3,973 | 16,109 |
| Office and operating supplies | 17,000 | 8,623 | 8,377 | 8,075 |
| Uniforms | 500 | - | 500 | 917 |
| Repairs and maintenance | 18,000 | 15,487 | 2,513 | 12,986 |
| Telephone and utilities | 16,000 | 14,662 | 1,338 | 9,911 |
| Training | 1,090 | 495 | 595 | 1,440 |
| Insurance | 4,800 | 6,103 | (1,303) | 5,501 |
| Gas, oil, tires, and batteries | 4,000 | 3,838 | 162 | 3,814 |
| Bond issuance costs | - | 2,499 | (2,499) | - |
| Miscellaneous | 1,300 | 78 | 1,222 | 1,300 |
| Capital expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>8,606</u> |
| Total expenditures | <u>191,690</u> | <u>177,221</u> | <u>14,469</u> | <u>175,296</u> |
| Deficiency of revenues over expenditures | (98,700) | (66,848) | 31,852 | (74,705) |
| Other financing sources: | | | | |
| Operating transfers in | <u>98,700</u> | <u>66,848</u> | <u>(31,852)</u> | <u>74,705</u> |
| Total other financing sources | <u>98,700</u> | <u>66,848</u> | <u>(31,852)</u> | <u>74,705</u> |
| Deficiency of revenues and other sources over expenditures | - | - | - | - |
| Fund balance, beginning | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance, ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

DEBT SERVICE FUNDS

These funds are used to accumulate monies for payment of general obligation debt consisting of the following:

General Obligation Refunding Bonds - City and Sewerage District No. 1, all secured as to payment by ad valorem taxes assessed on all property and improvements in the City of Oakdale.

Certificates of Indebtedness - all secured upon the dedication and pledging of excess annual revenues of the General Fund.

Sales Tax Refunding Bonds Series 2000, dated August 1, 2000, payable from proceeds of the one percent city sales and use tax.

CITY OF OAKDALE, LOUISIANA
Debt Service Funds

Combining Balance Sheet
June 30, 2001
With Comparative Totals for June 30, 2000

| | General Obligation Refunding City | General Obligation Refunding Sewerage District No. 1 | Certificate of Indebtedness 1993 |
|--------------------------------------|--|---|---|
| ASSETS | | | |
| Restricted assets: | | | |
| Debt service accounts | \$ 169,891 | \$ 228,358 | \$ 1,491 |
| Total assets | <u>\$ 169,891</u> | <u>\$ 228,358</u> | <u>\$ 1,491</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Due to other funds | \$ 69,116 | \$ 81,246 | \$ - |
| Fund balances: | | | |
| Reserved for debt service | <u>100,775</u> | <u>147,112</u> | <u>1,491</u> |
| Total liabilities and fund balances | <u>\$ 169,891</u> | <u>\$ 228,358</u> | <u>\$ 1,491</u> |

| Certificate of Indebtedness 1996 | Sales Tax Refunding Bond 1999 | Certificate of Indebtedness, Series 2000 | Totals | |
|---|-------------------------------------|---|-------------------|-------------------|
| | | | 2001 | 2000 |
| \$ 53,352 | \$ 59,058 | \$ 6,430 | \$ 518,580 | \$ 427,481 |
| <u>\$ 53,352</u> | <u>\$ 59,058</u> | <u>\$ 6,430</u> | <u>\$ 518,580</u> | <u>\$ 427,481</u> |
| \$ - | \$ - | \$ - | \$ 150,362 | \$ 150,362 |
| <u>53,352</u> | <u>59,058</u> | <u>6,430</u> | <u>368,218</u> | <u>366,462</u> |
| <u>\$ 53,352</u> | <u>\$ 59,058</u> | <u>\$ 6,430</u> | <u>\$ 518,580</u> | <u>\$ 516,824</u> |

CITY OF OAKDALE, LOUISIANA
Debt Service Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2001
With Comparative Totals for Year Ended June 30, 2000

| | General Obligation Refunding City | General Obligation Refunding Sewerage District No. 1 | Certificate of Indebtedness 1993 |
|---|--|---|---|
| Revenues: | | | |
| Taxes | \$ 43,665 | \$ 27,012 | \$ - |
| Miscellaneous | <u>3,724</u> | <u>4,906</u> | <u>1,404</u> |
| Total revenues | <u>47,389</u> | <u>31,918</u> | <u>1,404</u> |
| Expenditures: | | | |
| Debt service - | | | |
| Principal retirement | 20,201 | 22,758 | 120,000 |
| Interest and fiscal charges | 12,870 | 20,455 | 8,202 |
| Issuance costs | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenditures | <u>33,071</u> | <u>43,213</u> | <u>128,202</u> |
| Excess (deficiency) of revenues over expenditures | 14,318 | (11,295) | (126,798) |
| Other financing sources: | | | |
| Proceeds of refunding debt | - | - | - |
| Payment to refunded debt escrow agent | - | - | - |
| Operating transfers in | <u>33,408</u> | <u>79,917</u> | <u>92,475</u> |
| Total other financing services | <u>33,408</u> | <u>79,917</u> | <u>92,475</u> |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | 47,726 | 68,622 | (34,323) |
| Fund balances, beginning | <u>53,049</u> | <u>78,490</u> | <u>35,814</u> |
| Fund balances, ending | <u>\$ 100,775</u> | <u>\$ 147,112</u> | <u>\$ 1,491</u> |

| Certificate of Indebtedness 1996 | Sales Tax Refunding Bond 1999 | Certificate of Indebtedness 2000 | Totals | |
|---|-------------------------------------|---|-------------------|-------------------|
| | | | 2001 | 2000 |
| \$ - | \$ - | \$ - | \$ 70,677 | \$ 67,851 |
| <u>1,973</u> | <u>1,414</u> | <u>2,124</u> | <u>15,545</u> | <u>9,315</u> |
| <u>1,973</u> | <u>1,414</u> | <u>2,124</u> | <u>86,222</u> | <u>77,166</u> |
| 50,000 | 80,000 | 12,000 | \$ 304,959 | 439,043 |
| 15,726 | 18,550 | 5,717 | 81,520 | 103,481 |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>11,770</u> |
| <u>65,726</u> | <u>98,550</u> | <u>17,717</u> | <u>386,479</u> | <u>554,294</u> |
| (63,753) | (97,136) | (15,593) | (300,257) | (477,128) |
| - | - | - | - | 405,000 |
| - | - | - | - | (393,230) |
| <u>63,576</u> | <u>99,957</u> | <u>22,023</u> | <u>391,356</u> | <u>412,457</u> |
| <u>63,576</u> | <u>99,957</u> | <u>22,023</u> | <u>391,356</u> | <u>424,227</u> |
| (177) | 2,821 | 6,430 | 91,099 | (52,901) |
| <u>53,529</u> | <u>56,237</u> | <u>-</u> | <u>277,119</u> | <u>330,020</u> |
| <u>\$ 53,352</u> | <u>\$ 59,058</u> | <u>\$ 6,430</u> | <u>\$ 368,218</u> | <u>\$ 277,119</u> |

CITY OF OAKDALE, LOUISIANA
Debt Service Funds

Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget (GAAP Basis) and Actual
Year Ended June 30, 2001

| | General Obligation Refunding - City | | | General Obligations Refunding - Sewerage District No. 1 | | |
|--|-------------------------------------|-------------------|--|--|------------------|--|
| | Budget | Actual | Variance - Favorable (Unfavorable) | Budget | Actual | Variance - Favorable (Unfavorable) |
| Revenues: | | | | | | |
| Taxes - ad valorem | \$ 40,000 | \$ 43,665 | \$ 3,665 | \$24,000 | \$ 27,012 | \$ 3,012 |
| Miscellaneous | 2,500 | 3,724 | 1,224 | 4,500 | 4,906 | 406 |
| Total revenues | <u>42,500</u> | <u>47,389</u> | <u>4,889</u> | <u>28,500</u> | <u>31,918</u> | <u>3,418</u> |
| Expenditures: | | | | | | |
| Debt service - | | | | | | |
| Principal, interest, fiscal charges and advance refunding escrow | <u>33,071</u> | <u>33,071</u> | <u>-</u> | <u>43,214</u> | <u>43,213</u> | <u>1</u> |
| Excess (deficiency) of revenues over expenditures | 9,429 | 14,318 | 4,889 | (14,714) | (11,295) | 3,419 |
| Other financing sources: | | | | | | |
| Operating transfers in | - | 33,408 | 33,408 | 15,000 | 79,917 | 64,917 |
| Total other financing services | <u>-</u> | <u>33,408</u> | <u>33,408</u> | <u>15,000</u> | <u>79,917</u> | <u>64,917</u> |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | 9,429 | 47,726 | 38,297 | 286 | 68,622 | 68,336 |
| Fund balances, beginning | <u>53,049</u> | <u>53,049</u> | <u>-</u> | <u>78,490</u> | <u>78,490</u> | <u>-</u> |
| Fund balances, ending | <u>\$ 62,478</u> | <u>\$ 100,775</u> | <u>\$ 38,297</u> | <u>\$78,776</u> | <u>\$147,112</u> | <u>\$ 68,336</u> |

| Certificate of Indebtedness - 1993 | | | Certificate of Indebtedness - 1996 | | |
|------------------------------------|-----------------|------------------------------------|------------------------------------|------------------|------------------------------------|
| Budget | Actual | Variance - Favorable (Unfavorable) | Budget | Actual | Variance - Favorable (Unfavorable) |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| <u>1,500</u> | <u>1,404</u> | <u>(96)</u> | <u>1,750</u> | <u>1,973</u> | <u>223</u> |
| <u>1,500</u> | <u>1,404</u> | <u>(96)</u> | <u>1,750</u> | <u>1,973</u> | <u>223</u> |
| | | | | | |
| <u>127,210</u> | <u>128,202</u> | <u>(992)</u> | <u>68,150</u> | <u>68,150</u> | <u>-</u> |
| (125,710) | (126,798) | (1,088) | (66,400) | (66,177) | 223 |
| <u>125,000</u> | <u>92,475</u> | <u>(32,525)</u> | <u>65,000</u> | <u>66,000</u> | <u>1,000</u> |
| <u>125,000</u> | <u>92,475</u> | <u>(32,525)</u> | <u>65,000</u> | <u>66,000</u> | <u>1,000</u> |
| (710) | (34,323) | (33,613) | (1,400) | (177) | 1,223 |
| <u>35,814</u> | <u>35,814</u> | <u>-</u> | <u>53,529</u> | <u>53,529</u> | <u>-</u> |
| <u>\$ 35,104</u> | <u>\$ 1,491</u> | <u>\$ (33,613)</u> | <u>\$ 52,129</u> | <u>\$ 53,352</u> | <u>\$ 1,223</u> |

(Continued)

CITY OF OAKDALE, LOUISIANA
Debt Service Funds

Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget (GAAP Basis) and Actual (Continued)
Year Ended June 30, 2001

| | Sales Tax Refunding Bond 1999 | | | Indebtedness 2000 | | |
|--|----------------------------------|------------------|--|----------------------|-----------------|--|
| | Budget | Actual | Variance - Favorable (Unfavorable) | Budget | Actual | Variance - Favorable (Unfavorable) |
| Revenues: | | | | | | |
| Taxes - ad valorem | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Miscellaneous | 5,000 | 1,414 | (3,586) | - | 2,124 | 2,124 |
| Total revenues | <u>5,000</u> | <u>1,414</u> | <u>(3,586)</u> | <u>-</u> | <u>2,124</u> | <u>2,124</u> |
| Expenditures: | | | | | | |
| Debt service - | | | | | | |
| Principal, interest, fiscal charges and advance refunding escrow | <u>95,726</u> | <u>95,726</u> | <u>-</u> | <u>-</u> | <u>17,717</u> | <u>(17,717)</u> |
| Deficiency of revenues over expenditures | (90,726) | (94,312) | (3,586) | - | (15,593) | (15,593) |
| Other financing sources: | | | | | | |
| Operating transfers in | <u>54,000</u> | <u>97,133</u> | <u>43,133</u> | <u>1,646</u> | <u>22,023</u> | <u>20,377</u> |
| Total other financing services | <u>54,000</u> | <u>97,133</u> | <u>43,133</u> | <u>1,646</u> | <u>22,023</u> | <u>20,377</u> |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | (36,726) | 2,821 | 39,547 | 1,646 | 6,430 | 4,784 |
| Fund balances, beginning | <u>56,237</u> | <u>56,237</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances, ending | <u>\$ 19,511</u> | <u>\$ 59,058</u> | <u>\$ 39,547</u> | <u>\$ 1,646</u> | <u>\$ 6,430</u> | <u>\$ 4,784</u> |

CAPITAL PROJECTS FUND

LCDBG Sewer System Improvement Fund – To account for the financing and improvement of the City's sewer system.

CITY OF OAKDALE, LOUISIANA
Capital Projects Fund
Street Improvements Fund

Balance Sheet
June 30, 2001

ASSETS

| | |
|---------------------------|-----------------|
| Miscellaneous receivables | \$ 5,154 |
| Total assets | <u>\$ 5,154</u> |

LIABILITIES AND FUND BALANCES

| | |
|------------------------------------|-----------------|
| Accounts payable | \$ 5,154 |
| Total liabilities and fund balance | <u>\$ 5,154</u> |

CITY OF OAKDALE, LOUISIANA
 Capital Projects Fund
 Street Improvements Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance --
 Budget (GAAP Basis) and Actual
 June 30, 2001

| | Budget | Actual | Variance - Favorable (Unfavorable) |
|---|-------------------|-------------------|--|
| Revenues: | | | |
| Intergovernmental revenue | \$ _____ - | \$ 149,214 | \$ 149,214 |
| Expenditures: | | | |
| Current - Capital outlay | _____ - | 149,214 | 149,214 |
| Excess of revenues over expenditures | _____ - | _____ - | _____ - |
| Fund balance, beginning | _____ - | _____ - | _____ - |
| Fund balance, ending | <u>\$ _____ -</u> | <u>\$ _____ -</u> | <u>\$ _____ -</u> |

ENTERPRISE FUND

Utility Fund - To account for the provision of water and sewerage services to the residents of the City and some adjacent areas. All activities necessary to provide these services are accounted for in this fund, including, but not limited to: administration, operation, maintenance, financing and related debt service, and billing and collections.

CITY OF OAKDALE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Balance Sheets
June 30, 2001 and 2000

| | 2001 | 2000 |
|--|--------------------|--------------------|
| ASSETS | | |
| Current assets: | | |
| Cash | \$ 43 | \$ 43 |
| Accounts receivables | 133,824 | 142,440 |
| Other receivables | 12,632 | 111,845 |
| Due from other funds | - | 134,860 |
| Due from Master Bank Fund | <u>683,853</u> | <u>414,636</u> |
| Total current assets | <u>830,352</u> | <u>803,824</u> |
| Restricted assets: | | |
| Customers' deposit accounts | 100,511 | 122,615 |
| Debt service account | 161,701 | 106,636 |
| Construction account | 2,057 | 34,216 |
| Sewer plant replacement accounts | 133,742 | 109,214 |
| Water lines replacement account | <u>1,506</u> | <u>87,534</u> |
| Total restricted assets | <u>399,517</u> | <u>460,215</u> |
| Property, plant and equipment, at cost, net of accumulated depreciation (2001 - \$5,365,282; 2000 - \$5,037,875) | <u>4,972,684</u> | <u>4,611,050</u> |
| Other assets: | | |
| Bond issuance costs - net | <u>-</u> | <u>94</u> |
| Total assets | <u>\$6,202,553</u> | <u>\$5,875,183</u> |

LIABILITIES AND FUND EQUITY

| | 2001 | 2000 |
|--|--------------------|--------------------|
| Liabilities: | | |
| Current liabilities (payable from current assets) - | \$ 178,408 | \$ 230,079 |
| Accounts payable | 1,356 | 964 |
| Other current liabilities | <u>78,933</u> | <u>78,933</u> |
| Due to General Fund | <u>258,697</u> | <u>309,976</u> |
| Total current liabilities (payable from current assets) | | |
| Current liabilities (payable from restricted assets) - | | |
| Payable from customers' deposit accounts: | | |
| Customers' deposits | 71,769 | 59,006 |
| Payable from debt service accounts: | | |
| Certificates of indebtedness | 65,000 | 60,000 |
| Payable from construction account: | | |
| Accounts and contracts | <u> -</u> | <u>41,164</u> |
| Total current liabilities (payable from restricted assets) | <u>136,769</u> | <u>160,170</u> |
| Long-term liabilities - | | |
| Certificates of indebtedness payable | <u> -</u> | <u>65,000</u> |
| Total liabilities | <u>395,466</u> | <u>535,146</u> |
| Fund equity: | | |
| Contributed capital | <u>5,641,418</u> | <u>5,191,325</u> |
| Retained earnings - | | |
| Reserved for sewer plant replacement | 133,742 | 109,214 |
| Unreserved | <u>31,927</u> | <u>39,498</u> |
| Total accumulated deficit | <u>165,669</u> | <u>148,712</u> |
| Total fund equity | <u>5,807,087</u> | <u>5,340,037</u> |
| Total liabilities and fund equity | <u>\$6,202,553</u> | <u>\$5,875,183</u> |

CITY OF OAKDALE, LOUISIANA

Comparative Statements of Revenues, Expenses, and Changes in Retained Earnings
 Enterprise Fund
 Utility Fund
 Years Ended June 30, 2001 and 2000

| | <u>2001</u> | <u>2000</u> |
|---|-------------------|-------------------|
| Operating revenues: | | |
| Utility sales - net | \$ 924,766 | \$ 906,115 |
| Service and miscellaneous charges | <u>64,850</u> | <u>69,665</u> |
| Total operating revenues | <u>989,616</u> | <u>975,780</u> |
| Operating expenses: | | |
| Salaries | 122,838 | 130,251 |
| Fringe benefits | 23,707 | 28,753 |
| Professional fees | - | 31,207 |
| Supplies | 52,876 | 42,943 |
| Repairs and maintenance | 147,808 | 334,381 |
| Auto and truck expenses | 10,789 | 11,397 |
| Utilities | 214,503 | 150,619 |
| Insurance | 12,806 | 5,991 |
| Bad debts | 8,077 | 5,680 |
| Other | 48,209 | 42,799 |
| Depreciation | <u>327,408</u> | <u>325,635</u> |
| Total operating expenses | <u>969,021</u> | <u>1,109,656</u> |
| Operating income (loss) | <u>20,595</u> | <u>(133,876)</u> |
| Nonoperating revenues (expenses): | | |
| Special assistance | 57,640 | 63,595 |
| Interest earned | 14,194 | 11,072 |
| Interest expense | <u>(16,588)</u> | <u>(14,221)</u> |
| Total nonoperating revenues | <u>55,246</u> | <u>60,446</u> |
| Income (loss) before operating transfers | 75,841 | (73,430) |
| Operating transfers | | |
| Operating transfers in | 44,143 | 250,605 |
| Operating transfers out | <u>(297,156)</u> | <u>(609,859)</u> |
| Total operating transfers | <u>(253,013)</u> | <u>(359,254)</u> |
| Net loss before the add back of depreciation on federal grants | (177,172) | (432,684) |
| Add: Depreciation on fixed assets acquired by capital grants that reduces contributed capital from capital grants | <u>194,129</u> | <u>194,129</u> |
| Net decrease in retained earnings | 16,957 | (238,555) |
| Retained earnings, beginning | <u>148,712</u> | <u>387,267</u> |
| Retained earnings, ending | <u>\$ 165,669</u> | <u>\$ 148,712</u> |

CITY OF OAKDALE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statements of Operating Expenses By Department
Years Ended June 30, 2001 and 2000

| | 2001 | 2000 |
|------------------------------|------------|--------------|
| Water department: | | |
| Salaries | \$ 17,175 | \$ 29,444 |
| Fringe benefits | 6,894 | 10,714 |
| Professional fees | - | 31,207 |
| Supplies | 30,188 | 24,088 |
| Repairs and maintenance | 35,571 | 216,442 |
| Auto and truck expenses | 8,832 | 7,076 |
| Utilities | 93,949 | 62,260 |
| Insurance | 5,337 | 2,029 |
| Bad debts | 8,077 | 5,680 |
| Other | 8,799 | 11,066 |
| Depreciation | 44,416 | 45,451 |
| Total water department | 259,238 | 445,457 |
| Sewer department: | | |
| Salaries | 105,663 | 100,807 |
| Fringe benefits | 16,813 | 18,039 |
| Supplies | 22,688 | 18,855 |
| Repairs and maintenance | 112,237 | 117,939 |
| Auto and truck expenses | 1,957 | 4,321 |
| Utilities | 120,554 | 88,359 |
| Insurance | 7,469 | 3,962 |
| Other | 39,410 | 31,733 |
| Depreciation | 282,992 | 280,184 |
| Total sewer department | 709,783 | 664,199 |
| Total operating expenses | \$ 969,021 | \$ 1,109,656 |

CITY OF OAKDALE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statements of Cash Flows
Years Ended June 30, 2001 and 2000

| | 2001 | 2000 |
|--|------------|--------------|
| Cash flows from operating activities: | | |
| Operating income (loss) | \$ 20,595 | \$ (133,876) |
| Adjustments to reconcile operating income to net cash provided by operating activities - | | |
| Depreciation | 327,408 | 325,635 |
| Amortization | 103 | 315 |
| Changes in assets and liabilities: | | |
| Customers receivables | 8,616 | (6,121) |
| Due from other funds | 134,860 | - |
| Due from Master Bank | (269,217) | 268,527 |
| Other receivables | 99,213 | (95,082) |
| Accounts payable | (92,835) | 86,932 |
| Other current liabilities | 385 | (138) |
| Total adjustments | 208,533 | 580,068 |
| Net cash provided (used) by operating activities | 229,128 | 446,192 |
| Cash flows from noncapital financing activities: | | |
| Government subsidies | 57,640 | 63,595 |
| Decrease (increase) in customer deposits - net | 12,763 | (405) |
| Operating transfers in | 44,143 | 16,314 |
| Operating transfer out | (297,156) | (609,859) |
| Net cash provided (used) by noncapital financing activities | (182,610) | (530,355) |
| Cash flows from capital and related financing activities: | | |
| Contributed capital | 644,220 | 854,195 |
| Acquisition of property, plant and equipment | (689,042) | (672,979) |
| Repayments of revenue bonds and other indebtedness | (60,000) | (55,000) |
| Interest paid on long-term debt | (16,588) | (14,221) |
| Net cash provided (used) by capital and related financing activities | (121,410) | 111,995 |
| Cash flows from investing activities: | | |
| Proceeds from the maturity of investments | 109,214 | 149,104 |
| Purchase of investments | (133,742) | (109,214) |
| Interest received on investments | 14,194 | 11,072 |
| Net cash provided (used) by investing activities | (10,334) | 50,962 |
| Net increase (decrease) in cash and cash equivalents | (85,226) | 78,794 |
| Cash and cash equivalents, beginning of period | 351,044 | 272,250 |
| Cash and cash equivalents, end of period | \$ 265,818 | \$ 351,044 |

FIDUCIARY FUND

Master Bank Fund - To account for the operating checking account used by the City.

CITY OF OAKDALE, LOUISIANA
Fiduciary Fund
Master Bank Fund

Comparative Balance Sheets
June 30, 2001 and 2000

| | 2001 | 2000 |
|-------------------------------------|--------------------|--------------------|
| ASSETS | | |
| Cash | \$ 41,478 | \$ 44,410 |
| Due from General Fund | 454,468 | 266,957 |
| Due from Fire Department Fund | 31,274 | 9,383 |
| Due from Sales Tax Fund | 43,455 | 116,786 |
| Due from Bonded Debt | <u>150,362</u> | <u>15,502</u> |
| Total assets | <u>\$ 721,037</u> | <u>\$ 453,038</u> |
| LIABILITIES AND FUND BALANCE | | |
| Liabilities: | | |
| Other accrued liabilities | \$ 37,184 | \$ 38,402 |
| Due to Utility Fund | <u>683,853</u> | <u>414,636</u> |
| Total liabilities | <u>721,037</u> | <u>453,038</u> |
| Fund balance | <u> -</u> | <u> -</u> |
| Total liabilities and fund balance | <u>\$ 721,037</u> | <u>\$ 453,038</u> |

GENERAL FIXED ASSETS ACCOUNT GROUP

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

CITY OF OAKDALE, LOUISIANA
General Fixed Assets Account Group

Comparative Statements of General Fixed Assets
June 30, 2001 and 2000

| | 2001 | 2000 |
|--|--------------------|--------------------|
| General fixed assets, at cost: | | |
| Land | \$ 532,583 | \$ 532,583 |
| Buildings | 5,636,569 | 5,610,391 |
| Improvements other than buildings | 178,306 | 178,306 |
| Equipment | 985,746 | 1,042,595 |
| Automobiles and trucks | <u>1,084,514</u> | <u>958,867</u> |
| Total general fixed assets | <u>\$8,417,718</u> | <u>\$8,322,742</u> |
| Investment in general fixed assets: | | |
| Property acquired from - | | |
| General obligation bonds | \$1,307,320 | \$1,156,320 |
| General Fund revenue | 2,309,510 | 2,348,491 |
| Federal and state grants | 3,686,963 | 3,704,006 |
| Contributions from the public | 1,038,925 | 1,038,925 |
| Estimated value of assets acquired prior to June 30, 1972 | <u>75,000</u> | <u>75,000</u> |
| Total investment in general fixed assets | <u>\$8,417,718</u> | <u>\$8,322,742</u> |

CITY OF OAKDALE, LOUISIANA
General Fixed Assets Account Group

Statement of Changes in General Fixed Assets
Statement of General Fixed Assets By Function
Year Ended June 30, 2001

| | Land | Buildings | Improvements other than Buildings | Equipment | Automobiles and Trucks | Total |
|-------------------------------------|-------------------|---------------------|---|-------------------|------------------------------|---------------------|
| General Fixed Assets, July 1, 2000 | \$ 532,583 | \$ 5,610,391 | \$ 178,306 | \$ 1,042,595 | \$ 958,867 | \$ 8,322,742 |
| Additions: | | | | | | |
| General Fund Revenues | - | 26,178 | - | 14,062 | 6,500 | 46,740 |
| General Obligation Bonds | - | - | - | - | 151,000 | 151,000 |
| Deletions: | | | | | | |
| General Fund Revenues | - | - | - | 70,911 | 14,809 | 85,720 |
| State Grant Revenue | - | - | - | - | 17,044 | 17,044 |
| General Fixed Assets, June 30, 2001 | <u>\$ 532,583</u> | <u>\$ 5,636,569</u> | <u>\$ 178,306</u> | <u>\$ 985,746</u> | <u>\$ 1,084,514</u> | <u>\$ 8,417,718</u> |

STATEMENT OF GENERAL FIXED
ASSETS BY FUNCTION

| | | | | | | |
|--------------------|-------------------|---------------------|-------------------|-------------------|---------------------|---------------------|
| General government | \$ 330,190 | \$ 2,744,101 | \$ 12,762 | \$ 217,642 | \$ 39,760 | \$ 3,344,455 |
| Public safety | 40,000 | 148,624 | 36,172 | 333,448 | 860,215 | 1,418,459 |
| Recreation | 157,393 | 2,733,844 | 110,381 | 134,374 | - | 3,135,992 |
| Public works | 5,000 | 10,000 | 18,991 | 300,282 | 184,539 | 518,812 |
| | <u>\$ 532,583</u> | <u>\$ 5,636,569</u> | <u>\$ 178,306</u> | <u>\$ 985,746</u> | <u>\$ 1,084,514</u> | <u>\$ 8,417,718</u> |

GENERAL LONG-TERM DEBT ACCOUNT GROUP

CITY OF OAKDALE, LOUISIANA
General Long-Term Debt Account Group

Combining Statement of General Long-Term Debt
June 30, 2001

| | Sales Tax | Ad Valorem Taxes | Fund Revenue | Total |
|---|---------------------|---------------------|-------------------|---------------------|
| AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT | | | | |
| Amount available in debt service funds for debt retirement | \$ 59,058 | \$ 247,887 | \$ 61,273 | \$ 368,218 |
| Amounts to be provided from | | | | |
| Sales and use tax | 1,738,647 | - | - | 1,738,647 |
| Ad valorem taxes | - | 175,236 | - | 175,236 |
| General Fund revenue | - | - | 435,594 | 435,594 |
| Total available and to be provided | <u>\$ 1,797,705</u> | <u>\$ 423,123</u> | <u>\$ 496,867</u> | <u>\$ 2,717,695</u> |
| GENERAL LONG-TERM DEBT | | | | |
| Bonds payable | 1,797,705 | 423,123 | 418,000 | 2,638,828 |
| Estimated liabilities for claims and judgements | - | - | 78,867 | 78,867 |
| | <u>\$ 1,797,705</u> | <u>\$ 423,123</u> | <u>\$ 496,867</u> | <u>\$ 2,717,695</u> |

OTHER SUPPLEMENTARY DATA

CITY OF OAKDALE, LOUISIANA

Utility System Enterprise Fund
Schedule of Number of Utility Customers
(Unaudited)
June 30, 2001

| | <u>Number of Customers water and sewer</u> |
|-----------------------|--|
| Metered or estimated: | |
| July, 2000 | 2338 |
| August, 2000 | 2338 |
| September, 2000 | 2345 |
| October, 2000 | 2343 |
| November, 2000 | 2340 |
| December, 2000 | 2343 |
| January, 2001 | 2334 |
| February, 2001 | 2336 |
| March, 2001 | 2338 |
| April, 2001 | 2340 |
| May, 2001 | 2347 |
| June, 2001 | 2357 |

INTERNAL CONTROL, COMPLIANCE
AND
OTHER GRANT INFORMATION

CITY OF OAKDALE, LOUISIANA

Summary Schedule of Prior Year Findings
Year Ended June 30, 2001

- 00-1 Finding: Inadequate Segregation of Accounting Functions
Status: This finding is unresolved. See current year finding 01-1.
- 00-2 Finding: Budgets
Status: This finding is resolved.
- 00-3 Finding: Bond Reserves
Status: This finding is resolved.

CITY OF OAKDALE, LOUISIANA

Schedule of Findings and Questioned Costs
Year Ended June 30, 2001

Part 1: Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report - Financial Statements

A qualified opinion has been issued on the City of Oakdale, Louisiana's primary government financial statements as of and for the year ended June 30, 2001.

Reportable Conditions - Financial Reporting

One reportable condition in internal control over financial reporting was disclosed during the audit of the financial statements and is shown as item 01-1, in Part 2 and is considered to be a material weakness.

FEDERAL AWARDS

This section is not applicable for the fiscal year ended June 30, 2001.

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

01-1 Individual Segregation of Accounting Functions

Finding:

Due to the small number of accounting personnel, the City did not have adequate segregation of functions within the accounting system.

Recommendation:

Based on the size of the operation and the cost-benefit of hiring additional accounting personnel, it may not be feasible to achieve a complete segregation of duties.

Part 3: Findings and Questioned Costs Relating to Federal Programs

At June 30, 2001, the City of Oakdale, Louisiana did not meet the requirements to have a single audit in accordance with OMB Circular A-133, therefore this section is not applicable.

CITY OF OAKDALE, LOUISIANA

Management's Corrective Action Plan For Current Year Findings
Year Ended June 30, 2001

Response to finding 01-1:

A complete segregation of duties is not feasible due to the cost-benefit of hiring additional personnel and the size of the Organization.

Response to ML-1-01:

Billings have been brought up to date and are being monitored monthly.

Response to ML-2-01:

Delinquent accounts are being monitored and recommended procedures for adjusting utility bills have been placed in operation.

Response to ML-3-01:

The City Clerk will review purchase order procedures with appropriate personnel.

Response to ML-4-01:

The Mayor and City Clerk will revisit the City's policy relating to documentation for reimbursable expenses. Additionally, should changes arise, they will be communicated to all employees.



Darnall, Sikes & Frederick

(A Corporation of Certified Public Accountants)

Management Letter

Eugene H. Darnall, CPA, Retired 1990

E. Larry Sikes, CPA, CVA
Danny P. Frederick, CPA
Clayton E. Darnall, CPA
Eugene H. Darnall, III, CPA
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Stephanie M. Higginbotham, CPA
John P. Armato, CPA

Jennifer S. Ziegler, CPA
Chris A. Miller, CPA
Stephen R. Dischler, MBA, CPA
Steven G. Moosa, CPA

Kathleen T. Darnall, CPA
Erich G. Loewer, Jr., CPA
Erich G. Loewer, III, CPA
Tamera T. Landry, CPA
Carla R. Fontenot, CPA
Raegan D. Stelly, CPA
Hilda S. Guidry, CPA
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Abbeville, LA 70510
337.893.5470

The Honorable Mayor Robert Abrusley
and City Council Members
City of Oakdale, Louisiana

We have audited the financial statements of the City of Oakdale, Louisiana as of and for the year ended June 30, 2001, and have issued our report thereon dated August 30, 2001. We conducted our audit in accordance with standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

As a part of our examination, we have issued our report on the financial statements, dated August 30, 2001, and our report on internal control and compliance with laws, regulations and contracts, dated August 30, 2001.

During the course of our examination, we became aware of the following matters which represent immaterial deviations of compliance or suggestions for improving internal controls.

Suggestion ML-1-01 – Timely Billings

Noted during the course of our audit procedures was the fact that billings to the Federal Detention Center were not being billed on a timely basis. In an effort to improve cash flows of the City, we recommend that monitoring procedures be established to ensure timely billing.

Suggestion ML-2-01 – Delinquent Accounts

Accounts receivable of the utility system contained an unusually large amount of delinquent accounts. Additionally, during testing procedures it was noted that adjustments made to customer accounts were being handled by individuals who were also authorized to accept and post payments to customer accounts.

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

The Honorable Mayor Robert Abrusley
and City Council Members
Page 2

We recommend that procedures for adjusting utility bills be amended as follows: any customer requesting an adjustment to his/her bill must come into City Hall and fill out a formal adjustment form which is to be signed by the customer. Upon determining that an adjustment is indeed required, it should be evidenced by the signature of a meter reader as well as the Mayor or City Clerk. Independent reconciliation of all adjustments posted to adjustment forms should be done on a monthly basis. Additionally, delinquent accounts should be reviewed on a monthly basis ensure prompt payment or corrective action against bad debts.

Suggestion ML-3-01 – Purchase Order Completion

Noted during the course of our audit procedures was the fact that purchase order procedures were not being adhered to. Various purchase orders were completed and dated subsequent to the date of purchase invoices.

We recommend that all employees of the City, who are involved in purchasing, be reminded of the purchase order procedures and that the current policy be adhered to.

Suggestion ML-4-01 – Expense Documentation

Noted during the course of our audit procedures was the fact that certain expense reports of City employees were being submitted with incomplete or inadequate documentation.

We recommend that the City revisit it's policy and documentation requirements relating to reimbursable expenses of all elected officials as well as City employees. Furthermore, this policy should be reiterated to all employees and monitored to ensure compliance.

Dannall, Sikes & Frederick
A Corporation of Certified Public Accountants

Eunice, Louisiana
August 30, 2001