

CITY OF MANDEVILLE, LOUISIANA

August 31, 2000

Audit of Financial Statements

August 31, 2000

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Release Date 03/14/01

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To the Honorable Edward Price, III, Mayor
and Members of the City Council
City of Mandeville, Louisiana

Independent Auditor's Report

We have audited the accompanying general purpose financial statements of **CITY OF MANDEVILLE, LOUISIANA** as of and for the year ended August 31, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of **CITY OF MANDEVILLE, LOUISIANA**'s management. Our responsibility is to express an opinion on these general purpose financial statements and schedules based on our audit.

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

Detail records of inventories of fixed assets were not maintained for the General Fixed Assets Account Group and the Enterprise Fund prior to September 1, 1979. Because such records are not available for all of the City's fixed assets, we were unable to satisfy ourselves as to the propriety of the recorded amounts of the General Fixed Assets Account Group and the Enterprise Fund.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to the propriety of the recorded amount of the General Fixed Assets Account Group and the Enterprise Fund as referred to in the preceding paragraph, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of **CITY OF MANDEVILLE, LOUISIANA** as of August 31, 2000, and the results of its operations and the cash flows of its proprietary fund for the year ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated November 8, 2000, on our consideration of **CITY OF MANDEVILLE, LOUISIANA**'s internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the general purpose financial statements. In addition, the combining, individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the **CITY OF MANDEVILLE, LOUISIANA**. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.



A Professional Accounting Corporation

November 8, 2000

CITY OF MANDEVILLE, LOUISIANA
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
 August 31, 2000
 With Comparative Totals for 1999

	Governmental Fund Types				Proprietary Fund Type	Account Groups			Totals	
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds		Enterprise Fund	General Fixed Assets	General Long-Term Debt	(Memorandum Only)	
									2000	1999
ASSETS										
Cash	\$ 1,148,175	\$ 1,639,321	\$ 1,268,197	\$ 922,249	\$ 746,129	\$ -	\$ -	\$ 5,724,071	\$ 4,453,266	
Investments - at Amortized Cost	319,835	1,363,652	2,172,382	7,925,743	966,795	-	-	12,748,407	6,482,017	
Receivables:										
Water and Sewer	-	-	-	-	213,094	-	-	213,094	346,215	
Grants	-	-	-	-	-	-	-	-	191,902	
Other	85,158	5,632	43,268	93,243	63,029	-	-	290,330	93,245	
Due from Other Funds	692,577	-	-	-	272,984	-	-	965,561	196,958	
Inventory - at Cost	18,631	-	-	-	58,439	-	-	77,070	86,180	
Restricted Assets:										
Cash	542	-	-	-	85,532	-	-	86,074	142,239	
Land	-	-	-	-	-	1,145,708	-	1,145,708	891,836	
Buildings	-	-	-	-	-	1,774,871	-	1,774,871	1,774,871	
Improvements Other than Buildings	-	-	-	-	-	2,346,763	-	2,346,763	1,067,345	
Equipment	-	-	-	-	-	3,869,783	-	3,869,783	3,520,709	
Utility Plant and Equipment - Net of Accumulated Depreciation	-	-	-	-	17,183,443	-	-	17,183,443	16,394,689	
Amount Available in Debt Service Funds	-	-	-	-	-	-	2,790,507	2,790,507	1,949,583	
Amount to be Provided for Retirement of General Long-Term Debt Deposits	2,580	-	-	-	-	-	11,709,493	11,709,493	6,715,417	
Total Assets	\$ 2,267,498	\$ 3,008,605	\$ 3,483,847	\$ 8,941,235	\$ 19,589,445	\$ 9,137,125	\$ 14,500,000	\$ 60,927,755	\$ 44,309,052	

	Governmental Fund Types				Proprietary Fund Type	Account Groups			Totals		
	General Fund	Special Revenue Funds		Debt Service Funds		Capital Projects Funds	Enterprise Fund	General Fixed Assets	Long-Term Debt	2000	(Memorandum Only) 1999
		General Fund	Special Revenue Funds								
LIABILITIES											
Accounts Payable and Accrued Expenses	\$ 317,061	\$ -	\$ -	\$ 196,115	\$ 515,414	\$ -	\$ -	\$ -	\$ 1,028,590	\$ 885,382	
Payroll Taxes and Retirement Payable	22,638	-	-	-	8,975	-	-	-	31,613	19,012	
Due to Other Funds	267,103	-	692,577	-	5,881	-	-	-	965,561	196,958	
Customer Deposits	-	-	-	-	231,430	-	-	-	231,430	232,453	
Other Liabilities	-	656,987	-	-	-	-	-	-	656,987	131,493	
Payable from Restricted Assets:											
Revenue Bonds	-	-	-	-	24,000	-	-	-	24,000	23,000	
Accrued Interest	-	-	-	-	6,040	-	-	-	6,040	6,902	
Matured Bonds and Interest Coupons	-	-	763	-	-	-	-	-	763	68	
Revenue Bonds Payable	-	-	-	-	138,000	-	-	-	138,000	161,000	
General Obligation Bonds Payable	-	-	-	-	-	-	-	14,500,000	14,500,000	8,665,000	
Total Liabilities	606,802	656,987	693,340	196,115	929,740	-	-	14,500,000	17,582,984	10,321,268	
FUND EQUITY											
Contributed Capital	-	-	-	-	14,755,748	-	-	-	14,755,748	14,704,845	
Investment in General Fixed Assets	-	-	-	-	-	9,137,125	-	-	9,137,125	7,254,761	
Retained Earnings:											
Reserved for Debt Service	-	-	-	-	55,492	-	-	-	55,492	52,425	
Unreserved	-	-	-	-	3,848,465	-	-	-	3,848,465	3,103,169	
Fund Balances:											
Reserved for Inventory	18,631	-	-	-	-	-	-	-	18,631	18,631	
Reserved for Capital Expenditures	542	-	-	-	-	-	-	-	542	59,912	
Reserved for Debt Service	-	-	2,790,507	-	-	-	-	-	2,790,507	1,949,583	
Unreserved and Undesignated	1,641,523	127,214	-	-	-	-	-	-	1,768,737	1,949,544	
Designated for Future Expenditures	-	2,224,404	-	8,745,120	-	-	-	-	10,969,524	4,894,914	
Total Retained Earnings/ Fund Balance	1,660,696	2,351,618	2,790,507	8,745,120	3,903,957	-	-	-	19,451,898	12,028,178	
Total Fund Equity	1,660,696	2,351,618	2,790,507	8,745,120	18,659,705	9,137,125	-	-	43,344,771	33,987,784	
Total Liabilities and Fund Equity	\$ 2,267,498	\$ 3,008,605	\$ 3,483,847	\$ 8,941,235	\$ 19,589,445	\$ 9,137,125	\$ 14,500,000	\$ 60,927,755	\$ 44,309,052	\$ 44,309,052	

The accompanying notes are an integral part of these financial statements.

CITY OF MANDEVILLE, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
 For The Year Ended August 31, 2000
 With Comparative Totals for 1999

	General	Special Revenue	Debt Service	Capital Projects	Totals	
					2000	(Memorandum Only) 1999
REVENUES						
Taxes	\$ 1,430,915	\$ 7,122,984	\$ 133,003	\$ -	\$ 8,686,902	\$ 7,840,273
Licenses and Permits	805,092	-	-	-	805,092	805,348
Intergovernmental	1,002,471	79,422	-	-	1,081,893	1,973,104
Charges for Services	550,466	-	-	-	550,466	592,572
Fines and Forfeits	278,041	-	-	-	278,041	190,957
Interest Income	89,378	120,007	122,498	495,109	826,992	353,096
On-behalf Payments	116,948	-	-	-	116,948	112,220
Miscellaneous	130,602	7,592	7,367	-	145,561	207,717
Total Revenues	4,403,913	7,330,005	262,868	495,109	12,491,895	12,075,287
EXPENDITURES						
General Government	3,858,583	81,998	-	-	3,940,581	2,912,456
Public Safety	2,533,994	79,422	-	-	2,613,416	2,548,722
Miscellaneous	-	146	-	-	146	-
Public Works:						
Streets and Sanitation	1,254,380	-	-	-	1,254,380	2,184,709
On-behalf Payments	116,948	-	-	-	116,948	112,220
Cemetery	17,210	-	-	-	17,210	18,591
Debt Service:						
Principal Retirement	-	-	460,000	-	460,000	435,000
Interest and Fiscal Charges	-	-	764,471	-	764,471	471,451
Miscellaneous	-	-	28,850	-	28,850	16,162
Capital Projects	-	-	-	2,167,733	2,167,733	1,148,333
Total Expenditures	7,781,115	161,566	1,253,321	2,167,733	11,363,735	9,847,644
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,377,202)	7,168,439	(990,453)	(1,672,624)	1,128,160	2,227,643
OTHER FINANCING SOURCES (USES)						
Bond Proceeds	-	-	-	6,636,063	6,636,063	-
Operating Transfers In	3,543,500	2,964,493	1,831,377	778,191	9,117,561	5,050,172
Operating Transfers Out	-	(9,827,561)	-	-	(9,827,561)	(5,510,172)
Debt Service	(378,866)	-	-	-	(378,866)	(378,206)
Total Other Financing Sources (Uses)	3,164,634	(6,863,068)	1,831,377	7,414,254	5,547,197	(838,206)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(212,568)	305,371	840,924	5,741,630	6,675,357	1,389,437
FUND BALANCES - BEGINNING	1,873,264	2,046,247	1,949,583	3,003,490	8,872,584	7,483,964
ADDITION (REDUCTION) IN RESERVE FOR INVENTORY	-	-	-	-	-	(817)
FUND BALANCES - ENDING	\$ 1,660,696	\$ 2,351,618	\$ 2,790,507	\$ 8,745,120	\$ 15,547,941	\$ 8,872,584

The accompanying notes are an integral part of these financial statements.

CITY OF MANDEVILLE, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET
 (GAAP BASIS) AND ACTUAL - GENERAL, SPECIAL REVENUE AND CAPITAL PROJECT FUND TYPES
 For The Year Ended August 31, 2000

	General Fund			Special Revenue Funds			Variance - Favorable (Unfavorable)
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)	
REVENUES							
Taxes	\$ 1,400,000	\$ 1,450,915	\$ 50,915	\$ 6,800,000	\$ 7,122,984	\$ 322,984	
Licenses and Permits	805,500	805,092	(408)	-	-	-	
Intergovernmental	2,640,500	1,002,471	(1,638,029)	-	79,422	79,422	
Charges for Services	593,000	550,466	(42,534)	-	-	-	
Fines and Forfeits	200,000	278,041	78,041	-	-	-	
Interest Income	50,000	89,378	39,378	83,000	120,007	37,007	
On-behalf Payments	-	116,948	116,948	-	-	-	
Miscellaneous	114,000	130,602	16,602	8,000	7,592	(408)	
Total Revenues	5,803,000	4,403,913	(1,399,087)	6,891,000	7,330,005	439,005	
EXPENDITURES							
General Government	5,101,000	3,858,583	1,242,417	79,000	81,998	(2,998)	
Public Safety	2,579,500	2,533,994	45,506	-	79,422	(79,422)	
Miscellaneous	-	-	-	-	146	(146)	
Public Works:							
Streets and Sanitation	2,886,500	1,254,380	1,632,120	-	-	-	
On-behalf Payments	-	116,948	(116,948)	-	-	-	
Cemetery	20,000	17,210	2,790	-	-	-	
Total Expenditures	10,587,000	7,781,115	2,805,885	79,000	161,566	(82,566)	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,784,000)	(3,377,202)	1,406,798	6,812,000	7,168,439	356,439	
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	4,023,500	3,543,500	(480,000)	2,888,500	2,964,493	75,993	
Operating Transfers Out	(600,000)	-	(600,000)	(10,423,500)	(9,827,561)	595,939	
Debt Service	(380,000)	(378,866)	1,134	-	-	-	
Total Other Financing Sources (Uses)	3,043,500	3,164,634	121,134	(7,535,000)	(6,863,068)	671,932	
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(1,740,500)	(212,568)	1,527,932	(723,000)	305,371	1,028,371	
FUND BALANCES - BEGINNING	1,854,500	1,873,264	18,764	2,045,500	2,046,247	747	
FUND BALANCES - ENDING	\$ 114,000	\$ 1,660,696	\$ 1,546,696	\$ 1,322,500	\$ 2,351,618	\$ 1,029,118	

The accompanying notes are an integral part of these financial statements.

CITY OF MANDEVILLE, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET
 (GAAP BASIS) AND ACTUAL - GENERAL, SPECIAL REVENUE AND CAPITAL PROJECT FUND TYPES (Continued)
 For The Year Ended August 31, 2000

	Capital Projects Funds						Variance - Favorable (Unfavorable)
	Water Fund I			Water Fund II			
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)	
REVENUES							
Interest Income	\$ 35,000	\$ 48,430	\$ 13,430	\$ 180,000	\$ 335,260	\$ 155,260	\$ 111,419
Miscellaneous	35,000	48,430	13,430	180,000	335,260	155,260	111,419
Total Revenues							
EXPENDITURES							
Public Works:							
Construction Contracts	786,000	97,550	688,450	5,494,500	-	5,494,500	1,614,619
Engineers' Fees	105,000	11,033	93,967	650,000	213,263	436,737	161,112
Other Costs	5,000	-	5,000	5,000	(4,292)	9,292	1,989
Bond Issuance Costs	-	-	-	75,000	72,459	2,541	-
Total Expenditures	896,000	108,583	787,417	6,224,500	281,430	5,943,070	1,777,720
	(861,000)	(60,153)	800,847	(6,044,500)	55,830	6,098,330	(1,666,301)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES							
OTHER FINANCING SOURCES							
Bond Proceeds	-	-	-	6,636,063	6,636,063	63	-
Operating Transfers:							
Special Sales Tax	-	-	-	(36,500)	(36,063)	437	(150,000)
Sinking Fund	-	-	-	(555,000)	(555,001)	(1)	-
Reserve Fund	-	-	-	-	-	-	1,519,255
Sales Tax	-	-	-	6,044,500	6,044,999	499	1,369,255
Total Other Financing Sources							
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES							
	(861,000)	(60,153)	800,847	-	6,098,829	6,098,829	(297,046)
FUND BALANCES - BEGINNING							
	861,000	861,465	465	-	(4,405)	(4,405)	2,146,430
FUND BALANCES - ENDING							
	\$ -	\$ 801,312	\$ 801,312	\$ -	\$ 6,094,424	\$ 6,094,424	\$ 1,849,384

The accompanying notes are an integral part of these financial statements.

**CITY OF MANDEVILLE, LOUISIANA
COMPARATIVE STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS -
PROPRIETARY FUND TYPE - ENTERPRISE FUND**

	For The Years Ended	
	August 31,	
	2000	1999
OPERATING REVENUES		
Charges for Services:		
Water	\$ 610,351	\$ 570,406
Sewerage	752,405	778,321
Tapping Fees - Water Department	24,820	50,225
Tapping Fees - Sewer Department	18,100	30,230
Delinquent Charges	58,267	55,078
Service Charge	20,524	20,679
Sewer Inspection Fees	1,450	2,575
Sewer Impact Fees	68,642	81,146
Water Impact Fees	78,748	100,088
Water Inspection Fees	1,625	2,850
DHH Fees	10,959	-
Miscellaneous	43,321	181,202
	1,689,212	1,872,800
OPERATING EXPENSES		
Water Department	939,792	812,259
Sewer Department	1,118,371	1,205,220
	2,058,163	2,017,479
Total Operating Expenses		
Operating (Loss)	(368,951)	(144,679)
NON-OPERATING REVENUES (EXPENSES)		
Grant Income	40,000	24,700
Interest Income	104,710	57,876
Interest and Fiscal Charges	(8,338)	(9,475)
	136,372	73,101
Total Non-Operating Revenues		
(Loss) Before Operating Transfers	(232,579)	(71,578)
OPERATING TRANSFERS IN		
Special Revenue Fund	710,000	460,000
	710,000	460,000
Total Net Operating Transfers In		
NET INCOME	477,421	388,422
ADD DEPRECIATION ON FIXED ASSETS ACQUIRED WITH SALES TAX BONDS THAT REDUCES CONTRIBUTED CAPITAL FROM GOVERNMENT	270,942	240,289
NET INCREASE IN RETAINED EARNINGS	748,363	628,711
RETAINED EARNINGS - BEGINNING	3,155,594	2,526,883
RETAINED EARNINGS - ENDING	\$ 3,903,957	\$ 3,155,594

The accompanying notes are an integral part of these financial statements.

**CITY OF MANDEVILLE, LOUISIANA
COMPARATIVE STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE**

	For The Years Ended	
	August 31,	
	2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	\$ 477,421	\$ 388,422
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	522,192	427,712
Change in Assets and Liabilities:		
Decrease (Increase) in Accounts Receivable	133,121	(10,327)
(Increase) in Other Receivables	(29,110)	(30,988)
Decrease in Due from Other Funds	(272,984)	-
Decrease in Inventory	9,110	8,550
Increase in Accounts Payable and Accrued Expenses	330,527	61,365
Increase in Payroll Taxes and Retirement Payable	2,900	818
Increase (Decrease) in Due to Other Funds	(97,689)	16,230
(Decrease) Increase in Customer Deposits	(1,023)	12,380
(Decrease) in Accrued Loss Contingency	(20)	(9,980)
(Decrease) in Accrued Interest Payable	(862)	(825)
Net Cash Provided by Operating Activities	1,073,583	863,357
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease (Increase) in Investments	115,618	(415,293)
Net Cash Provided by (Used in) Investing Activities	115,618	(415,293)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and Construction of Capital Assets	(1,310,946)	(1,083,215)
Principal Paid on Revenue Bond Maturities	(22,000)	(22,000)
Capital Contributed from Other Funds	321,845	592,622
Net Cash (Used in) Capital and Related Financing Activities	(1,011,101)	(512,593)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	178,100	(64,529)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	653,561	718,090
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 831,661	\$ 653,561
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Interest Paid	\$ 9,200	\$ 10,300

The accompanying notes are an integral part of these financial statements.

**CITY OF MANDEVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE A

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The **CITY OF MANDEVILLE, LOUISIANA**, (the "City") adopted the Home Rule Charter on November 16, 1985 under the provisions of Article VI, Section 5, of the Louisiana Constitution of 1974. The City operates under a Mayor-Council form of government and provides the following services as authorized by its charter: public safety, highways and streets, sanitation and utilities, health and social services, culture and recreation, public improvements, planning and zoning, and general administrative services.

The accounting and reporting policies of the **CITY OF MANDEVILLE, LOUISIANA**, conform to generally accepted accounting principles as applicable to governments except for the valuation of fixed assets as further discussed in this note. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

1. REPORTING ENTITY

As the governing authority of the City, for financial reporting purposes, the **CITY OF MANDEVILLE, LOUISIANA**, is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (the City), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the City to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City.
2. Organizations for which the City does not appoint a voting majority but are fiscally dependent on the City.

**CITY OF MANDEVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE A

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. REPORTING ENTITY (Continued)

3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the City has determined that there are no component units that are part of the reporting entity.

2. FUND ACCOUNTING

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

GOVERNMENTAL 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.

SPECIAL REVENUE FUNDS

The 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 FUND

The Debt Service Fund is 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

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).

**CITY OF MANDEVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE A

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. FUND ACCOUNTING (Continued)

PROPRIETARY FUND TYPES

ENTERPRISE FUND

The Enterprise Fund is 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 the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

3. FIXED ASSETS AND LONG-TERM LIABILITIES

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance (net current assets). Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations are accounted for in a General Fixed Assets Account Group rather than in governmental funds. Fixed assets consisting of certain improvements other than building, including roads, bridges, curbs and gutters, streets and sidewalks, and lighting systems, have not been capitalized. Such assets normally are immovable and of value only to the City. Therefore, the purpose of stewardship for capital expenditures is satisfied without recording these assets. The City did not maintain a detailed property ledger for either the Enterprise Fund or the General Fixed Assets Group of Accounts prior to September 1, 1979.

No depreciation has been provided on general fixed assets, nor has interest been capitalized during the current year.

**CITY OF MANDEVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE A

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. FIXED ASSETS AND LONG-TERM LIABILITIES (Continued)

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

The City did not maintain inventories of fixed assets prior to September 1, 1979. Detailed records and the valuation of fixed asset additions for the following years were maintained:

<u>Year Ending</u>	<u>Fixed Asset Additions</u>	
	<u>General Fixed Assets</u>	<u>Enterprise Fund</u>
August 31, 1980	\$ 171,556	\$ 32,727
August 31, 1981	50,529	2,888
August 31, 1982	123,175	337,838
August 31, 1983	289,784	468,969
August 31, 1984	225,576	1,209,808
August 31, 1985	248,405	826,147
August 31, 1986	204,006	307,257
August 31, 1987	130,396	32,184
August 31, 1988	174,270	1,797,863
August 31, 1989	268,629	4,740,309
August 31, 1990	48,956	799,211
August 31, 1991	183,533	271,377
August 31, 1992	138,707	364,381
August 31, 1993	196,614	167,443
August 31, 1994	232,944	780,975
August 31, 1995	613,638	112,069
August 31, 1996	905,465	97,540
August 31, 1997	904,518	2,363,257
August 31, 1998	393,156	1,828,700
August 31, 1999	814,539	2,664,960
August 31, 2000	<u>1,882,363</u>	<u>1,310,946</u>
Total	<u>\$ 8,200,759</u>	<u>\$ 20,516,849</u>

Donated fixed assets are valued at their estimated fair value on the date donated.

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

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

**CITY OF MANDEVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE A

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. FIXED ASSETS AND LONG-TERM LIABILITIES (Continued)

The proprietary fund is accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities associated with their activity are included on the balance sheet. The reported fund equity is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases and decreases in net total assets.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method or other acceptable methods. The estimated useful lives are as follows:

Sewerage System	10 - 50 Years
Equipment	3 - 5 Years

4. BASIS OF ACCOUNTING

All governmental funds are accounted for using the modified accrual basis of accounting. These revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred except that principal and interest on general long-term debt is recognized when due. Purchase of various operating supplies are regarded as expenditures at the time purchased.

All proprietary funds are accounted for using the accrual basis of accounting, whereby revenues are recognized when they are earned and expenses are recognized when incurred.

In accordance with GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting," it is the City's policy to apply all applicable GASB pronouncements as well as all FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

5. BUDGETS AND BUDGETARY ACCOUNTING

All proposed budgets must be completed and submitted to the City Council no later than fifteen days prior to the beginning of each fiscal year. The operating budget includes proposed expenditures and the means of financing them. The final budget must be adopted before the ensuing fiscal year begins.

**CITY OF MANDEVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE A

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. BUDGETS AND BUDGETARY ACCOUNTING (Continued)

The **CITY OF MANDEVILLE, LOUISIANA**, adopted a line item budget on a basis consistent with generally accepted accounting principles for the following funds: General Fund, Special Revenue Fund, Capital Projects Fund and Enterprise Fund. A formal budget was not adopted for the Debt Service Fund because effective budgetary control is alternately achieved through general obligation bond provisions.

According to line item budgeting, actual expenditures for each line item may not exceed its corresponding budgeted amount. The budget may be amended under the same procedures as were followed under its adoption. The budgets presented have been amended.

Every appropriation, except an appropriation for a capital expenditure, shall lapse at the close of the fiscal year to the extent that it has not been expended or encumbered. An appropriation for a capital expenditure shall continue in force until the purpose for which it was made has been accomplished or abandoned; the purpose of any such appropriation shall be deemed abandoned if one (1) year passes without any disbursement from or encumbrance of the appropriation.

6. CASH AND INVESTMENTS

Cash includes amounts in demand deposits as well as time certificates of deposit.

Statutes authorize the City to invest in the following types of securities:

- (1) Direct U.S. Treasury obligations, the principal and interest of which are fully guaranteed by the U.S. Government.
- (2) Fully-collateralized certificates of deposit issued by qualified commercial banks and savings and loan institutions located within the State of Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.
- (3) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies, or by U.S. government instrumentalities which are federally sponsored, and provided such obligations are backed by the full faith and credit of the U.S.
- (4) Direct repurchase agreements of any federal bank entry only securities enumerated in paragraphs (1) and (3) above. "Direct security repurchase agreement" means an agreement under which the political subdivision buys, holds for a specified time, and then sells back those securities and obligations enumerated in paragraphs (1) and (3) above.

**CITY OF MANDEVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE A

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. CASH AND INVESTMENTS (Continued)

- (5) *Mutual or trust fund institutions which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the U.S. government or its agencies.*

Short-term investments are stated at amortized cost, which approximates market. Certain investments, as required by Government Auditing Standards Board Pronouncement No. 31 are reported at fair value which is determined using selected bases.

Cash and Cash Equivalents consists of cash, as defined above, including restricted cash.

7. INVENTORIES

Governmental fund type inventories are basically accounted for using the "purchases" method.

It was not practicable to determine the amount of governmental fund type inventories at August 31, 2000, and therefore, such inventories are not reported in the accompanying governmental fund type financial statements as required by generally accepted accounting principles. In the opinion of management, such inventories would be immaterial to the financial statements.

There exist inventories of cemetery plots of \$15,236 and mausoleum crypts of \$3,395 at August 31, 2000. These inventories are valued at cost.

Materials and supplies inventory of the proprietary funds are stated at the lower of cost or market, or at cost, determined by the first-in, first-out method.

8. COMPARATIVE DATA

Comparative total data for the prior year have been presented in the accompanying general purpose financial statements in order to provide an understanding of changes in the City's financial position and operations. However, comparative data has not been presented in each of the statements because their inclusion would make the statements unduly complex and difficult to read.

9. TOTAL COLUMNS ON COMBINED STATEMENTS - OVERVIEW

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

**CITY OF MANDEVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE A

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. PROPERTY TAXES

Property taxes are due on January 1 and delinquent if not paid by March 31. Property taxes are recorded as revenues upon receipt of payments. Property on which the taxes have not been paid is adjudicated to the City after being offered for sale to the public. Receivables - Tax liens is reflected in the financial statements. Total property tax revenue for the year ended August 31, 2000 was \$1,064,818 and is recorded in the funds as follows:

General Fund	\$ 931,815
Debt Service Fund	<u>133,003</u>
	<u>\$ 1,064,818</u>

11. SALES TAXES

Sales tax collections for the year ended August 31, 2000 was \$7,122,984 and was collected from the following sources:

1% Special Sales and Use Tax	\$ 2,623,190
1% Sales and Use Tax	2,623,190
State Parish & Municipal Motor Vehicle Sales Tax	565,008
½% Sales and Use Tax	<u>1,311,596</u>
	<u>\$ 7,122,984</u>

As of July 1, 1992, the City is no longer the collecting agent for sales taxes. Sales taxes are now being collected by the St. Tammany Sheriff's Office for the entire parish.

12. ACCUMULATED UNPAID VACATION LEAVE AND SICK PAY

A majority of employees may accrue annual leave up to a maximum of 30 days. At termination, employees are paid for any accumulated annual leave. No payment is made to terminated employees for accrued sick leave. The amount of accumulated annual leave payable in the accompanying general purpose financial statements at August 31, 2000 is \$189,155.

13. ACCOUNTS RECEIVABLE

Uncollectible amounts due for customers' utility receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectability of the particular receivable. The allowance is \$53,000 at August 31, 2000.

14. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

**CITY OF MANDEVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE B

CHANGES IN GENERAL FIXED ASSETS

A summary of changes in General Fixed Assets follows:

	Balance September 1, 1999	Additions	Deletions	Balance August 31, 2000
Land	\$ 891,836	\$ 253,872	\$ -	\$ 1,145,708
Buildings	1,774,871	-	-	1,774,871
Improvements Other than Buildings	1,067,345	1,279,418	-	2,346,763
Equipment	<u>3,520,709</u>	<u>349,074</u>	<u>-</u>	<u>3,869,783</u>
Total	<u>\$ 7,254,761</u>	<u>\$ 1,882,364</u>	<u>\$ -</u>	<u>\$ 9,137,125</u>

A summary of Proprietary Fund Type property, plant and equipment at August 31, 2000 follows:

Water and Sewer System and Equipment	\$ 21,742,862
Construction in Progress	<u>414,429</u>
	22,157,291
Less: Accumulated Depreciation	<u>4,973,848</u>
Net	<u>\$ 17,183,443</u>

Depreciation expense for the year ended August 31, 2000 was \$522,193. Of this amount \$270,942 was depreciation on assets purchased with bond money.

NOTE C

CHANGES IN LONG-TERM DEBT

The following is a summary of bond transactions of the City for the year ended August 31, 2000:

	Certificate of Indebtedness	General Obligation	Water Revenue	Total
Bonds and Certificates Payable at September 1, 1999	\$ 1,685,000	\$ 6,980,000	\$ 184,000	\$ 8,849,000
Bonds Issued	-	6,600,000	-	6,600,000
Bonds Retired	<u>(305,000)</u>	<u>(460,000)</u>	<u>(22,000)</u>	<u>(787,000)</u>
Bonds and Certificates Payable at August 31, 2000	<u>\$ 1,380,000</u>	<u>\$ 13,120,000</u>	<u>\$ 162,000</u>	<u>\$ 14,662,000</u>

**CITY OF MANDEVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE D

COMBINED SCHEDULE OF BONDS PAYABLE - AUGUST 31, 2000

Sales Tax Bonds	Payment Dates	Interest		Years	Annual Serial Payments	
		Year or Certificate Number	% Rate		Amount	Balance
Series 1990. Issued						
12/1/90 for \$6,265,000	1/1 and	2001	6.85	2001	\$ 335,000	\$ 335,000
(Refunding Series 1987	7/1	2002	6.90	2002	360,000	360,000
Sales Tax Bonds)		2003	6.95	2003	385,000	385,000
Payable from Special		2004	7.00	2004	410,000	410,000
1% Sales Tax		2005	7.05	2005	440,000	440,000
		2006	7.10	2006	470,000	470,000
		2007	7.20	2007	505,000	505,000
		2008	7.20	2008	540,000	540,000
		2009	7.20	2009	575,000	575,000
						4,020,000
Series 1991. Issued						
12/1/90 for \$1,865,000	1/1 and	2001	6.40	2001	\$ 105,000	\$ 105,000
(Street Improvements)	7/1	2002	6.50	2002	110,000	110,000
Payable from Special		2003	6.60	2003	120,000	120,000
1% Sales Tax		2004	6.60	2004	130,000	130,000
		2005	6.60	2005	135,000	135,000
		2006	6.60	2006	150,000	150,000
		2007	6.60	2007	155,000	155,000
		2008	6.60	2008	170,000	170,000
		2009	6.60	2009	185,000	185,000
						1,260,000
Series 1999. Issued						
9/1/99 for \$6,600,000	1/1 and	2001	7.00	2001	\$ 210,000	\$ 210,000
(Water Improvements)	7/1	2002	7.00	2002	220,000	220,000
Payable from Special		2003	7.00	2003	230,000	230,000
1% Sales Tax		2004	6.75	2004	245,000	245,000
		2005	6.50	2005	255,000	255,000
		2006	6.15	2006	270,000	270,000
		2007	4.55	2007	285,000	285,000
		2008	4.60	2008	300,000	300,000
		2009	4.65	2009	315,000	315,000
		2010	4.75	2010	335,000	335,000
		2011	4.85	2011	350,000	350,000
		2012	4.90	2012	370,000	370,000
		2013	5.00	2013	390,000	390,000
		2014	5.00	2014	410,000	410,000
		2015	5.00	2015	435,000	435,000
		2016	5.00	2016	455,000	455,000
		2017	5.10	2017	480,000	480,000
		2018	5.13	2018	510,000	510,000
		2019	5.13	2020	535,000	535,000
						6,600,000

**CITY OF MANDEVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE D

COMBINED SCHEDULE OF BONDS PAYABLE - AUGUST 31, 2000 (Continued)

Water Improvement Bonds	Payment Dates	Interest		Years	Annual Serial Payments	
		Year or Certificate Number	% Rate		Amount	Balance
Bonds Issued 2/1/94 for \$1,500,000, Payable from Ad Valorem Taxes	2/1 and 8/1	2001	4.1	2001	\$ 55,000	\$ 55,000
		2002	4.2	2002	60,000	60,000
	2003	4.3	2003	65,000	65,000	
	2004	4.4	2004	65,000	65,000	
	2005	4.5	2005	70,000	70,000	
	2006	4.7	2006	75,000	75,000	
	2007	4.9	2007	80,000	80,000	
	2008	5.05	2008	90,000	90,000	
	2009	5.1	2009	95,000	95,000	
	2010	5.15	2010	100,000	100,000	
	2011	5.2	2011	110,000	110,000	
	2012	5.25	2012	115,000	115,000	
	2013	5.25	2013	125,000	125,000	
	2014	5.25	2014	135,000	135,000	
						1,240,000
Total General Obligation Bonds						\$ 13,120,000

Water Revenue Bonds	Payment Dates	Interest		Years	Annual Serial Payments	
		Year or Certificate Number	% Rate		Amount	Balance
Bonds Issued 12/8/80 for \$450,000 (Water and Sewer) Payable from Water and Sewer Revenues	12/8	1999-2005	5.00%	2000		\$ 24,000
				2001		25,000
				2002		26,000
				2003		27,000
				2004		29,000
				Thereafter		31,000
Total Water Revenue Bonds						\$ 162,000

**CITY OF MANDEVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE D

COMBINED SCHEDULE OF BONDS PAYABLE - AUGUST 31, 2000 (Continued)

Certificate of Indebtedness	Payment Dates	Interest		Years	Annual Serial Payments	
		Year or Certificate Number	% Rate		Amount	Balance
Certificates dated 2/17/94						
for \$3,000,000, Payable	2/1 and	2001	4.82	2001	\$ 320,000	\$ 320,000
from Excess General	8/1	2002	4.82	2002	335,000	335,000
Fund Revenues		2003	4.82	2003	355,000	355,000
		2004	4.82	2004	370,000	370,000
Total Certificates of Indebtedness						<u>\$ 1,380,000</u>

NOTE E

ANNUAL REQUIREMENTS TO AMORTIZE LONG-TERM DEBT

The following is a schedule of principal and interest debt service requirements to maturity:

Year Ending August 31,	Certificate of Indebtedness	General Obligation	Water Revenue Bonds	Total
2001	\$ 378,804	\$ 1,460,698	\$ 32,050	\$ 1,871,552
2002	378,019	1,457,431	31,850	1,867,300
2003	381,390	1,455,690	31,600	1,868,680
2004	378,916	1,450,565	31,300	1,860,781
2005	-	1,442,381	31,000	1,473,381
2006-2019	-	11,899,435	32,450	11,931,885
	<u>\$ 1,517,129</u>	<u>\$ 19,166,200</u>	<u>\$ 190,250</u>	<u>\$ 20,873,579</u>

\$2,790,507 is available in the Debt Service Fund to service the General Obligation Bonds.

**CITY OF MANDEVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE E

ANNUAL REQUIREMENTS TO AMORTIZE LONG-TERM DEBT (Continued)

There are a number of limitations and restrictions contained in the water revenue bond indenture. The status of these deposit requirements are as follows:

	August 31, 2000		
	Required Balance	Actual Balance	Variance- Favorable (Unfavorable)
Sinking Fund	\$ 24,085	\$ 24,085	\$ -
Reserve Fund	31,124	31,124	-
Depreciation and Contingency Fund	30,324	30,324	-
Totals	\$ 85,533	\$ 85,533	\$ -

The City performed a defeasance of its Series 1987 Sales Tax Bonds in accordance with Chapter 14 of Title 39 of the Louisiana Revised Statutes of 1950, as amended. An advance refunding was performed whereby new debt (Series 1990 Sales Tax Bonds) was issued to provide money to pay interest on old, outstanding debt as it becomes due and to pay principal on the old debt as it matures. The proceeds from the sale of the advance refunding bonds has been placed in an irrevocable trust with Bank One (Escrow Agent) to be used solely for satisfying scheduled payments of both interest and principal of the defeasible debt. The total amount of defeased debt outstanding at August 31, 2000 is \$1,490,000.

NOTE F

MAUSOLEUM ENDOWED CARE TRUST FUND

The City entered into an agreement with the Citizens Bank and Trust Company on June 24, 1966 creating "Lake Lawn Park, Inc., Endowed Care Trust, Town of Mandeville". This trust fund was created to provide for the maintenance and care of the mausoleum. On July 19, 1991, the account was transferred to the Whitney National Bank Trust Division upon the closing of the Trust Department at Citizens Bank. The trust can make disbursements to the City "upon presentation to the company of an itemized and notarized statement of maintenance expenses and costs approved and signed by the mayor". This account is not reflected on the financial statements because the Trust Fund is not considered a part of the reporting entity. The balance of this account as of June 30, 2000 is:

Fed GNMA Trust and Fed Max-Cap Funds	<u>\$ 43,265</u>
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**CITY OF MANDEVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE G

OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Generally accepted accounting principles require disclosure, as part of the combined financial statements, of certain information concerning individual funds including:

Individual fund interfund receivable and payable balances. Such balances at August 31, 2000 were:

Fund	Interfund Receivables	Interfund Payables
General Fund	\$ 692,577	\$ 267,103
Debt Service Funds	-	692,577
Enterprise Fund	272,984	5,881
	\$ 965,561	\$ 965,561

NOTE H

LITIGATION

The City is a defendant in several lawsuits which are currently pending. The City persists in its vigorous defense of these lawsuits and maintains that the defenses available should shield the City from liability or, at a minimum, preclude the amount of damages sought by the plaintiffs. The majority of the cases are covered by insurance and, in the opinion of legal counsel for the City, the ultimate resolutions of these cases will not result in a significant liability to the City.

NOTE I

RESERVE FOR CAPITAL EXPENDITURES

The reserve for capital expenditures is \$542. The reserve for capital expenditures is restricted for certain police acquisitions.

NOTE J

PENSION PLANS

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (MERS)

Plan Description and Provisions:

All of the City's full-time employees, other than police employees, participate in the MERS, a multiple-employer, cost sharing pension plan. The payroll for employees covered by the MERS for the year ended August 31, 2000 was \$1,655,817. The City's total payroll, excluding police department, was \$1,756,121.

**CITY OF MANDEVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE J

PENSION PLANS (Continued)

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (MERS) (Continued)

Employees can retire providing they meet one of the following criteria:

1. Age 55 with thirty (30) years of creditable service.
2. Age 60 with a minimum of ten (10) years of creditable service.
3. Under age 60 with ten (10) years of creditable service eligible for disability benefits.
4. Survivor's benefits require twenty (20) years creditable service at death of member.

Generally, the monthly amount of the retirement allowance for any member shall consist of an amount equal to 2% of the member's final compensation multiplied by his years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

If a member's employment is terminated before the member is eligible for any benefits under MERS, the member shall receive a refund of his member contributions.

Description of Funding Policy:

The System's contribution requirements are not actuarially determined. Instead, the contribution requirements are currently established by statute. As of July 1, 1999, the statutory rates were 5% member contribution and 5.75% employer contribution of the total covered payroll. The City has elected to pay the member contribution as an additional benefit to City employees. The City's contribution requirement for the years ended August 31, 2000, 1999 and 1998 was \$226,379, \$131,272 and \$106,540 which represents 13.67%, 8.23% and 7.71%, respectively, equal to the required contributions for each year.

The City approved an upgrade in employees' retirement benefits by participating in Plan A of the MERS effective September 1, 1999. This upgrade increased the City's contribution rate to approximately 15% in future years. The City included an additional \$97,000 in its operating budget for the year end August 31, 2000 for the additional contribution required for Plan A.

Trend Information:

Five-year historical trend information presenting the MERS' progress in accumulating sufficient assets to pay benefits when due is presented in the MERS June 30, 1999 annual financial report. The MERS June 30, 2000 annual financial report was not available as of the date of this audit report. That report may be obtained by writing to MERS at 7937 Office Park Blvd., Baton Rouge, LA 70809.

**CITY OF MANDEVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE J

PENSION PLANS (Continued)

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM (MPERS)

Plan Description and Provision:

All of the City's full-time police officers participate in the MPERS, a multiple-employer, cost sharing pension plan. The payroll for employees covered by the MPERS was \$1,471,514 including \$116,948 of state supplemental pay. The City's total police department payroll was \$1,471,514.

Any member is eligible for normal retirement after he has been a member of the System for one year, if he has 25 years of creditable service at any age or has 20 years creditable service and is age 50 or has 12 years creditable service and is age 55.

Benefit's rates are three and one-third percent of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years creditable service not to exceed 100% of final salary.

A member is eligible to receive disability benefits if he was an active contributing member of the Retirement System or, if he is no longer a member but has 20 years creditable service established in the System and suffers disability which has been certified by examination by a member of the State-wide Medical Disability Board. A service related disability requires no certain number of years of creditable service, however, a non-service connected disability requires five years of creditable service.

The disability benefits are calculated at three percent of average final compensation multiplied by years of creditable service, but shall not be less than 40% nor more than 60% of average final compensation. Upon reaching the age required for regular retirement, the disability pensioner receives the greater of disability benefit or accrued benefit earned to date of disability.

Upon the death of an active contributing member, or disability retiree, the plan provides benefits for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from 40-60% of the member's average final compensation.

Description of Funding Policy:

Effective July 1, 1994, contributions for all member employees are established by statute at 7.5% of employee's earnable compensation excluding overtime, but including state supplemental pay and 9% employer contribution. The City has elected to pay the member contribution as an additional benefit to City police employees. The City's contribution requirement for the years ended August 31, 2000, 1999 and 1998 was \$220,538, \$160,091 and \$167,485 which represents 17.20%, 19.31% and 18.64% of covered payroll, respectively.

**CITY OF MANDEVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE J

PENSION PLANS (Continued)

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM (MPERS) (Continued)

Trend Information:

Five-year historical trend information presenting the MPERS' progress in accumulating sufficient assets to pay benefits when due is presented in the MPERS June 30, 1999 annual financial statements. The MPERS June 30, 2000 annual financial report was not available as of the date of this audit report. That report may be obtained by writing to MPERS at 8401 United Plaza Blvd., Room 270, Baton Rouge, LA 70809-7017.

NOTE K

DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by an independent plan administrator through an administrative service agreement. The City's administrative involvement is limited to transmitting amounts withheld to the plan administrator who performs investing functions.

Plan assets are held in trust for the exclusive benefit of the participants and their beneficiaries. The assets will not be diverted to any other purpose. Accordingly, the plan assets and related liabilities have not been included herein.

NOTE L

CASH AND TIME CERTIFICATES OF DEPOSIT

At year-end, the carrying amount of the City's bank deposits was \$4,847,948 (including \$86,074 of restricted cash) and the bank balance was \$4,060,308. The difference was primarily due to outstanding checks. Of the bank balance, approximately \$400,000 was covered by federal depository insurance. In compliance with State laws, the remaining balance of \$4,447,948 of these deposits was secured by bank-owned securities specifically pledged to the City and held by an independent custodian bank jointly in the name of the City and the bank. Louisiana Revised Statutes 39:1229 imposes a statutory requirement on the custodian bank to advertise and sell the pledged securities within 10 days of being notified by the City that the fiscal agent has failed to pay deposited funds upon demand.

**CITY OF MANDEVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE M

INVESTMENTS

The City's investments (which include \$1,385,868 reserved for debt service) are categorized below to give an indication of the level of risk assumed by the City at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the City's name. Category 3 includes uninsured and 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. Investments carrying values approximate fair market value individually and in the aggregate.

	Category			Carrying Amount
	1	2	3	
U.S. Government Securities and Instrumentalities	<u>\$ -</u>	<u>\$7,827,079</u>	<u>\$ -</u>	\$ 7,827,079
Investment in a Pool Managed by the Louisiana Asset Management Pool				<u>4,921,328</u>
Total Investment				<u>\$ 12,748,407</u>

NOTE N

ON-BEHALF PAYMENTS

In accordance with GASB No. 24, "Accounting and Financial Reporting for Certain Grants and Other Financial Assistance", the amount of state supplemental wages paid directly to police officers, has been recognized by the City as revenues and expenditures. The amount recognized for the year ended August 31, 2000 was \$116,948.

NOTE O

SUBSEQUENT EVENTS

In September 2000, the City issued \$4,915,000 of Sales Tax Refunding Bonds in order to refinance existing obligations at lower interest rates. The bonds are secured by and payable solely from the avails or proceeds received by the City from the levy and collection of a 1% sales and use tax currently being collected by the City.

GENERAL FUND

To account for all financial resources except those required to be accounted for in another fund.

**CITY OF MANDEVILLE, LOUISIANA
GENERAL FUND**

COMPARATIVE BALANCE SHEET

ASSETS

	August 31,	
	2000	1999
CURRENT ASSETS		
Cash	\$ 1,148,175	\$ 1,695,928
Investments - at Amortized Cost	319,835	318,819
Receivables:		
Grants	-	191,902
Other	85,158	12,213
Due from Other Funds:		
Enterprise Fund	-	103,570
Water Fund II	-	4,627
Debt Service Fund	692,577	88,761
Meter Deposits	2,580	2,580
Inventory:		
Unsold Cemetery Plots and Mausoleum Crypts	18,631	18,631
Total Current Assets	2,266,956	2,437,031
RESTRICTED ASSETS		
Cash	542	59,912
Total Restricted Assets	542	59,912
Total Assets	\$ 2,267,498	\$ 2,496,943
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 317,061	\$ 604,836
Payroll Taxes and Retirement Payable	22,638	12,937
Due to Other Funds:		
Enterprise Fund	267,103	-
Debt Service Fund	-	5,906
Total Liabilities	606,802	623,679
FUND BALANCE		
Reserved for Inventory of Unsold Cemetery and Mausoleum Crypts	18,631	18,631
Reserved for Capital Expenditures	542	59,912
Unreserved and Undesignated	1,641,523	1,794,721
Total Fund Balance	1,660,696	1,873,264
Total Liabilities and Fund Balance	\$ 2,267,498	\$ 2,496,943

The accompanying notes are an integral part of these financial statements.

**CITY OF MANDEVILLE, LOUISIANA
GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE BUDGET (GAAP BASIS) AND ACTUAL
For The Year Ended August 31, 2000
With Comparative Actual Amounts For The Year Ended August 31, 1999**

	2000		Variance - Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
REVENUES				
Taxes:				
Ad Valorem	\$ 900,000	\$ 931,815	\$ 31,815	\$ 850,867
Franchise	500,000	499,100	(900)	442,955
Total Taxes	<u>1,400,000</u>	<u>1,430,915</u>	<u>30,915</u>	<u>1,293,822</u>
Licenses and Permits:				
Building Permits	95,000	98,478	3,478	144,609
Insurance Licenses	305,000	305,739	739	312,238
Privilege and Occupational Licenses	340,000	336,636	(3,364)	284,224
Contractors' Licenses	14,000	13,760	(240)	16,680
Beer and Liquor Licenses	51,000	50,399	(601)	47,541
Dog Licenses	500	80	(420)	56
Total Licenses and Permits	<u>805,500</u>	<u>805,092</u>	<u>(408)</u>	<u>805,348</u>
Intergovernmental:				
Tobacco Taxes	38,000	37,964	(36)	37,964
Federal Grants	2,602,500	853,873	(1,748,627)	457,218
State Grants	-	110,634	110,634	894,536
Video Poker Revenue	-	-	-	102,004
Total Intergovernmental	<u>2,640,500</u>	<u>1,002,471</u>	<u>(1,638,029)</u>	<u>1,491,722</u>
Charges for Services:				
Garbage Fees	560,000	517,952	(42,048)	554,923
Tax Research	2,000	1,470	(530)	2,615
Zoning Fees	30,000	30,838	838	33,776
Culvert Fees	1,000	206	(794)	1,258
Total Charges for Services	<u>593,000</u>	<u>550,466</u>	<u>(42,534)</u>	<u>592,572</u>
Fines and Forfeits:				
Police Fees	200,000	278,041	78,041	190,957
Interest Income	50,000	89,378	39,378	77,935
Miscellaneous:				
Sale of Cemetery Plots	60,000	63,024	3,024	23,700
Miscellaneous	40,000	55,271	15,271	145,981
Donation	7,000	5,480	(1,520)	3,146
Sale of Property/Equipment	7,000	6,827	(173)	7,227
Total Miscellaneous	<u>114,000</u>	<u>130,602</u>	<u>16,602</u>	<u>180,054</u>
On-behalf Payments	-	116,948	116,948	112,220
Total Revenues	<u>5,803,000</u>	<u>4,403,913</u>	<u>(1,399,087)</u>	<u>4,744,630</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF MANDEVILLE, LOUISIANA
GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE BUDGET (GAAP BASIS) AND ACTUAL (Continued)
For The Year Ended August 31, 2000
With Comparative Actual Amounts For The Year Ended August 31, 1999**

	2000		Variance - Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
EXPENDITURES				
General Government	5,101,000	3,858,583	1,242,417	2,436,324
Public Safety - Police	2,579,500	2,533,994	45,506	2,475,124
Public Works - Streets and Sanitation	2,886,500	1,254,380	1,632,120	2,184,709
On-behalf Payments	-	116,948	(116,948)	112,220
Cemetery	20,000	17,210	2,790	18,591
<i>Total Expenditures</i>	<u>10,587,000</u>	<u>7,781,115</u>	<u>2,805,885</u>	<u>7,226,968</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(4,784,000)</u>	<u>(3,377,202)</u>	<u>1,406,798</u>	<u>(2,482,338)</u>
OTHER FINANCING SOURCES (USES)				
<i>Operating Transfers:</i>				
Sales Tax Fund	2,793,500	2,793,500	-	2,438,500
Special Sales Tax Fund	1,230,000	750,000	(480,000)	380,000
Depreciation/ Reserve	(600,000)	-	600,000	-
Hazard Mitigation	-	-	-	(24,750)
Debt Service	(380,000)	(378,866)	1,134	(378,206)
<i>Total Other Financing Sources</i>	<u>3,043,500</u>	<u>3,164,634</u>	<u>121,134</u>	<u>2,415,544</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	<u>(1,740,500)</u>	<u>(212,568)</u>	<u>1,527,932</u>	<u>(66,794)</u>
FUND BALANCE - BEGINNING	1,854,500	1,873,264	18,764	1,940,875
(REDUCTION) IN RESERVE FOR INVENTORY	<u>-</u>	<u>-</u>	<u>-</u>	<u>(817)</u>
FUND BALANCE - ENDING	<u>\$ 114,000</u>	<u>\$ 1,660,696</u>	<u>\$ 1,546,696</u>	<u>\$ 1,873,264</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF MANDEVILLE, LOUISIANA
GENERAL FUND**

**STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
For The Year Ended August 31, 2000
With Comparative Actual Amounts For The Year Ended August 31, 1999**

	2000		Variance - Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
GENERAL GOVERNMENT				
Salaries	\$ 659,500	\$ 626,164	\$ 33,336	\$ 621,759
Council Meeting Fees	47,500	47,500	-	44,297
City Attorney Retainer	5,000	4,800	200	4,800
Advertising	17,500	16,618	882	14,510
Audit and Accounting	20,500	20,150	350	20,150
Council on Aging	2,500	2,500	-	2,500
Humanities	8,000	6,516	1,484	6,300
Janitorial Service and Supplies	34,500	34,460	40	22,224
Maintenance of Equipment	3,000	1,501	1,499	1,621
Membership, Dues and Subscriptions	15,500	15,919	(419)	16,535
Miscellaneous	2,000	399	1,601	957
Office Supplies	15,000	15,217	(217)	12,823
Payroll Taxes	50,000	45,519	4,481	44,796
Postage	11,000	10,559	441	7,206
Retirement	94,000	77,045	16,955	51,416
Stationery and Printing	10,500	10,151	349	10,495
Telephone	38,000	29,555	8,445	15,219
Animal Control	23,000	21,695	1,305	20,940
Youth Service	10,000	10,000	-	10,000
Travel, Meetings and Conferences	14,000	13,468	532	11,940
Utilities	30,000	25,155	4,845	24,442
City Engineer Retainer	6,000	6,000	-	6,000
Economic Development Council	6,000	5,675	325	5,675
City Hall Maintenance	50,000	48,896	1,104	11,799
General Insurance	20,000	8,310	11,690	9,978
Employee Medical Insurance	121,000	118,952	2,048	79,565
Workmen's Compensation	4,500	3,654	846	2,662
Computer Programs and Supplies	21,000	20,468	532	13,725
Recreation - Equipment Maintenance	6,000	5,285	715	5,872
Mayor Allowance	5,000	4,948	52	3,958
Banquets	12,000	11,937	63	3,491
Decorations and Beautification	10,000	7,583	2,417	4,699
Insurance - Property	5,000	5,000	-	856
General Liability Claims	50,000	48,475	1,525	31,820
Planning and Zoning Meeting Fees	8,500	8,300	200	8,400
Election Expense	7,000	11,233	(4,233)	1,165
Insurance - Vehicle	2,500	2,500	-	1,050

The accompanying notes are an integral part of these financial statements.

**CITY OF MANDEVILLE, LOUISIANA
GENERAL FUND**

**STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS) (Continued)
For The Year Ended August 31, 2000
With Comparative Actual Amounts For The Year Ended August 31, 1999**

	2000		Variance - Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
GENERAL GOVERNMENT (Continued)				
Car Allowance	500	500	-	481
Drainage District	46,000	-	46,000	-
Recreation	9,000	7,500	1,500	7,500
Capital Outlays	2,511,000	1,588,068	922,932	307,352
Engineer Fees - Special Projects	225,000	84,452	140,548	157,270
Garbage Collection Fees	566,000	566,907	(907)	537,011
Social Service Programs	3,000	-	3,000	2,500
Fuel, Oil and Lube	4,500	4,789	(289)	3,691
Contract Labor	118,500	110,565	7,935	109,813
Vehicle Maintenance	6,000	7,098	(1,098)	6,213
Coroner Fees	6,000	6,000	-	6,000
Trailhead	6,000	359	5,641	-
Recording Fees	2,000	1,875	125	2,032
Civil Service	2,500	2,485	15	1,818
Training	15,500	15,114	386	13,499
Community Center	6,000	4,474	1,526	5,938
Equipment Rental	10,000	9,033	967	8,791
Hurricane	-	-	-	64,675
Parks and Parkways	118,000	97,257	20,743	46,095
	<u>118,000</u>	<u>97,257</u>	<u>20,743</u>	<u>46,095</u>
Total General Government	<u><u>\$ 5,101,000</u></u>	<u><u>\$ 3,858,583</u></u>	<u><u>\$ 1,242,417</u></u>	<u><u>\$ 2,436,324</u></u>

The accompanying notes are an integral part of these financial statements.

**CITY OF MANDEVILLE, LOUISIANA
GENERAL FUND**

**STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS) (Continued)
For The Year Ended August 31, 2000
With Comparative Actual Amounts For The Year Ended August 31, 1999**

	2000		Variance - Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
PUBLIC SAFETY - POLICE				
Salaries	\$ 1,396,000	\$ 1,389,255	\$ 6,745	\$ 1,344,691
Conferences and Conventions	8,000	7,820	180	13,465
Insurance - Police Professional	24,000	19,741	4,259	14,449
Insurance - Employee Medical	200,000	186,942	13,058	279,547
Insurance - Building	3,000	3,000	-	1,665
Maintenance and Repairs of Vehicles	35,000	38,474	(3,474)	41,858
Dues and Subscription	2,000	1,577	423	2,128
Workmen's Compensation	42,500	33,592	8,908	38,894
Payroll Taxes	115,000	114,483	517	110,688
Retirement	226,000	220,538	5,462	160,090
Telephone	21,500	22,440	(940)	18,346
Maintenance of Radios and Radar	16,000	14,626	1,374	11,715
Uniforms	24,000	28,998	(4,998)	19,848
Janitorial	15,000	13,063	1,937	11,955
Schools and Training Course	18,000	16,025	1,975	19,609
Office Supplies	10,000	9,769	231	9,293
Capital Outlays	208,000	205,384	2,616	218,206
Utilities	15,000	16,023	(1,023)	14,013
Prisoner Expense	500	442	58	234
Vehicle and Equipment Insurance	16,000	16,000	-	9,143
Civil Service	3,000	2,194	806	2,987
Computer Supplies	25,000	20,519	4,481	10,915
Printing	4,000	3,167	833	3,079
Police Supplies	20,000	19,723	277	15,041
Postage	3,500	3,719	(219)	2,977
Fuel, Oil and Lube	40,000	43,639	(3,639)	32,843
Crime Prevention	46,500	43,952	2,548	41,740
Crime Investigation	7,000	6,511	489	2,775
Equipment Maintenance and Repair	2,500	736	1,764	1,770
Building Maintenance and Repair	27,500	26,807	693	15,914
Equipment Rental	5,000	4,835	165	5,246
	<u>\$ 2,579,500</u>	<u>\$ 2,533,994</u>	<u>\$ 45,506</u>	<u>\$ 2,475,124</u>
Total Public Safety - Police	<u>\$ 2,579,500</u>	<u>\$ 2,533,994</u>	<u>\$ 45,506</u>	<u>\$ 2,475,124</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF MANDEVILLE, LOUISIANA
GENERAL FUND**

**STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS) (Continued)
For The Year Ended August 31, 2000
With Comparative Actual Amounts For The Year Ended August 31, 1999**

	2000		Variance - Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
PUBLIC WORKS -				
STREETS AND SANITATION				
Salaries	\$ 534,500	\$ 528,769	\$ 5,731	\$ 498,120
Workmen's Compensation	23,500	17,419	6,081	18,982
Fuel, Oil and Lube	19,000	19,224	(224)	13,112
Insurance - Employee Medical	114,000	109,782	4,218	83,478
Retirement	82,500	82,248	252	41,354
Maintenance of Vehicles	27,000	26,615	385	21,742
Payroll Taxes	43,000	40,229	2,771	38,485
Sand, Asphalt and Gravel	83,000	86,772	(3,772)	72,812
Supplies	24,000	26,173	(2,173)	21,802
Contract Labor	9,000	6,685	2,315	49,013
Uniforms	3,000	2,422	578	2,995
Canal and Drainage Maintenance	10,000	9,419	581	6,756
Utilities	76,000	77,593	(1,593)	71,118
Radio Maintenance	2,000	1,880	120	1,699
Capital Outlay	1,771,000	164,578	1,606,422	1,185,563
Signs and Lights	13,000	10,169	2,831	10,081
Vehicle and Equipment Insurance	7,000	7,000	-	3,800
Mosquito and Pest Control	2,000	712	1,288	2,298
Insurance - General	8,000	2,913	5,087	7,076
Equipment Maintenance	20,000	20,753	(753)	19,380
Office Supplies	3,500	3,431	69	5,175
Insurance - Property	1,500	1,500	-	1,500
Telephone	4,000	3,876	124	3,395
Equipment Rental	1,000	770	230	68
Building Maintenance	5,000	3,448	1,552	4,905
Total Public Works - Streets and Sanitation	\$ 2,886,500	\$ 1,254,380	\$ 1,632,120	\$ 2,184,709

The accompanying notes are an integral part of these financial statements.

SPECIAL REVENUE FUNDS

SALES TAX FUND - To account for the receipt and use of proceeds of the City's 1% sales and use tax and the state Parish & Municipal Motor Vehicle sales tax. These taxes are dedicated to capital expenditures for constructing, improving, extending and maintaining playgrounds and recreational facilities, public roads, streets, bridges and crossings, sewerage, garbage disposal, waterworks, fire protection, beach improvements, seawalls and extensions, harbor improvements and other works of permanent public improvements in the town.

SPECIAL SALES TAX FUND - To account for 1½% of the sales and use tax and the state Parish & Municipal Motor Vehicle sales tax. One percent became effective January 1, 1987 and is to be used for the retirement of the 1990 Advance Refunding Bonds for \$6,265,000, 1991 Public Improvements Bonds for \$1,865,000, and the 1999 Public Improvements Bonds for \$6,600,000. The additional ½% became effective August 1, 1991 and is to be used for street improvements.

All monies remaining in the Special Sales Tax Fund on the 20th day of each month in excess of all reasonable and necessary expenses of collection and administration of the Tax and after making the required payments into the Sinking Fund and the Reserve Fund for the current month and for prior months during which the required payments may not have been made, shall be considered as surplus. Such surplus may be used by the issuer for any of the purposes for which the imposition of the Tax is authorized or for the purpose of retiring Bonds in advance of their maturities.

HAZARD MITIGATION FUND – To account for Federal Grant funds received to finance certain qualifying projects that will reduce the possibility of future damage caused by high waters in the City.

**CITY OF MANDEVILLE, LOUISIANA
SPECIAL REVENUE FUNDS**

**COMBINING BALANCE SHEET
August 31, 2000
With Comparative Totals For August 31, 1999**

	<u>Sales Tax Fund</u>	<u>Special Sales Tax Fund</u>	<u>Hazard Mitigation Fund</u>	<u>Totals</u>	
				<u>2000</u>	<u>1999</u>
ASSETS					
Cash	\$ 83,998	\$ 898,336	\$ 656,987	\$ 1,639,321	\$ 862,331
Investments - at Amortized Cost	43,216	1,320,436	-	1,363,652	1,307,120
Interest Receivable	-	5,632	-	5,632	1,034
Other Receivable	-	-	-	-	7,255
Total Assets	<u>\$ 127,214</u>	<u>\$ 2,224,404</u>	<u>\$ 656,987</u>	<u>\$ 3,008,605</u>	<u>\$ 2,177,740</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Due to Other Funds - Other Liabilities	\$ -	\$ -	\$ 656,987	\$ 656,987	\$ 131,493
Total Liabilities	<u>-</u>	<u>-</u>	<u>656,987</u>	<u>656,987</u>	<u>131,493</u>
FUND BALANCES					
Unreserved and Undesignated	127,214	-	-	127,214	154,823
Designated for Future Expenditures	<u>-</u>	<u>2,224,404</u>	<u>-</u>	<u>2,224,404</u>	<u>1,891,424</u>
Total Fund Balances	<u>127,214</u>	<u>2,224,404</u>	<u>-</u>	<u>2,351,618</u>	<u>2,046,247</u>
Total Liabilities and Fund Balances	<u>\$ 127,214</u>	<u>\$ 2,224,404</u>	<u>\$ 656,987</u>	<u>\$ 3,008,605</u>	<u>\$ 2,177,740</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF MANDEVILLE, LOUISIANA
SPECIAL REVENUE FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For The Year Ended August 31, 2000
With Comparative Totals For The Year Ended August 31, 1999**

	Sales Tax Fund	Special Sales Tax Fund	Hazard Mitigation Fund	Totals	
				2000	1999
REVENUES					
Taxes:					
Sales and Use	\$ 7,122,984	\$ -	\$ -	\$ 7,122,984	\$ 6,396,159
Interest Income	8,653	111,354	-	120,007	70,680
Federal Grants	-	-	79,422	79,422	451,382
Miscellaneous Income	-	7,592	-	7,592	-
Total Revenues	<u>7,131,637</u>	<u>118,946</u>	<u>79,422</u>	<u>7,330,005</u>	<u>6,918,221</u>
EXPENDITURES					
General Government:					
Miscellaneous	-	146	-	146	-
Public Safety	-	-	79,422	79,422	476,132
Collection Expense	81,998	-	-	81,998	73,598
Total Expenditures	<u>81,998</u>	<u>146</u>	<u>79,422</u>	<u>161,566</u>	<u>549,730</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>7,049,639</u>	<u>118,800</u>	<u>-</u>	<u>7,168,439</u>	<u>6,368,491</u>
OTHER USES					
Operating Transfers:					
General Fund	(2,793,500)	(750,000)	-	(3,543,500)	(2,818,500)
Debt Service Funds	-	(1,290,313)	-	(1,290,313)	(804,635)
Enterprise Fund	-	(710,000)	-	(710,000)	(460,000)
Special Sales Tax	(2,764,493)	-	-	(2,764,493)	-
Capital Projects - Streets	(1,519,255)	-	-	(1,519,255)	(1,355,287)
Total Other Uses	<u>(7,077,248)</u>	<u>(2,750,313)</u>	<u>-</u>	<u>(9,827,561)</u>	<u>(5,438,422)</u>
OTHER SOURCES					
Operating Transfers:					
Capital Projects	-	150,000	-	150,000	-
General Fund	-	-	-	-	24,750
Sales Tax	-	2,764,493	-	2,764,493	-
Debt Service Funds	-	50,000	-	50,000	47,000
Total Other Sources	<u>-</u>	<u>2,964,493</u>	<u>-</u>	<u>2,964,493</u>	<u>71,750</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>(27,609)</u>	<u>332,980</u>	<u>-</u>	<u>305,371</u>	<u>1,001,819</u>
FUND BALANCES - BEGINNING	<u>154,823</u>	<u>1,891,424</u>	<u>-</u>	<u>2,046,247</u>	<u>1,044,428</u>
FUND BALANCES - ENDING	<u>\$ 127,214</u>	<u>\$ 2,224,404</u>	<u>\$ -</u>	<u>\$ 2,351,618</u>	<u>\$ 2,046,247</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF MANDEVILLE, LOUISIANA
SPECIAL REVENUE FUNDS
SALES TAX FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE BUDGET (GAAP BASIS) AND ACTUAL
For The Year Ended August 31, 2000
With Comparative Actual Amounts For The Year Ended August 31, 1999**

	2000		Variance - Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
REVENUES				
Taxes:				
Sales and Use	\$ 6,800,000	\$ 7,122,984	\$ 322,984	\$ 3,916,136
Interest Income	8,000	8,653	653	8,294
Total Revenues	<u>6,808,000</u>	<u>7,131,637</u>	<u>323,637</u>	<u>3,924,430</u>
EXPENDITURES				
General Government:				
Collection Expense	78,500	81,998	(3,498)	73,598
Total Expenditures	<u>78,500</u>	<u>81,998</u>	<u>(3,498)</u>	<u>73,598</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>6,729,500</u>	<u>7,049,639</u>	<u>320,139</u>	<u>3,850,832</u>
OTHER USES				
Operating Transfers:				
General Fund	(2,793,500)	(2,793,500)	-	(2,438,500)
Special Sales Tax	(2,688,500)	(2,764,493)	(75,993)	-
Capital Projects - Streets	(1,344,500)	(1,519,255)	(174,755)	(1,355,287)
Total Other Uses	<u>(6,826,500)</u>	<u>(7,077,248)</u>	<u>(250,748)</u>	<u>(3,793,787)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER USES	(97,000)	(27,609)	69,391	57,045
FUND BALANCE - BEGINNING	<u>154,500</u>	<u>154,823</u>	<u>323</u>	<u>97,778</u>
FUND BALANCE - ENDING	<u>\$ 57,500</u>	<u>\$ 127,214</u>	<u>\$ 69,714</u>	<u>\$ 154,823</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF MANDEVILLE, LOUISIANA
SPECIAL REVENUE FUNDS
SPECIAL SALES TAX FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE BUDGET (GAAP BASIS) AND ACTUAL
For The Year Ended August 31, 2000
With Comparative Actual Amounts For The Year Ended August 31, 1999**

	2000		Variance - Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
REVENUES				
Taxes:				
Sales and Use	\$ -	\$ -	\$ -	\$ 2,480,023
Miscellaneous	8,000	7,592	(408)	-
Interest Income	75,000	111,354	36,354	62,386
Total Revenues	<u>83,000</u>	<u>118,946</u>	<u>35,946</u>	<u>2,542,409</u>
EXPENDITURES				
General Government:				
Miscellaneous	<u>500</u>	<u>146</u>	<u>354</u>	<u>-</u>
Total Expenditures	<u>500</u>	<u>146</u>	<u>354</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>82,500</u>	<u>118,800</u>	<u>36,300</u>	<u>2,542,409</u>
OTHER USES				
Operating Transfers:				
General Fund	(1,230,000)	(750,000)	480,000	(380,000)
Sinking Fund	(1,357,000)	(1,290,313)	66,687	(804,635)
Depreciation/ Reserve	(300,000)	-	300,000	-
Enterprise Fund	(710,000)	(710,000)	-	(460,000)
Total Other Uses	<u>(3,597,000)</u>	<u>(2,750,313)</u>	<u>846,687</u>	<u>(1,644,635)</u>
OTHER SOURCES				
Operating Transfers:				
Sales Tax	2,688,500	2,764,493	75,993	-
Capital Projects - Streets	150,000	150,000	-	-
Debt Service Funds	50,000	50,000	-	47,000
Total Other Sources	<u>2,888,500</u>	<u>2,964,493</u>	<u>75,993</u>	<u>47,000</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>(626,000)</u>	<u>332,980</u>	<u>958,980</u>	<u>944,774</u>
FUND BALANCE - BEGINNING	<u>1,891,000</u>	<u>1,891,424</u>	<u>424</u>	<u>946,650</u>
FUND BALANCE - ENDING	<u>\$ 1,265,000</u>	<u>\$ 2,224,404</u>	<u>\$ 959,404</u>	<u>\$ 1,891,424</u>

The accompanying notes are an integral part of these financial statements.

DEBT SERVICE FUNDS

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources and the payment of principal and interest on the 1994 Water Improvements Bonds. Financing is being provided by Ad Valorem taxes.

SALES TAX BOND SINKING FUND - 1990 Advance Refunding Bonds, 1991 Public Improvement Bonds and 1999 Public Improvement Bonds

The Sales Tax Bond Sinking Fund is used to accumulate monies for the payment of principal and interest of the 1990 Advance Refunding Bonds, 1991 Public Improvement Sales Tax Bonds, and 1999 Public Improvement Bonds. These are serial bonds due in varying annual installments, plus interest, until maturity in 2019. Proceeds of sales and use tax of \$94,578 monthly for the period of January 1, 1999 through December 20, 1999 and \$114,000 for the succeeding twelve months are required to be deposited monthly into this fund according to the bond agreement. The required monthly payments vary from year to year.

SALES TAX BOND RESERVE FUND - 1990 Advance Refunding Bonds, 1991 Public Improvement Bonds and 1999 Public Improvement Bonds

The Reserve Fund is required to be maintained for the purpose of paying the principal of and the interest on the Bonds payable from the Sinking Fund as to which there would otherwise be default. Upon the delivery of the Bonds, the sum of \$621,640, \$186,500 and \$540,598, respectively, was required to be transferred, from the proceeds of the Bonds, to the Reserve Fund, and such amount is required to be maintained in the Reserve Fund. Any amounts on deposit in the Reserve Fund with respect to the bonds in excess of the Reserve Fund requirement are to be transferred to the Sales Tax Fund and thus spent within a one year period.

**CITY OF MANDEVILLE, LOUISIANA
DEBT SERVICE FUNDS**

**COMBINING BALANCE SHEET
August 31, 2000
With Comparative Totals For August 31, 1999**

ASSETS	Sales Tax Bond 1990 and 1991 Issues			Totals	
	Bond Sinking Fund	Bond Reserve Fund	Debt Service Fund	2000	1999
	Cash	\$ 541,290	\$ 49,644	\$ 677,263	\$ 1,268,197
Investments - at Amortized Cost	41,657	1,385,868	744,857	2,172,382	1,750,652
Receivable:					
Tax Liens	-	-	43,268	43,268	36,891
Total Assets	\$ 582,947	\$ 1,435,512	\$ 1,465,388	\$ 3,483,847	\$ 2,032,506
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Matured Bonds and Interest					
Payable	\$ -	\$ -	\$ 763	\$ 763	\$ 68
Due to Other Funds:					
Debt Service Funds	(31,449)	-	31,449	-	-
General Fund	-	-	692,577	692,577	82,855
Total Liabilities	(31,449)	-	724,789	693,340	82,923
FUND BALANCES					
Reserved for Debt Service	614,396	1,435,512	740,599	2,790,507	1,949,583
Total Liabilities and Fund Balances	\$ 582,947	\$ 1,435,512	\$ 1,465,388	\$ 3,483,847	\$ 2,032,506

The accompanying notes are an integral part of these financial statements.

**CITY OF MANDEVILLE, LOUISIANA
DEBT SERVICE FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For The Year Ended August 31, 2000
With Comparative Totals 1999**

	Sales Tax Bond 1990 and 1991 Issues			Totals	
	Bond Sinking Fund	Bond Reserve Fund	Debt Service Fund	2000	1999
REVENUES					
Taxes:					
Ad Valorem	\$ -	\$ -	\$ 133,003	\$ 133,003	\$ 150,292
Interest Income	13,255	74,297	34,946	122,498	87,304
Miscellaneous	-	-	7,367	7,367	73
Total Revenues	<u>13,255</u>	<u>74,297</u>	<u>175,316</u>	<u>262,868</u>	<u>237,669</u>
EXPENDITURES					
Principal Retirement	410,000	-	50,000	460,000	435,000
Debt Service - Interest and Fiscal Charges	702,463	-	62,008	764,471	471,451
Miscellaneous	4,918	-	23,932	28,850	16,162
Total Expenditures	<u>1,117,381</u>	<u>-</u>	<u>135,940</u>	<u>1,253,321</u>	<u>922,613</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,104,126)</u>	<u>74,297</u>	<u>39,376</u>	<u>(990,453)</u>	<u>(684,944)</u>
OTHER FINANCING SOURCES (USES)					
Operating Transfers:					
Capital Projects - Water II	36,063	555,001	-	591,064	-
Special Sales and Use Tax Fund	1,290,313	(50,000)	-	1,240,313	757,635
Total Other Financing Sources (Uses)	<u>1,326,376</u>	<u>505,001</u>	<u>-</u>	<u>1,831,377</u>	<u>757,635</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	222,250	579,298	39,376	840,924	72,691
FUND BALANCES - BEGINNING	<u>392,146</u>	<u>856,214</u>	<u>701,223</u>	<u>1,949,583</u>	<u>1,876,892</u>
FUND BALANCES - ENDING	<u>\$ 614,396</u>	<u>\$ 1,435,512</u>	<u>\$ 740,599</u>	<u>\$ 2,790,507</u>	<u>\$ 1,949,583</u>

The accompanying notes are an integral part of these financial statements.

CAPITAL PROJECTS FUNDS

WATER FUND I - To account for the cost of constructing and acquiring extensions and improvements to the waterworks system of the City, including, specifically, the funding of a portion of the cost of (i) the installation of new watertrunk lines, water distribution lines and interior water lines, and (ii) the construction of improvements to existing water wells and to the control system, title to which shall be in the public. Financing was provided by the issuance of \$3,000,000 of Certificates of Indebtedness, Series 1994 and \$1,500,000 1994 General Obligation Bonds. The Certificates of Indebtedness are secured by and payable solely from a pledge and dedication of the excess of annual revenues of the City above statutory, necessary and usual charges in each of the Fiscal Years during which the Certificates are outstanding. The Bonds are secured solely from a pledge of revenues to be derived from unlimited Ad Valorem taxation.

WATER FUND II - To account for the cost of constructing and acquiring extensions and improvements to the waterworks system of the City, including, specifically, the funding of a portion of the cost of (i) the installation of new watertrunk lines, water distribution lines and interior water lines, and (ii) the construction of improvements to existing water wells and to the control system, title to which shall be in the public. Financing to be provided by the issuance of \$6,600,000 of Sales Tax Bonds, Series 1999 in September 1999. The Sales Tax Bonds are secured by and payable solely from the avails or proceeds received by the City from the levy and collection of a 1% sales and use tax currently being collected by the City.

STREETS FUND - To account for the costs of constructing, acquiring, extending and improving (i) streets and/or (ii) roadside drains and roadside drainage facilities. Financing was provided by issuance of \$6,265,000 1990 Advance Refund Bonds and 1991 Public Improvement Bonds for \$1,865,000. These Bonds are secured solely from a pledge of revenue to be derived from the collection of a 1% special sales tax and a ½% sales tax.

**CITY OF MANDEVILLE, LOUISIANA
CAPITAL PROJECTS FUNDS**

**COMBINING BALANCE SHEET
August 31, 2000
With Comparative Totals For August 31, 1999**

	Water Fund I	Water Fund II	Streets Fund	Totals	
				2000	1999
ASSETS					
Cash	\$ 218,265	\$ 407,658	\$ 296,326	\$ 922,249	\$ 1,078,810
Investments - at Amortized Cost	696,908	5,581,560	1,647,275	7,925,743	2,023,013
Interest Receivable	3,689	85,206	4,348	93,243	1,933
Due from Other Fund	(20,000)	20,000	-	-	-
Total Assets	\$ 898,862	\$ 6,094,424	\$ 1,947,949	\$ 8,941,235	\$ 3,103,756
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable and Accrued Expenses	\$ 97,550	\$ -	\$ 98,565	\$ 196,115	\$ 95,639
Due to General Fund	-	-	-	-	4,627
Total Liabilities	97,550	-	98,565	196,115	100,266
FUND BALANCES	801,312	6,094,424	1,849,384	8,745,120	3,003,490
Total Fund Balances	801,312	6,094,424	1,849,384	8,745,120	3,003,490
Total Liabilities and Fund Balances	\$ 898,862	\$ 6,094,424	\$ 1,947,949	\$ 8,941,235	\$ 3,103,756

The accompanying notes are an integral part of these financial statements.

**CITY OF MANDEVILLE, LOUISIANA
CAPITAL PROJECTS FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
For The Year Ended August 31, 2000
With Comparative Totals 1999**

	Water Fund I	Water Fund II	Streets Fund	Totals	
				2000	1999
REVENUES					
Federal Grant	\$ -	\$ -	\$ -	\$ -	\$ 30,000
Interest	48,430	335,260	111,419	495,109	117,177
Miscellaneous	-	-	-	-	27,590
Total Revenues	<u>48,430</u>	<u>335,260</u>	<u>111,419</u>	<u>495,109</u>	<u>174,767</u>
EXPENDITURES					
Construction Contracts	97,550	-	1,614,619	1,712,169	852,551
Engineers' Fees	11,033	213,263	161,112	385,408	288,283
Other Costs	-	68,167	1,989	70,156	7,499
Total Expenditures	<u>108,583</u>	<u>281,430</u>	<u>1,777,720</u>	<u>2,167,733</u>	<u>1,148,333</u>
(DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(60,153)</u>	<u>53,830</u>	<u>(1,666,301)</u>	<u>(1,672,624)</u>	<u>(973,566)</u>
OTHER FINANCING SOURCES (USES)					
Bond Proceeds	-	6,636,063	-	6,636,063	-
Operating Transfers:					
Debt Service Funds	-	(591,064)	-	(591,064)	-
Special Sales Tax	-	-	(150,000)	(150,000)	-
Sales Tax Fund	-	-	1,519,255	1,519,255	1,355,287
Total Other Financing Sources	<u>-</u>	<u>6,044,999</u>	<u>1,369,255</u>	<u>7,414,254</u>	<u>1,355,287</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	<u>(60,153)</u>	<u>6,098,829</u>	<u>(297,046)</u>	<u>5,741,630</u>	<u>381,721</u>
FUND BALANCES - BEGINNING	<u>861,465</u>	<u>(4,405)</u>	<u>2,146,430</u>	<u>3,003,490</u>	<u>2,621,769</u>
FUND BALANCES - ENDING	<u>\$ 801,312</u>	<u>\$ 6,094,424</u>	<u>\$ 1,849,384</u>	<u>\$ 8,745,120</u>	<u>\$ 3,003,490</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF MANDEVILLE, LOUISIANA
CAPITAL PROJECTS FUNDS
WATER FUND I**

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For The Year Ended August 31, 2000
With Comparative Actual Amounts For The Year Ended August 31, 1999**

	2000		Variance - Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
REVENUES				
Interest	\$ 35,000	\$ 48,430	\$ 13,430	\$ 56,298
Total Revenues	<u>35,000</u>	<u>48,430</u>	<u>13,430</u>	<u>56,298</u>
EXPENDITURES				
Construction Contracts	786,000	97,550	688,450	432,172
Engineers' Fees	105,000	11,033	93,967	160,450
Other Costs	5,000	-	5,000	2,359
Total Expenditures	<u>896,000</u>	<u>108,583</u>	<u>787,417</u>	<u>594,981</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(861,000)	(60,153)	800,847	(538,683)
FUND BALANCE - BEGINNING	<u>861,000</u>	<u>861,465</u>	<u>465</u>	<u>1,400,148</u>
FUND BALANCE - ENDING	<u><u>\$ -</u></u>	<u><u>\$ 801,312</u></u>	<u><u>\$ 801,312</u></u>	<u><u>\$ 861,465</u></u>

The accompanying notes are an integral part of these financial statements.

**CITY OF MANDEVILLE, LOUISIANA
CAPITAL PROJECTS FUNDS
WATER FUND II**

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For The Year Ended August 31, 2000
With Comparative Actual Amounts For The Year Ended August 31, 1999**

	2000		Variance - Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
REVENUES				
Interest	\$ 180,000	\$ 335,260	\$ 155,260	\$ 322
Total Revenues	<u>180,000</u>	<u>335,260</u>	<u>155,260</u>	<u>322</u>
EXPENDITURES				
Engineering Fees	650,000	213,263	436,737	-
Miscellaneous	5,000	(4,292)	9,292	-
Construction Costs	5,494,500	-	5,494,500	-
Bond Issuance Costs	75,000	72,459	2,541	4,727
Total Expenditures	<u>6,224,500</u>	<u>281,430</u>	<u>5,943,070</u>	<u>4,727</u>
OTHER SOURCES				
Bond Proceeds	\$ 6,636,000	\$ 6,636,063	\$ 63	\$ -
Transfer to Sinking Fund	(36,500)	(36,063)	437	-
Transfer Reserve Fund	(555,000)	(555,001)	(1)	-
Total Other Sources	<u>6,044,500</u>	<u>6,044,999</u>	<u>499</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	6,098,829	6,098,829	(4,405)
FUND BALANCE (DEFICIT) - BEGINNING	<u>-</u>	<u>(4,405)</u>	<u>(4,405)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ 6,094,424</u>	<u>\$ 6,094,424</u>	<u>\$ (4,405)</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF MANDEVILLE, LOUISIANA
CAPITAL PROJECTS FUNDS
STREETS FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For The Year Ended August 31, 2000
With Comparative Actual Amounts For The Year Ended August 31, 1999**

	2000		Variance - Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
REVENUES				
Grant	\$ -	\$ -	\$ -	\$ 30,000
Miscellaneous	2,500	-	(2,500)	27,590
Interest	70,000	111,419	41,419	60,557
Total Revenues	<u>72,500</u>	<u>111,419</u>	<u>38,919</u>	<u>118,147</u>
EXPENDITURES				
Construction Contracts	3,043,000	1,614,619	1,428,381	420,379
Engineers' Fees	365,000	161,112	203,888	127,833
Other Costs	5,000	1,989	3,011	413
Total Expenditures	<u>3,413,000</u>	<u>1,777,720</u>	<u>1,635,280</u>	<u>548,625</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(3,340,500)</u>	<u>(1,666,301)</u>	<u>1,674,199</u>	<u>(430,478)</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfer:				
Special Sales Tax	(150,000)	(150,000)	-	-
Sales Tax	1,344,500	1,519,255	174,755	1,355,287
Total Other Financing Sources	<u>1,194,500</u>	<u>1,369,255</u>	<u>174,755</u>	<u>1,355,287</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	<u>(2,146,000)</u>	<u>(297,046)</u>	<u>1,848,954</u>	<u>924,809</u>
FUND BALANCE - BEGINNING	<u>2,146,000</u>	<u>2,146,430</u>	<u>430</u>	<u>1,221,621</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ 1,849,384</u>	<u>\$ 1,849,384</u>	<u>\$ 2,146,430</u>

The accompanying notes are an integral part of these financial statements.

ENTERPRISE FUND

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

**CITY OF MANDEVILLE, LOUISIANA
ENTERPRISE FUND**

COMPARATIVE BALANCE SHEETS

ASSETS

	August 31,	
	2000	1999
CURRENT ASSETS		
Cash	\$ 746,129	\$ 571,234
Investments - at Amortized Cost	966,795	1,082,413
Receivables:		
Accounts - Net of Allowance for Estimated Uncollectibles	213,094	346,215
Other	63,029	33,919
Due from General Fund	272,984	-
Inventory - at Cost	58,439	67,549
Total Current Assets	2,320,470	2,101,330
RESTRICTED ASSETS		
Cash	85,532	82,327
Total Restricted Assets	85,532	82,327
PROPERTY, PLANT AND EQUIPMENT		
Plant and Equipment	22,157,291	20,846,344
Less: Accumulated Depreciation	4,973,848	4,451,655
Net Property, Plant and Equipment	17,183,443	16,394,689
Total Assets	\$ 19,589,445	\$ 18,578,346

LIABILITIES AND FUND EQUITY

	August 31,	
	2000	1999
CURRENT LIABILITIES		
(PAYABLE FROM CURRENT ASSETS)		
Accounts Payable and Accrued Expenses	\$ 460,414	\$ 129,887
Payroll Taxes and Retirement Payable	8,975	6,075
Due to Other Funds	5,881	103,570
Accrued Loss Contingency	55,000	55,020
Customer Deposits	231,430	232,453
Total Current Liabilities	761,700	527,005
(Payable from Current Assets)		
 CURRENT LIABILITIES		
(PAYABLE FROM RESTRICTED ASSETS)		
Revenue Bonds	24,000	23,000
Accrued Interest	6,040	6,902
Total Current Liabilities	30,040	29,902
(Payable from Restricted Assets)		
 LONG-TERM LIABILITIES		
Revenue Bonds	138,000	161,000
Total Long-Term Liabilities	138,000	161,000
Total Liabilities	929,740	717,907
 FUND EQUITY		
Contributed Capital:		
Government	14,025,147	13,974,244
Intergovernmental	464,653	464,653
Customers	265,948	265,948
Total Contributed Capital	14,755,748	14,704,845
Retained Earnings:		
Reserved for Debt Service	55,492	52,425
Unreserved	3,848,465	3,103,169
Total Retained Earnings	3,903,957	3,155,594
Total Fund Equity	18,659,705	17,860,439
Total Liabilities and Fund Equity	\$ 19,589,445	\$ 18,578,346

**CITY OF MANDEVILLE, LOUISIANA
ENTERPRISE FUND**

**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS**

	For The Years Ended August 31,	
	2000	1999
OPERATING REVENUES		
Charges for Services:		
Water	\$ 610,351	\$ 570,406
Sewerage	752,405	778,321
Tapping Fees - Water Department	24,820	50,225
Tapping Fees - Sewer Department	18,100	30,230
Delinquent Charges	58,267	55,078
Service Charge	20,524	20,679
Sewer Inspection Fees	1,450	2,575
Sewer Impact Fees	68,642	81,146
Water Impact Fees	78,748	100,088
Water Inspection Fees	1,625	2,850
DIHI Fees	10,959	-
Miscellaneous	43,321	181,202
Total Operating Revenues	1,689,212	1,872,800
OPERATING EXPENSES		
Water Department	939,792	812,259
Sewer Department	1,118,371	1,205,220
Total Operating Expenses	2,058,163	2,017,479
Operating (Loss)	(368,951)	(144,679)
NON-OPERATING REVENUES (EXPENSES)		
Grant Income	40,000	24,700
Interest Income	104,710	57,876
Interest and Fiscal Charges	(8,338)	(9,475)
Total Non-Operating Revenues	136,372	73,101
(Loss) Before Operating Transfers	(232,579)	(71,578)
OPERATING TRANSFERS IN		
Special Revenue Fund	710,000	460,000
Total Net Operating Transfers In	710,000	460,000
NET INCOME	477,421	388,422
ADD DEPRECIATION ON FIXED ASSETS ACQUIRED WITH SALES TAX BONDS THAT REDUCES CONTRIBUTED CAPITAL FROM GOVERNMENT	270,942	240,289
NET INCREASE IN RETAINED EARNINGS	748,363	628,711
RETAINED EARNINGS - BEGINNING	3,155,594	2,526,883
RETAINED EARNINGS - ENDING	\$ 3,903,957	\$ 3,155,594

The accompanying notes are an integral part of these financial statements.

**CITY OF MANDEVILLE, LOUISIANA
ENTERPRISE FUND**

COMPARATIVE STATEMENTS OF CASH FLOWS

	For The Years Ended August 31,	
	2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	\$ 477,421	\$ 388,422
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	522,192	427,712
Change in Assets and Liabilities:		
Decrease (Increase) in Accounts Receivable	133,121	(10,327)
(Increase) in Other Receivables	(29,110)	(30,988)
Decrease in Due from Other Funds	(272,984)	-
Decrease in Inventory	9,110	8,550
Increase in Accounts Payable and Accrued Expenses	330,527	61,365
Increase in Payroll Taxes and Retirement Payable	2,900	818
(Decrease) Increase in Due to Other Funds	(97,689)	16,230
(Decrease) Increase in Customer Deposits	(1,023)	12,380
(Decrease) in Accrued Loss Contingency	(20)	(9,980)
(Decrease) in Accrued Interest Payable	(862)	(825)
Net Cash Provided by Operating Activities	<u>1,073,583</u>	<u>863,357</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease (Increase) in Investments	<u>115,618</u>	<u>(415,293)</u>
Net Cash Provided by (Used in) Investing Activities	<u>115,618</u>	<u>(415,293)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and Construction of Capital Assets	(1,310,946)	(1,083,215)
Principal Paid on Revenue Bond Maturities	(22,000)	(22,000)
Capital Contributed from Other Funds	321,845	592,622
Net Cash (Used in) Capital and Related Financing Activities	<u>(1,011,101)</u>	<u>(512,593)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	178,100	(64,529)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>653,561</u>	<u>718,090</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 831,661</u>	<u>\$ 653,561</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Interest Paid	<u>\$ 9,200</u>	<u>\$ 10,300</u>

The accompanying notes are an integral part of these financial statements.

GENERAL FIXED ASSETS ACCOUNT GROUP

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

CITY OF MANDEVILLE, LOUISIANA
COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS - BY SOURCES

	August 31,	
	<u>2000</u>	<u>1999</u>
GENERAL FIXED ASSETS		
Land	\$ 1,145,708	\$ 891,836
Buildings	1,774,871	1,774,871
Improvements Other Than Buildings	2,346,763	1,067,345
Equipment	<u>3,869,783</u>	<u>3,520,709</u>
Total General Fixed Assets	<u>\$ 9,137,125</u>	<u>\$ 7,254,761</u>
INVESTMENT IN GENERAL FIXED ASSETS		
General Fund	\$ 7,280,750	\$ 5,458,386
Hazard Mitigation Fund	248,830	248,830
Enterprise Fund	17,204	17,204
Sales Tax Fund	136,269	136,269
Federal Revenue Sharing	507,061	507,061
Capital Projects	302,881	302,881
Contributions	133,800	133,800
Police Forfeiture	60,000	-
Federal Grant	<u>450,330</u>	<u>450,330</u>
Total Investment in General Fixed Assets	<u>\$ 9,137,125</u>	<u>\$ 7,254,761</u>

The accompanying notes are an integral part of these financial statements.

SUPPLEMENTARY SCHEDULES

**CITY OF MANDEVILLE, LOUISIANA
ENTERPRISE FUND**

**STATEMENT OF REVENUES AND EXPENSES - BUDGET (GAAP BASIS) AND ACTUAL
For The Year Ended August 31, 2000**

	2000		Variance - Favorable (Unfavorable)
	Budget	Actual	
OPERATING REVENUES			
Charges for Services:			
Water Fees	\$ 633,000	\$ 610,351	\$ (22,649)
Sewerage Fees	810,000	752,405	(57,595)
Tapping Fees:			
Water Department	22,000	24,820	2,820
Sewer Department	20,000	18,100	(1,900)
Service Charge	20,000	20,524	524
Delinquent Charges	56,000	58,267	2,267
Sewer Inspection Fees	1,500	1,450	(50)
Miscellaneous	39,000	43,321	4,321
DHH Fees	-	10,959	10,959
Sewer Impact Fees	60,000	68,642	8,642
Water Inspection Fees	1,500	1,625	125
Water Impact Fees	70,000	78,748	8,748
	<u> </u>	<u> </u>	<u> </u>
Total Operating Revenues	<u>\$ 1,733,000</u>	<u>\$ 1,689,212</u>	<u>\$ (43,788)</u>

See independent auditor's report on supplementary information.

**CITY OF MANDEVILLE, LOUISIANA
ENTERPRISE FUND**

**STATEMENT OF REVENUES AND EXPENSES - BUDGET (GAAP BASIS) AND ACTUAL
For The Year Ended August 31, 2000**

	2000		Variance - Favorable (Unfavorable)
	Budget	Actual	
WATER DEPARTMENT EXPENSES			
Salaries	\$ 317,000	\$ 315,417	\$ 1,583
Payroll Taxes	26,000	23,968	2,032
Retirement	39,000	36,390	2,610
Employee Medical Insurance	62,000	60,280	1,720
Workmen's Compensation	11,500	8,832	2,668
Insurance - General	9,000	8,249	751
Insurance - Vehicle	4,000	4,000	-
Insurance - Property	2,000	2,000	-
Engineers' Fees	10,000	4,033	5,967
Water Connection Supplies Tap	40,000	50,195	(10,195)
Licenses & Permits	11,500	9,870	1,630
Purification Chemicals	48,000	28,132	19,868
Utilities	48,000	50,850	(2,850)
Contract Labor	8,000	6,559	1,441
Pumps Maintenance	50,000	65,860	(15,860)
Radio Maintenance	1,500	1,467	33
Uniforms	3,000	2,097	903
Small Tools and Supplies	13,000	15,329	(2,329)
Vehicle Repair and Maintenance	8,000	7,898	102
Fuel, Oil and Lube	9,000	10,087	(1,087)
Travel, Convention and Conferences	2,000	1,896	104
Computer Programs and Supplies	3,000	2,995	5
Printing	4,000	3,481	519
Depreciation	27,500	178,376	(150,876)
Telephone	12,000	11,585	415
Bad Debt Expense	2,000	7,985	(5,985)
Office Supplies	2,000	1,862	138
Postage	7,500	7,098	402
Training	3,000	2,798	202
Membership, Dues and Subscriptions	1,500	1,542	(42)
Service Charges	500	-	500
Building Maintenance	5,000	4,734	266
Equipment Maintenance	4,000	2,301	1,699
Water Testing	500	-	500
Water Plant Maintenance	3,000	747	2,253
Emergency Repairs	2,000	879	1,121
	<u>800,000</u>	<u>939,792</u>	<u>(139,792)</u>
Total Water Department Expenses			

See independent auditor's report on supplementary information.

**CITY OF MANDEVILLE, LOUISIANA
ENTERPRISE FUND**

**STATEMENT OF REVENUES AND EXPENSES - BUDGET (GAAP BASIS) AND ACTUAL
For The Year Ended August 31, 2000**

	2000		Variance - Favorable (Unfavorable)
	Budget	Actual	
SEWER DEPARTMENT EXPENSES			
Salaries	282,500	251,083	31,417
Payroll Taxes	23,500	18,813	4,687
Retirement	38,500	30,695	7,805
Employee Medical Insurance	53,000	50,306	2,694
Workmen's Compensation	9,500	7,927	1,573
Insurance - General	9,000	7,881	1,119
Insurance - Vehicle	5,000	5,000	-
Insurance - Building	3,000	3,000	-
Purification Chemical	20,000	12,083	7,917
Plant Maintenance and Repair	50,000	31,483	18,517
Sewer Connection Supplies	8,000	10,618	(2,618)
Sewer Testing	78,000	65,558	12,442
Utilities	150,000	144,935	5,065
Contract Labor	9,000	6,965	2,035
Pumps Maintenance	62,000	43,027	18,973
Radio Maintenance and Repair	1,500	1,400	100
Uniforms	3,000	1,989	1,011
Small Tools and Supplies	10,500	16,058	(5,558)
Vehicle Repair and Maintenance	7,000	5,853	1,147
Fuel, Oil and Lube	9,000	9,527	(527)
Travel, Convention and Conferences	2,000	1,820	180
Sand, Asphalt and Gravel	5,000	2,988	2,012
Computer Programs and Supplies	3,000	1,502	1,498
Printing	2,000	272	1,728
Depreciation	1,522,000	343,816	1,178,184
Telephone	7,500	4,943	2,557
Office Supplies	1,000	384	616
Postage	7,500	6,737	763
Training	3,000	2,780	220
Membership, Dues and Subscriptions	1,000	744	256
Building Maintenance	2,000	1,349	651
Equipment Maintenance	15,000	12,739	2,261
Equipment Rental	2,500	1,851	649
Licenses and Permits	6,000	-	6,000
Engineers' Fees	10,000	500	9,500
Litigation Settlement	20,000	11,577	8,423
Emergency Repairs	2,000	168	1,832
	<u>2,443,500</u>	<u>1,118,371</u>	<u>1,325,129</u>
Total Sewer Department Expenses			
	<u>\$ 3,243,500</u>	<u>\$ 2,058,163</u>	<u>\$ 1,185,337</u>
Total Operating Expenses			

See independent auditor's report on supplementary information.

GOVERNMENTAL AUDIT SECTION

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable Edward Price, III, Mayor
and Members of the City Council
City of Mandeville, Louisiana

We have audited the general purpose financial statements of **CITY OF MANDEVILLE, LOUISIANA** as of and for the year ended August 31, 2000, and have issued our report thereon dated November 8, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial statements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Detail records of inventories of fixed assets were not maintained for the General Fixed Assets Account Group and the Enterprise Fund prior to September 1, 1979. Because such records are not available for all of the City's fixed assets, we were unable to satisfy ourselves as to the propriety of the recorded amounts of the General Fixed Assets Account Group and the Enterprise Fund.

Compliance

As part of obtaining reasonable assurance about whether **CITY OF MANDEVILLE, LOUISIANA**'s 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 statements 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*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the City of Mandeville, in a separate letter dated November 8, 2000.

Internal Control Over Financial Reporting

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

This report is intended solely for the information and use of the management of the City of Mandeville, federal awarding agencies and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than those specified parties.



A Professional Accounting Corporation

November 8, 2000

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

To the Honorable Edward Price, III, Mayor
and Members of the City Council
City of Mandeville, Louisiana

We have audited the compliance of **CITY OF MANDEVILLE, LOUISIANA** with the types of compliance requirements described in the United States Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended August 31, 2000. **CITY OF MANDEVILLE, LOUISIANA**'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of **CITY OF MANDEVILLE, LOUISIANA**'s management. Our responsibility is to express an opinion on **CITY OF MANDEVILLE, LOUISIANA**'s compliance based on our audit.

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

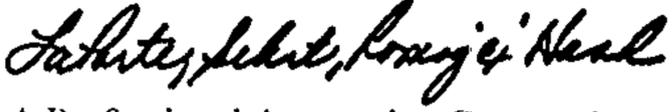
In our opinion, **CITY OF MANDEVILLE, LOUISIANA** complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended August 31, 2000.

Internal Control Over Compliance

The management of **CITY OF MANDEVILLE, LOUISIANA** is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered **CITY OF MANDEVILLE, LOUISIANA**'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing an opinion on compliance and to test and report on internal over compliance in accordance with OMB Circular A-133.

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

This report is intended solely for the information and use of the management of the City of Mandeville, federal awarding agencies and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than those specified parties.


A Professional Accounting Corporation

November 8, 2000

CITY OF MANDEVILLE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COST
For The Year Ended August 31, 2000

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses a qualified opinion on the financial statements of the City.
2. No reportable conditions were disclosed during the audit of the major federal award programs.
3. The auditor's report on compliance for the major federal award programs for the City expresses an unqualified opinion.
4. No findings related to the audit of the major federal award programs.
5. The program tested as major programs are as follows:

<u>PROGRAM</u>	<u>CFDA or Other No.</u>
U.S. Dept. of H.U.D.- B-98-SP-LA-0027	14.XX-LA-0000-98-0027-OED EDI/SP
Hud Special Project	14.225

6. The City did not qualify as a low risk auditee. The threshold for distinguishing Types A and B programs was \$300,000.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

**CITY OF MANDEVILLE, LOUISIANA
STATUS OF PRIOR YEAR AUDIT OF FINDINGS
For The Year Ended August 31, 2000**

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

- 99-1 The City's deposits were sufficiently collateralized throughout the fiscal year ended August 31, 2000. It appears that the procedures instituted by the City to insure this have been implemented successfully.

- 99-2 It appears that the controls relating to timely depositing and recording of receipts were operating as designed during the year ended August 31, 2000.

CITY OF MANDEVILLE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
August 31, 2000

<u>Federal Grantor/ Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Identification Number</u>	<u>Award Amount</u>	<u>Total Federal Revenue Recognized</u>
<u>U. S. Department of Housing and Urban Development</u>				
Trailhead Facility LA-98-0027-OED EDI/SP	14.XX		\$1,000,000	<u>\$ 765,162</u>
<u>U. S. Department of Justice</u>				
COPS UNIVERSAL HIRING GRANT	16.710	95-CFWX-2177	472,391	\$ 69,506
COPS SCHOOL BASED PARTNERSHIP	16.710	98-SBWX-0064	95,150	<u>19,206</u>
Total Department of Justice				<u>\$ 88,712</u>
Federal Emergency Management Agency Passed through State Dept. of Military, Office of Emergency Preparedness				
Flood Hazard Mitigation Grant	83.516		582,876	<u>\$ 79,422</u>
TOTAL FEDERAL AWARDS				<u>\$ 933,296</u>
Expenses Deferred from Prior Year	\$ 191,902			
Current Year Expenditures / Reimbursements	<u>741,394</u>			
	<u>\$ 933,296</u>			

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CITY OF MANDEVILLE
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The Honorable Edward Price III, Mayor
and Members of the City Council
City of Mandeville, Louisiana

In planning and performing our audit of the financial statements of **CITY OF MANDEVILLE, LOUISIANA** for the year ended August 31, 2000, we considered its internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control over financial reporting. In addition, we performed tests of the **CITY OF MANDEVILLE**'s compliance with laws, regulations, contracts and grants.

During our audit, we noted an immaterial instance of noncompliance with laws and regulations. Our finding is as follows:

COMPLIANCE WITH PUBLIC BID LAW

Revised Statute 38:2212(E)(I)(B) requires that materials and supplies that are purchased for a construction project being performed by a governmental entity's employees are subject to the public bid requirements of Revised Statute 38:2212.1

The City was not in compliance with this statute regarding certain acquisitions of sole source equipment for its sewer treatment plant that cost in excess of \$15,000.

In the future such acquisitions should comply with the Public Bid Law.

This report is intended solely for the information and use of the management of the City of Mandeville.

We appreciate the confidence you have placed in us by allowing us to serve the City of Mandeville. If we can assist you in any way with the above finding please do not hesitate to contact us.

LaPorte, Sehrt, Romig & Hand
A Professional Accounting Corporation

November 8, 2000

EDWARD J. PRICE, III
MAYOR

City of Mandeville

"THE HEART OF THE OZONE BELT"



CITY COUNCIL

DENIS P. BECHAC
MAYOR PRO-TEM

JAY MAGGIO
AT LARGE

TRILBY T. LENFANT
DISTRICT I

ADELAIDE J. BOETTNER
DISTRICT II

ZELLA F. WALKER
DISTRICT III

CORRECTIVE ACTION PLAN

The City of Mandeville respectfully submits the following corrective action plan for the year ended August 31, 2000. The findings are from the auditor's separate letter dated November 8, 2000, and the auditor's modified report.

FINDINGS - REPORTED IN SEPARATE LETTER

Description of Finding: The City of Mandeville was not in compliance with Revised Statute 38:2212(E)(1)(B) which requires that materials and supplies that are purchased for a construction project being performed by a governmental entity's employees are subject to the public bid requirements of Revised Statute 38:1221.1.

Corrective Action Plan: The management of the City will monitor all construction projects to make certain that the Public Bid Law is being complied with.

Contact Person: Milton Stiebing

Anticipated Completion Date: Correction action will be implemented immediately.

AUDITOR'S REPORT MODIFIED

Description of Finding: The Auditor's Report was modified because records of inventories of fixed assets were not maintained for the General Fixed Assets Account Group and the Enterprise Fund prior to September 1, 1979.

Corrective Action Plan: The management of the City will research and document to the best of its ability the acquisition of Fixed Assets prior to September 1, 1979.

Contact Person: Milton Stiebing.

Anticipated Completion Date: This project will be completed by the time we have to implement GASB 34 which will be for our fiscal year beginning September 1, 2002.


Edward J. Price, III, Mayor