

RECEIVED
LEGISLATIVE AUDITOR
2002 DEC 30 AM 11:30

CITY OF BAKER, LOUISIANA
ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2002

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

Release Date 1/8/03

The Honorable Leroy Davis, Mayor

Council Members

- James "Jimmy" Pourciau
- Fred O. Russell
- Carlton "Frank" Simpson
- Dr. Charles Vincent
- A. J. Walls

**CITY OF BAKER, LOUISIANA
ANNUAL FINANCIAL REPORT
AS OF AND FOR THE YEAR ENDED JUNE 30, 2002
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

TABLE OF CONTENTS

	<u>Page No.</u>
GENERAL-PURPOSE FINANCIAL STATEMENTS	
Independent Auditors' Report.....	1
Required Supplemental Information (Part 1 of 2)	
Managements' Discussion and Analysis.....	4
Governmental-Wide Financial Statements	
Statement of Net Assets.....	13
Statement of Activities.....	15
Fund Financial Statements	
Governmental Funds:	
Balance Sheet.....	18
Reconciliation of the Governmental Fund Balance Sheet to the Government-Wide Statement of Net Assets.....	20
Statement of Revenues, Expenditures and Changes in Fund Balances.....	21
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities.....	23
Proprietary Funds:	
Statement of Net Assets.....	24
Statement of Revenues, Expenses and Changes in Net Assets.....	27
Statement of Cash Flows.....	29
Notes to the Financial Statements.....	33
Required Supplemental Information (Part 2 of 2)	
Budgetary Comparison Schedule – General Fund.....	58
Budgetary Comparison Schedule – Street Maintenance Fund.....	62

**CITY OF BAKER, LOUISIANA
ANNUAL FINANCIAL REPORT
AS OF AND FOR THE YEAR ENDED JUNE 30, 2002
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

TABLE OF CONTENTS

	<u>Page No.</u>
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES	
General Fund:	
Comparative Balance Sheet.....	64
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual.....	66
Special Revenue Funds:	
Combining Balance Sheet.....	84
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	86
911 Communications Fund	
Comparative Balance Sheet.....	88
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances.....	89
Supplemental Pay Fund	
Comparative Balance Sheet.....	90
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances.....	91
Fire/Police Special Tax Fund	
Balance Sheet.....	92
Statement of Revenues, Expenditures and Changes in Fund Balance.....	93
Street Maintenance Fund	
Comparative Balance Sheet.....	94
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances.....	95
City Court Fund	
Comparative Balance Sheet.....	96
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances.....	97

**CITY OF BAKER, LOUISIANA
ANNUAL FINANCIAL REPORT
AS OF AND FOR THE YEAR ENDED JUNE 30, 2002
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

TABLE OF CONTENTS

	<u>Page No.</u>
Enterprise Funds:	
Utility Fund	
Comparative Balance Sheet.....	98
Comparative Statement of Revenues, Expenses and Changes in Net Assets.....	101
Comparative Statement of Cash Flows.....	103
Comparative Schedule of Operating Expenses.....	105
Cemetery Fund	
Comparative Balance Sheet.....	107
Comparative Statement of Revenues, Expenses and Changes in Net Assets.....	109
Comparative Statement of Cash Flows.....	111
Comparative Schedule of Operating Expenses.....	113
City Parish Sewer Revenue Fund	
Comparative Balance Sheet.....	115
Comparative Statement of Revenues, Expenses and Changes in Net Assets.....	116
Comparative Statement of Cash Flows.....	117
Comparative Schedule of Operating Expenses.....	119
 SUPPLEMENTAL SCHEDULES AND INFORMATION	
Schedule of Compensation Paid to Governing Members.....	121
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	122
Schedule of Findings and Questioned Costs.....	124
Schedule of Prior Year Findings.....	128
Management's Corrective Action Plan.....	129
Management Letter.....	130

GENERAL PURPOSE FINANCIAL STATEMENTS

JOHN D. BUTLER & COMPANY
A PROFESSIONAL ACCOUNTING CORPORATION
P. O. BOX 30
BAKER, LOUISIANA 70704-0030

(225) 775-4982

INDEPENDENT AUDITORS' REPORT

October 14, 2002

The Honorable Leroy Davis, Mayor,
and the Members of the City Council
City of Baker, Louisiana
P. O. Box 707
Baker, Louisiana 70704-0707

We have audited the accompanying general-purpose financial statements of the City of Baker, Louisiana as of June 30, 2002, and for the year then ended, as listed in the table of contents. These general-purpose financial statements are the responsibility of the City of Baker, Louisiana's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Baker, Louisiana as of June 30, 2002, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

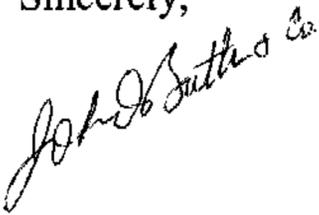
Independent Auditors' Report
October 14, 2002
Page Two

The required supplemental information, as listed in the table of contents, is not a required part of the general-purpose financial statements, but is supplementary information required by the Governmental Accounting Standards Board. This required supplemental information is the responsibility of the City of Baker, Louisiana's management. It has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented in all material respects when considered in relation to the general-purpose financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2002, on our consideration of the City of Baker, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was made for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The combining and individual fund 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 Baker, 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 presented in all material respects in relation to the general-purpose financial statements taken as a whole.

Sincerely,



John D. Butler & Company
A Professional Accounting Corporation

**REQUIRED SUPPLEMENTAL INFORMATION
(PART 1 OF 2)**

**CITY OF BAKER LOUISIANA
MANAGEMENTS' DISCUSSION & ANALYSIS
JUNE 30, 2002**

As management of the City of Baker, we offer readers of the City of Baker's financial statements this narrative overview and analysis of the financial activities of the City of Baker for the fiscal year ended June 30, 2002. The emphasis of discussions about these statements will be on current year data.

This discussion and analysis of the City of Baker's financial statements provide an overview of its financial activities for the year.

Financial Highlights

- * The assets of the City of Baker exceeded its liabilities at the close of the most recent fiscal year by \$15,776,019.10 (net assets). Of this amount, \$5,352,588.05 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- * The City of Baker's total net assets increased by \$710,402.56. Approximately $\frac{3}{4}$ of this increase is attributable to street maintenance taxes (\$528,170.23) and interest earned on investments (\$100,521.05). Street maintenance funds are being retained in order to repair and improve streets for future growth and development.
- * Interest earned is being retained to meet unanticipated future obligations and costs.
- * As of the close of the fiscal year, the City of Baker's governmental funds reported combined ending fund balances of \$8,740,631.60, an increase of \$524,962.49 in comparison with the prior year. Approximately $\frac{1}{2}$ of this amount, \$4,925,409.14 is available for spending at the government's discretion (unreserved fund balance).
- * At the end of the current fiscal year, unreserved and undesignated fund balance for the general fund was \$4,199,276.96, or 77% of total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Baker's basic financial statements. The City of Baker's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Baker's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the City of Baker's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Baker is improving or deteriorating.

**CITY OF BAKER LOUISIANA
MANAGEMENTS' DISCUSSION & ANALYSIS
JUNE 30, 2002**

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the City of Baker that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Baker include general government, public safety, public works, economic development and culture and recreation. The business-type activities of the City of Baker include water, gas, sewer and burial services.

The government-wide financial statements can be found on pages 13-16 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Baker, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Baker can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Baker maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and the street maintenance fund, both of which are considered to be major funds. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

**CITY OF BAKER LOUISIANA
MANAGEMENTS' DISCUSSION & ANALYSIS
JUNE 30, 2002**

The City of Baker adopts an annual budget for its general fund and special revenue funds. Budgetary comparison statements have been provided for the general fund and street maintenance fund to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 18-23 of this report.

Proprietary funds. The City of Baker maintains only one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Baker uses enterprise funds to account for its utilities (water and gas), sewer and burial services.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Utility, Cemetery and City Parish Sewer Revenue funds, all of which are considered to be major funds of the City of Baker.

The basis proprietary fund financial statements can be found on pages 24-31 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33-56 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City of Baker's budgetary comparison schedules for its major governmental funds. The required supplementary information can be found on pages 58-62 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and enterprise funds are presented immediately following the required supplementary information on budgetary comparison schedules. Combining and individual fund statements and schedules can be found on pages 64-119 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Baker, assets exceeded liabilities by \$15,776,019.10 at the close of the most recent fiscal year.

**CITY OF BAKER LOUISIANA
MANAGEMENTS' DISCUSSION & ANALYSIS
JUNE 30, 2002**

The following is a summary of the City of Baker's net assets:

CITY OF BAKER			
Net Assets			
	Governmental Activities <u>2002</u>	Business-type Activities <u>2002</u>	<u>Total</u>
Assets:			
Current and other assets	\$ 9,101,253.26	\$ 4,350,750.68	\$ 13,452,003.94
Capital assets, net	<u>2,034,324.79</u>	<u>4,341,840.79</u>	<u>6,376,165.58</u>
Total assets	11,135,578.05	8,692,591.47	19,828,169.52
Liabilities:			
Other liabilities	1,112,137.11	995,013.31	2,107,150.42
Long-term liabilities	<u>.00</u>	<u>1,945,000.00</u>	<u>1,945,000.00</u>
Total liabilities	<u>1,112,137.11</u>	<u>2,940,013.31</u>	<u>4,052,150.42</u>
Net Assets:			
Investment in capital assets, net of related debt	2,034,324.79	4,341,840.79	6,376,165.58
Restricted	3,815,222.46	232,043.01	4,047,265.47
Unrestricted	<u>4,173,893.69</u>	<u>1,178,694.36</u>	<u>5,352,588.05</u>
Total net asset	<u>10,023,440.94</u>	<u>5,752,578.16</u>	<u>15,776,019.10</u>

By far the largest portion of the City of Baker's net assets (40%) reflects its investment in capital assets (e.g. land, buildings, improvements, streets and bridges, equipment, vehicles, utility systems and furniture and fixtures), less any related debt used to acquire those assets that is still outstanding. The City of Baker uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Baker's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Baker's net assets (26%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of the unrestricted net assets (\$5,352,588.05) may be used to meet the government's on-going obligations to citizens and creditors.

At the end of the current fiscal year, the City of Baker is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

**CITY OF BAKER LOUISIANA
MANAGEMENTS' DISCUSSION & ANALYSIS
JUNE 30, 2002**

The following is a summary of the City of Baker's changes in net assets:

CITY OF BAKER Changes in Net Assets			
	Governmental Activities <u>2002</u>	Business-type Activities <u>2002</u>	<u>Total</u>
Revenues:			
Charges for services	\$ 882,951.07	\$ 2,750,908.28	\$ 3,633,859.35
Operating grants and contributions	52,010.77	.00	52,010.77
Capital grants and contributions	69,693.00	.00	69,693.00
General revenues:			
Sales taxes	3,530,408.79	.00	3,530,408.79
Other taxes, permits, etc.	1,694,766.53	128,131.80	1,822,898.33
Total revenues	6,229,830.16	2,879,040.08	9,108,870.24
Expenses:			
General government	1,687,512.21	.00	1,686,512.21
Culture and recreation	98,505.58	.00	98,505.58
Intergovernmental	71,430.39	.00	71,430.39
Public safety	2,668,498.43	.00	2,707,113.08
Public works	1,484,251.00	.00	1,484,251.00
Cemetery	.00	129,551.11	129,551.11
City-Parish sewer	.00	42,344.12	42,344.12
Utility	.00	2,177,760.19	2,177,760.19
Total expenses	6,010,197.61	2,349,655.42	8,398,467.68
Increase in net assets before transfers	219,632.55	529,384.66	710,402.56
Transfers	326,940.80	(326,940.80)	.00
Increase in net assets	546,573.35	202,443.86	710,402.56
Net assets, beginning of year, as restated	9,537,792.34	5,569,141.04	15,106,933.38
Adjustments	(60,924.75)	(19,006.74)	(41,316.84)
Net assets, end of year	10,023,440.94	5,752,578.16	15,776,019.10

**CITY OF BAKER LOUISIANA
MANAGEMENTS' DISCUSSION & ANALYSIS
JUNE 30, 2002**

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were relatively minor. This is noted on pages 58-61 of this report. Revenue projections were not adjusted during the year because the changes were not significant, even though there was a small decline in tax receipts (6%) due to sales tax reductions and occupancy tax reductions. However, intergovernmental revenues increased by 8% over budget projections and licenses and permits increased by 18%. Charges for services declined by 8%, while other revenues increased by 190%. Total revenues were down somewhat because of the general economic situations. Overall, general governmental expenditures were less than projections due to management activities, which were implemented because of some observed revenue reductions, which are noted above. The original budget for administration was \$524,975.00 and the final budget was \$562,311.00 because of the new salary schedule that went into effect. However, \$113,723.70 less was spent than budgeted. Only the Civic Center and Civil Defense spent more than budgeted, \$21,669.61 and \$1,327.00, respectively. Unanticipated repairs were made to the Civic Center due to leaks in the rood and the failure of air/heating unit.

Public Safety actual expenditures were \$84,915.07 less than projected; although the Fire Department spent \$5,563.11 more than projected because of overtime due to September 11th, Tropical Storm Allison and the addition of three new employees in December, 2001. Two firemen and a secretary were employed in an effort to improve the fire protection and the fire rating. Improved fire rating will lower insurance costs to citizens and businesses.

Public Works spent considerably less than budgeted, \$81,890.08 and \$285,577.97 for services and capital outlay, respectively. Changes in personnel and priorities lead to a reduction in expenditures as well as the reduction in the cost of natural gas, because of market conditions and management activities. Market prices for natural gas were considerably below the previous year. The Mayor purchased gas in advance on the commodities future market, which lead to further reduction in expenditures in this department.

Capital Asset and Debt Administration

Capital Assets. The City of Baker's investment in capital assets for its governmental and business-type activities as of June 30, 2002, amounts to \$6,376,165.58 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, streets and bridges, equipment vehicles, utility systems and furniture and fixtures. The total decrease in the City of Baker's investment in capital assets for the current fiscal year was 3.3% (a 1.4% decrease for the governmental activities and a 4.13% decrease for business-type activities).

**CITY OF BAKER LOUISIANA
MANAGEMENTS' DISCUSSION & ANALYSIS
JUNE 30, 2002**

**CITY OF BAKER
Capital Assets (net of depreciation)**

	Governmental Activities <u>2002</u>	Business-type Activities <u>2002</u>	<u>Total</u>
Land	\$ 548,722.10	\$ 373,572.16	\$ 922,294.26
Buildings	292,865.26	100,307.78	393,173.04
Improvements other than buildings	46,259.05	.00	46,259.05
Streets and bridges	378,596.27	23,055.57	401,651.84
Equipment	258,756.72	100,200.95	358,957.67
Vehicles	495,067.16	27,507.40	522,574.56
Furniture and fixtures	14,058.23	15,567.25	29,625.48
Utilities	.00	3,701,629.68	3,701,629.68
	<u>2,034,326.79</u>	<u>4,341,840.79</u>	<u>6,376,165.58</u>

Major capital asset events during the current fiscal year included the following:

- The Wilson Street Bridge was completed during the year, which was co-funded by East Baton Rouge Parish Government.
- The turning lane on Lavey Lane and Highway 19 was completed which included no local funding.
- The Civic Center repairs and renovations were completed at a cost of \$7,093.31.
- New vehicles were purchased in the amount of \$115,966.95 including \$87,596.95 for the Police Department and \$15,338 for the Public Works Department.
- New equipment was purchased in the following departments:
 - *Purchased equipment for utility department (\$129,738.35) that included a welding machine and the cemetery (\$17,198.00) that included a commercial lawnmower.
 - *Installed a new air conditioning unit at the mausoleum at a cost of \$1,260.00.
 - *Purchased computer hutches and corners for various departments at a cost of \$2,348.00
 - *Made street and bridge improvements in the amount of \$218,917.50 which included street maintenance, drainage and culverts, Teakwood drainage project and bridge railing on Magnolia Street.
 - *Made improvements in other buildings in the amount of \$9,653.00.

Additional information on the City of Baker's capital assets can be found in note 5 on pages 44-45 of this report.

Long-term debt. At the end of the current fiscal year, the City of Baker had total bonded debt outstanding of \$1,945,000.00, all of which is backed by the full faith and credit of the City of Baker.

**CITY OF BAKER LOUISIANA
MANAGEMENTS' DISCUSSION & ANALYSIS
JUNE 30, 2002**

Economic Factors and Next Year's Budget and Rates

- The unemployment rate for the City of Baker is currently 4.9%, which is a .2% reduction from a rate of 5.1% a year ago. This compares favorably to the state's average unemployment rate of 5.9% and the national average rate of 5.6%. In fact, the local area is a full 1% below the state rate.
- The occupancy rate of the city's central business district has remained at 90% for the past five years. The housing occupancy rate has remained at 98% for the past several years.

All of the above factors were considered in preparing the City of Baker's budget for the 2002-2003 fiscal year.

During the current fiscal year, unreserved fund balances in the general fund increased to \$4,199,276.96. The City of Baker has appropriated \$2,500,000.00 of this amount for spending in the 2002-2003 fiscal year budget. It is intended that this use of available fund balance will avoid the need to raise taxes or changes during the 2002-2003 fiscal year. It also is intended to obviate the need for the transfer of additional resources to the general funds for other cost increases during the 2002-2003 fiscal year.

Water rates for the 500 customers outside of the city limits were increased (\$3.00) during the past year to offset cost increases that occurred during the past six years. Some costs of services were also increased to offset inflationary costs during the past several years. The cost of natural gas was tied to the price paid by the City to its supplier. This means the customers will pay more as natural gas rates increase to the City, thus offsetting the costs paid. These increases were necessary in order to offset the rising costs experienced for the business-type activities for the City, including pay increases for employees in the amount of 6.75%. This 6.75% pay increase includes a one time 5% for non-fire and police employees.

There are 567 gas customers outside of the city whose rate was increased by \$2.00 each per month to cover rising costs in this department; while the commercial water customers minimum rate was increased from \$12.00 to \$16.00

Request for Information

This financial report is designed to provide a general overview of the City of Baker's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Ms. Julie Pittman, Finance Director, City of Baker, P. O. Box 707, Baker, Louisiana 70704-0707.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF BAKER, LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2002

<u>ASSETS</u>	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
Cash and cash equivalents	\$ 4,035,711.66	\$ 1,200,400.00	\$ 5,236,111.66
Investments	394,249.06	1,099,919.80	1,494,168.86
Inventory, at cost	17,104.86	452,973.40	470,078.26
Due from other funds	148,520.17	-	148,520.17
Due from other governmental agencies	202,177.72	11,783.90	213,961.62
Receivables, net	563,314.01	327,693.07	891,007.08
Prepaid expenses	30,471.72	6,421.45	36,893.17
Deferred bond debt, net	-	3,772.00	3,772.00
Restricted assets:			
Cash and cash equivalents	2,709,704.06	1,080,543.05	3,790,247.11
Investments	1,000,000.00	167,244.01	1,167,244.01
Capital assets, net	2,034,324.79	4,341,840.79	6,376,165.58
	<hr/>	<hr/>	<hr/>
Total Assets	11,135,578.05	8,692,591.47	19,828,169.52
 <u>LIABILITIES</u>			
Due to other funds	148,520.17	-	148,520.17
Due to other governmental agencies	9,796.48	3,545.78	13,342.26
Accounts payable	129,635.84	17,204.49	146,840.33
Other payables	79,480.00	-	79,480.00
Deferred revenue	42,387.47	2,287.00	44,674.47
Accrued payables	25,801.70	13,559.17	39,360.87
Bonds payable	-	242,000.00	242,000.00
Merchandise payable	-	105,314.38	105,314.38
Accrued payables - long-term portion	676,515.45	212,381.69	888,897.14
Bonds payable - long-term portion	-	1,703,000.00	1,703,000.00
Merchandise payable - long-term portion	-	473,476.79	473,476.79
Customer deposits	-	167,244.01	167,244.01
	<hr/>	<hr/>	<hr/>
Total Liabilities	1,112,137.11	2,940,013.31	4,052,150.42

Continued

CITY OF BAKER, LOUISIANA
STATEMENT OF NET ASSETS (Continued)
JUNE 30, 2002

<u>NET ASSETS</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Invested in capital assets, net of related debt	\$ 2,034,324.79	\$ 4,341,840.79	\$ 6,376,165.58
Restricted for:			
Customer deposits	-	167,244.01	167,244.01
Fire/police salaries	183,383.86	-	183,383.86
Inventory	17,104.86	-	17,104.86
Pre-need items	-	64,799.00	64,799.00
Street maintenance/construction	3,614,733.74	-	3,614,733.74
Unrestricted	4,173,893.69	1,178,694.36	5,352,588.05
Total Net Assets	<u>10,023,440.94</u>	<u>5,752,578.16</u>	<u>15,776,019.10</u>

The accompanying notes are an integral part of this statement.

**CITY OF BAKER, LOUISIANA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2002**

Functions/Programs	Program Revenues			Net Revenues (Expenses)			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General government	\$ 1,687,512.21	\$ 99,243.00	\$ 11,498.41	-	\$ (1,576,770.80)	-	\$ (1,576,770.80)
Culture and recreation	98,505.58	13,480.70	10,250.00	-	(74,774.88)	-	(74,774.88)
Intergovernmental	71,430.39	122,499.23	-	-	51,068.84	-	51,068.84
Public safety	2,668,498.43	45,449.22	30,262.36	25,443.00	(2,567,343.85)	-	(2,567,343.85)
Public works	1,484,251.00	602,278.92	-	44,250.00	(837,722.08)	-	(837,722.08)
Total Governmental Activities	6,010,197.61	882,951.07	52,010.77	69,693.00	(5,005,542.77)	-	(5,005,542.77)
Business-Type Activities							
Cemetery	129,551.11	139,511.61	-	-	-	9,960.50	9,960.50
City Parish sewer revenue	42,344.12	69,707.12	-	-	-	27,363.00	27,363.00
Utility	2,177,760.19	2,541,689.55	-	-	-	363,929.36	363,929.36
Total Business-Type Activities	2,349,655.42	2,750,908.28	-	-	-	401,252.86	401,252.86
Total Primary Government	8,359,853.03	3,633,859.35	52,010.77	69,693.00	(5,005,542.77)	401,252.86	(4,604,289.91)
General Revenues and Transfers							
Taxes:							
Sales					3,530,408.79	-	3,530,408.79
Franchise					400,299.72	-	400,299.72

Continued

CITY OF BAKER, LOUISIANA
STATEMENT OF ACTIVITIES (Continued)
YEAR ENDED JUNE 30, 2002

	Net Revenues (Expenses)		
	Governmental Activities	Business-Type Activities	Total
Property	\$ 202,375.53	\$ -	\$ 202,375.53
Teleprompter	108,765.05	-	108,765.05
Other	141,492.79	-	141,492.79
Licenses and permits	373,523.45	-	373,523.45
City court receipts	191,326.82	-	191,326.82
Interest earnings	242,480.53	102,759.40	345,239.93
Other revenues	34,502.64	25,372.40	59,875.04
Transfers, net	326,940.80	(326,940.80)	-
Total General Revenues and Transfers	5,552,116.12	(198,809.00)	5,353,307.12
Change in Net Assets	546,573.35	202,443.86	749,017.21
Net Assets, beginning, as restated	9,537,792.34	5,569,141.04	15,106,933.38
Increase in customer deposits	-	(16,806.74)	(16,806.74)
Adjustments to prior periods	(60,924.75)	(2,200.00)	(63,124.75)
Net Assets, ending	10,023,440.94	5,752,578.16	15,776,019.10

The accompanying notes are an integral part of this statement

FUND FINANCIAL STATEMENTS

**CITY OF BAKER, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2002**

	<u>General</u>	<u>Street Maintenance</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 3,863,656.46	\$ -	\$ 172,055.20	\$ 4,035,711.66
Investments	394,249.06	-	-	394,249.06
Inventory, at cost	17,104.86	-	-	17,104.86
Due from other funds	32,750.73	-	115,769.44	148,520.17
Due from other governmental agencies	51,472.36	58,729.95	91,975.41	202,177.72
Receivables:				
Accounts, net	163,023.51	-	-	163,023.51
Taxes, net	396,587.86	-	-	396,587.86
Accrued interest	3,142.90	375.37	184.37	3,702.64
Prepaid expenses	30,471.72	-	-	30,471.72
Restricted assets:				
Cash and cash equivalents	29,733.94	2,588,561.67	91,408.45	2,709,704.06
Investments	-	1,000,000.00	-	1,000,000.00
TOTAL ASSETS	4,982,193.40	3,647,666.99	471,392.87	9,101,253.26

LIABILITIES AND FUND BALANCES

Liabilities:				
Due to other funds	-	-	148,520.17	148,520.17
Due to other governmental agencies	9,796.48	-	-	9,796.48
Accounts payable	96,702.59	32,933.25	-	129,635.84
Accrued salaries	25,801.70	-	-	25,801.70
Other payables	4,380.00	-	100.00	4,480.00
Deferred revenue	36,887.47	-	5,500.00	42,387.47
Total Liabilities	173,568.24	32,933.25	154,120.17	360,621.66

Continued

**CITY OF BAKER, LOUISIANA
BALANCE SHEET (Continued)
GOVERNMENTAL FUNDS
JUNE 30, 2002**

	<u>General</u>	<u>Street Maintenance</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balances:				
Reserved for:				
Fire/police salaries	\$ -	\$ -	\$ 183,383.86	\$ 183,383.86
Inventory	17,104.86	-	-	17,104.86
Street maintenance/construction	-	3,614,733.74	-	3,614,733.74
Unreserved, designated for:				
911 services	-	-	60,712.96	60,712.96
Beautification	78,518.65	-	-	78,518.65
Capital improvements	316,420.26	-	-	316,420.26
Condemnation	25,939.39	-	-	25,939.39
Court operations	-	-	73,175.88	73,175.88
Economic development	85,161.49	-	-	85,161.49
Insurance	2,431.27	-	-	2,431.27
Law enforcement	28,435.35	-	-	28,435.35
Recreation	43,769.82	-	-	43,769.82
Special events	11,567.11	-	-	11,567.11
Unreserved, undesignated	4,199,276.96	-	-	4,199,276.96
Total Fund Balances	4,808,625.16	3,614,733.74	317,272.70	8,740,631.60
 TOTAL LIABILITIES AND FUND BALANCES				
	4,982,193.40	3,647,666.99	471,392.87	9,101,253.26

The accompanying notes are an integral part of this statement.

CITY OF BAKER, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS
JUNE 30, 2002

Total Fund Balances - Total Governmental Funds \$ 8,740,631.60

Amounts reported for governmental activities in the
Statement of Net Assets are different because:

Capital assets used in governmental activities are not current
financial resources and, therefore, are not reported in the
Governmental Funds Balance Sheet. This is the capital
assets, net of accumulated depreciation, reported on the
Statement of Net Assets. 2,034,324.79

Long-term liabilities are not due and payable in the current
period and, therefore, are not reported in the Governmental
Fund Balance Sheet. This is the long-term liabilities reported
on the Statement of Net Assets:

Compensated absences payable (676,515.45)
Claims and judgements (75,000.00)

Net Assets - Governmental Activities 10,023,440.94

The accompanying notes are an integral part of this statement.

CITY OF BAKER, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2002

	<u>General</u>	<u>Street Maintenance</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>				
Intergovernmental revenues	\$ 56,499.23	\$ -	\$ 66,000.00	\$ 122,499.23
Taxes:				
Sales	2,551,557.10	528,170.23	450,681.46	3,530,408.79
Franchise	400,299.72	-	-	400,299.72
Property	202,375.53	-	-	202,375.53
Teleprompter	108,765.05	-	-	108,765.05
Industrial	47,693.00	-	-	47,693.00
Occupancy	38,467.55	-	-	38,467.55
Firemen's	31,647.73	-	-	31,647.73
Beer	14,092.31	-	-	14,092.31
Chain store	9,592.20	-	-	9,592.20
Licenses and permits	373,523.45	-	-	373,523.45
Charges for services	743,209.14	-	17,242.00	760,451.14
City court receipts	191,326.82	-	-	191,326.82
Interest earned	132,471.15	100,521.05	9,488.33	242,480.53
Other revenues	156,206.41	-	-	156,206.41
	<hr/>			
Total Revenues	5,057,726.39	628,691.28	543,411.79	6,229,829.46
<u>EXPENDITURES</u>				
General government	1,606,310.21	-	13,473.87	1,619,784.08
Public safety	2,081,264.93	-	445,699.23	2,526,964.16
Public works	1,387,662.92	7,631.06	-	1,395,293.98
Capital outlay	313,254.03	98,880.48	16,706.29	428,840.80
	<hr/>			
Total Expenditures	5,388,492.09	106,511.54	475,879.39	5,970,883.02

Continued

CITY OF BAKER, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (Continued)
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2002

	<u>General</u>	<u>Street Maintenance</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Excess (Deficiency) of Revenues over Expenditures	\$ (330,765.70)	\$ 522,179.74	\$ 67,532.40	\$ 258,946.44
 <u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in	342,776.90	-	-	342,776.90
Operating transfers out	(14,920.30)	-	(915.80)	(15,836.10)
Total Other Financing Sources (Uses)	<u>327,856.60</u>	<u>-</u>	<u>(915.80)</u>	<u>326,940.80</u>
Change in Fund Balances	(2,909.10)	522,179.74	66,616.60	585,887.24
Fund Balances, beginning	4,880,747.01	3,092,554.00	242,368.10	8,215,669.11
Adjustments to prior periods	(69,212.75)	-	8,288.00	(60,924.75)
Fund Balances, ending	<u><u>4,808,625.16</u></u>	<u><u>3,614,733.74</u></u>	<u><u>317,272.70</u></u>	<u><u>8,740,631.60</u></u>

The accompanying notes are an integral part of this statement.

**CITY OF BAKER, LOUISIANA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2002**

	Business-Type Activities Enterprise Funds			<u>Total</u>
	<u>Utility</u>	<u>Cemetery</u>	<u>City Parish Sewer Revenue</u>	
<u>ASSETS</u>				
Current Assets:				
Cash and cash equivalents	\$ 1,125,400.00	\$ 50,000.00	\$ 25,000.00	\$ 1,200,400.00
Investments	734,398.08	231,459.69	134,062.03	1,099,919.80
Inventory	49,253.62	403,719.78	-	452,973.40
Due from other govt agencies	-	-	11,783.90	11,783.90
Accounts receivable, net	315,804.26	8,563.46	-	324,367.72
Accrued interest receivable	3,325.35	-	-	3,325.35
Prepaid expenses	1,366.47	-	5,054.98	6,421.45
Total Current Assets	2,229,547.78	693,742.93	175,900.91	3,099,191.62
Restricted Assets:				
Cash and cash equivalents	1,015,744.05	64,799.00	-	1,080,543.05
Investments	167,244.01	-	-	167,244.01
Total Restricted Assets	1,182,988.06	64,799.00	-	1,247,787.06
Capital Assets:				
Land	243,572.16	130,000.00	-	373,572.16
Buildings	1,510.05	155,481.46	-	156,991.51
Equipment	1,042,168.59	98,895.08	4,075.49	1,145,139.16
Vehicles	206,210.41	21,078.80	-	227,289.21
Furniture	98,763.93	-	-	98,763.93
Utility systems	7,067,148.66	-	-	7,067,148.66
Streets	-	50,000.00	-	50,000.00
Total Capital Assets	8,659,373.80	455,455.34	4,075.49	9,118,904.63
Accumulated depreciation	(4,597,024.57)	(175,963.78)	(4,075.49)	(4,777,063.84)
Net Capital Assets	4,062,349.23	279,491.56	-	4,341,840.79

Continued

CITY OF BAKER, LOUISIANA
STATEMENT OF NET ASSETS (Continued)
PROPRIETARY FUNDS
JUNE 30, 2002

	Business-Type Activities			<u>Total</u>
	Enterprise Funds			
	<u>Utility</u>	<u>Cemetery</u>	<u>City Parish Sewer Revenue</u>	
Other Assets:				
Deferred bond debt, net	\$ 3,772.00	\$ -	\$ -	\$ 3,772.00
TOTAL ASSETS	7,478,657.07	1,038,033.49	175,900.91	8,692,591.47
 <u>LIABILITIES</u>				
Current Liabilities:				
Payable from current assets:				
Due to other govt agencies	3,545.78	-	-	3,545.78
Accounts payable	8,103.42	5,115.35	259.74	13,478.51
Sales taxes payable	3,725.98	-	-	3,725.98
Merchandise payable	-	40,515.38	-	40,515.38
Deferred revenue	-	2,287.00	-	2,287.00
Total Current Liabilities, Payable from Current Assets	15,375.18	47,917.73	259.74	63,552.65
Payable from restricted assets:				
Accrued interest payable	13,559.17	-	-	13,559.17
Merchandise payable	-	64,799.00	-	64,799.00
Revenue bonds payable	242,000.00	-	-	242,000.00
Customer deposits	167,244.01	-	-	167,244.01
Total Current Liabilities, Payable from Restricted Assets	422,803.18	64,799.00	-	487,602.18
Total Current Liabilities	438,178.36	112,716.73	259.74	551,154.83

Continued

CITY OF BAKER, LOUISIANA
STATEMENT OF NET ASSETS (Continued)
PROPRIETARY FUNDS
JUNE 30, 2002

	Business-Type Activities Enterprise Funds			<u>Total</u>
	<u>Utility</u>	<u>Cemetery</u>	<u>City Parish Sewer Revenue</u>	
	Long-Term Liabilities:			
Compensated absences	\$ 177,515.31	\$ 31,908.02	\$ 2,958.36	\$ 212,381.69
Merchandise payable	-	473,476.79	-	473,476.79
Revenue bonds payable	929,255.95	-	-	929,255.95
Payable from restricted assets:				
Revenue bonds payable	773,744.05	-	-	773,744.05
Total Long-Term Liabilities	1,880,515.31	505,384.81	2,958.36	2,388,858.48
Total Liabilities	2,318,693.67	618,101.54	3,218.10	2,940,013.31
<u>NET ASSETS</u>				
Invested in capital assets, net of related debt	4,062,349.23	279,491.56	-	4,341,840.79
Restricted for:				
Customer deposits	167,244.01	-	-	167,244.01
Pre-need items	-	64,799.00	-	64,799.00
Unrestricted	930,370.16	75,641.39	172,682.81	1,178,694.36
Total Net Assets	5,159,963.40	419,931.95	172,682.81	5,752,578.16

The accompanying notes are an integral part of this statement.

CITY OF BAKER, LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET ASSETS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2002

	Business-Type Activities			<u>Total</u>
	Enterprise Funds			
	<u>Utility</u>	<u>Cemetery</u>	<u>City Parish Sewer Revenue</u>	
<u>OPERATING REVENUES</u>				
Charges for services	\$ 2,179,034.64	\$ -	\$ 69,707.12	\$ 2,248,741.76
Sales, net of cost of goods sold	-	135,589.61	-	135,589.61
Sewer fees	362,654.91	-	-	362,654.91
Other operating revenues	4,595.66	-	-	4,595.66
Total Operating Revenues	2,546,285.21	135,589.61	69,707.12	2,751,581.94
<u>OPERATING EXPENSES</u>				
Administrative	60,245.70	7,758.19	872.57	68,876.46
Depreciation	316,340.78	17,687.14	-	334,027.92
Employee and related expenses	669,607.41	89,381.29	25,929.77	784,918.47
Occupancy	60,987.84	4,955.42	-	65,943.26
Personal services	977,593.95	9,769.07	15,541.78	1,002,904.80
Total Operating Expenses	2,084,775.68	129,551.11	42,344.12	2,256,670.91
Operating Income	461,509.53	6,038.50	27,363.00	494,911.03
<u>NON-OPERATING REVENUES (EXPENSES)</u>				
Interest earned	84,924.96	12,406.25	5,428.19	102,759.40
Grant proceeds	-	-	-	-
Lease income	-	3,922.00	-	3,922.00
Contributions	20,776.74	-	-	20,776.74

Continued

CITY OF BAKER, LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET ASSETS (Continued)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2002

	Business-Type Activities Enterprise Funds			<u>Total</u>
	<u>Utility</u>	<u>Cemetery</u>	<u>City Parish Sewer Revenue</u>	
	Bond-related expenses	\$ (2,155.08)	\$ -	
Interest expense	(90,829.43)	-	-	(90,829.43)
Total Non-Operating Revenues (Expenses)	12,717.19	16,328.25	5,428.19	34,473.63
Income Before Operating Transfers	474,226.72	22,366.75	32,791.19	529,384.66
<u>OPERATING TRANSFERS</u>				
Operating transfers in	-	14,920.30	-	14,920.30
Operating transfers out	(326,160.79)	(10,272.12)	(5,428.19)	(341,861.10)
Total Operating Transfers	(326,160.79)	4,648.18	(5,428.19)	(326,940.80)
Change in Net Assets	148,065.93	27,014.93	27,363.00	202,443.86
Net Assets, beginning	5,028,704.21	395,117.02	145,319.81	5,569,141.04
Increase in customer deposits	(16,806.74)	-	-	(16,806.74)
Adjustment to prior periods	-	(2,200.00)	-	(2,200.00)
Net Assets, ending	5,159,963.40	419,931.95	172,682.81	5,752,578.16

The accompanying notes are an integral part of this statement.

**CITY OF BAKER, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2002**

	Business-Type Activities Enterprise Funds				
	Utility	Cemetery	City Parish Sewer Revenue	Total	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 2,570,056.44	\$ 168,657.47	\$ 74,363.16	\$ 2,813,077.07	
Cash paid to suppliers for goods/services	(1,171,833.47)	(68,893.21)	(18,196.69)	(1,258,923.37)	
Cash paid to employees for services	(673,332.54)	(86,079.35)	(25,131.77)	(784,543.66)	
Net Cash Provided by Operating Activities	724,890.43	13,684.91	31,034.70	769,610.04	
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Operating transfers in	-	14,920.30	-	14,920.30	
Operating transfers out	(326,382.05)	(10,272.12)	(5,428.19)	(342,082.36)	
Net Cash Provided by (Used for) Non-Capital Financing Activities	(326,382.05)	4,648.18	(5,428.19)	(327,162.06)	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital contributed by property owners	3,970.00	-	-	3,970.00	
Interest received from bond proceeds	45,057.61	-	-	45,057.61	

Continued

CITY OF BAKER, LOUISIANA
STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2002

	Business-Type Activities Enterprise Funds			City Parish Sewer Revenue	Total
	Utility	Cemetery	-	-	-
Acquisition of capital assets	\$ (129,738.35)	\$ (17,198.00)	\$ -	\$ -	\$ (146,936.35)
Interest paid on bonds	(91,917.50)	-	-	-	(91,917.50)
Principal paid on bond maturities	(229,000.00)	-	-	-	(229,000.00)
Net Cash Used for Capital and Related Financing Activities					
	(401,628.24)	(17,198.00)	-	-	(418,826.24)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received from investments	45,152.19	12,406.25	5,428.19	62,986.63	
Income received from leases	-	3,922.00	-	3,922.00	
Purchase/maturities of securities	(66,859.66)	(14,258.74)	(31,034.70)	(112,153.10)	
Net Cash Provided by (Used for) Investing Activities	(21,707.47)	2,069.51	(25,606.51)	(45,244.47)	
Net Increase (Decrease) in Cash and Cash Equivalents					
	(24,827.33)	3,204.60	-	(21,622.73)	
Cash and Cash Equivalents, beginning of year	2,165,971.38	111,594.40	25,000.00	2,302,565.78	
Cash and Cash Equivalents, end of year	2,141,144.05	114,799.00	25,000.00	2,280,943.05	

CITY OF BAKER, LOUISIANA
STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2002

	Business-Type Activities Enterprise Funds				Total
	<u>Utility</u>	<u>Cemetery</u>	<u>City Parish</u>	<u>Sewer Revenue</u>	
Operating income (loss)	\$ 461,509.53	\$ 6,038.50	\$ 27,363.00	\$	494,911.03
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating income (loss)	\$	\$	\$	\$	\$
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation	316,340.78	17,687.14	-	-	334,027.92
(Increase) decrease in assets:					
Inventory	(7,726.21)	5,245.73	-	-	(2,480.48)
Accounts receivable	6,964.49	(3,353.99)	4,656.04	-	8,266.54
Prepaid expenses	311.20	-	(2,042.08)	-	(1,730.88)
Increase (decrease) in liabilities:					
Accounts payable	(65,590.97)	(1,244.03)	259.74	-	(66,575.26)
Merchandise payable	-	(13,990.38)	-	-	(13,990.38)
Compensated absences payable	(3,725.13)	3,301.94	798.00	-	374.81
Customer deposits	16,806.74	-	-	-	16,806.74
Net Cash Provided by Operating Activities	724,890.43	13,684.91	31,034.70	-	769,610.04

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

CITY OF BAKER, LOUISIANA
INDEX TO NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2002

<u>Note No.</u>	<u>Description</u>	<u>Page No.</u>
	Introduction	34
1	Summary of Significant Accounting Policies	34
2	Cash and Cash Equivalents	41
3	Investments	42
4	Receivables	43
5	Capital Assets	44
6	Pension Plan	45
7	Post-employment Benefits	48
8	Accounts and Other Payables	48
9	Compensated Absences	49
10	Long-Term Debt	49
11	Deferred Revenue	50
12	Restricted and Designated Retained Earnings/Fund Balances	51
13	Prior Period Adjustments	51
14	Interfund Receivables and Payables	52
15	Intergovernmental Receivables and Payables	52
16	Interfund Transfers	53
17	Leases	53
18	Property Taxes	53
19	Business-Type Activities - Segment Information	54
20	Net Assets Restated	55
21	Related Party Transactions	55
22	Litigation	56
23	Subsequent Events	56

CITY OF BAKER, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2002

INTRODUCTION

The City of Baker, Louisiana (hereafter referred to as the City) was originally governed by the provisions of the Lawrason Act, La. Revised Statute §33:321-481. The electorate adopted a Home Rule Charter on May 16, 1970, that would become effective on July 1, 1972. The Charter provided for a mayor-council form of government. Originally, the council was elected at large but later changed to member districts. There are five council members, and they are compensated for their services.

The purpose of the municipality is to promote the general welfare and the safety, health, peace, good order, comfort, convenience and morals of its inhabitants.

The City is situated in the northwest part of the Parish of East Baton Rouge. It is approximately 7 square miles in size with a population of 13,743. Within the boundaries are approximately 70 miles of roads maintained by the City. It is currently servicing approximately 5,500 utility customers and employs 134 persons.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting practice of the City of Baker, La. conforms to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of La. Revised Statute §24:517 and to the guidelines 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:

Financial Reporting Entity: This report includes all funds that are controlled by or dependent on the City's executive or legislative branches (Mayor and/or City Council). Control by or dependence on the City was determined on the basis of oversight responsibility, including accountability for fiscal and budgetary matters, designation of management or governing authority and authority to issue debt.

Based upon the above, it has been determined that there are no governmental organizations which should be included in the accompanying financial statements.

Government-wide Accounting: In accordance with Government Accounting Standards Boards Statement No. 34, the City has presented a Statement of Net Assets and Statement of Activities for the City as a whole. These statements include the primary government and its component units, if applicable, with the exception of fiduciary funds. Those funds are reported separately. Government-wide accounting is designed to provide a more comprehensive view of the government's operations and financial position as a single economic entity.

Government-wide statements distinguish between governmental and business-type activities.

CITY OF BAKER, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2002

Governmental activities are those financed through taxes, intergovernmental revenues and other non-exchange revenues and are usually reported in governmental and internal service funds. Business activities are financed in whole or in part through fees charged for goods or services to the general public and are usually reported in proprietary funds.

Policies specific to the government-wide statements are as follows:

Eliminating Internal Activity

Interfund receivables and payables are eliminated in the Statement of Net Assets except for the net residual amounts due between governmental and business-type activities. These are presented as internal balances. The allocation of overhead expenses from one function to another or within the same function is eliminated in the Statement of Activities. Allocated expenses are reported by the function to which they were allocated.

Application of FASB Statements and Interpretations

Reporting on governmental-type and business-type activities are based on FASB Statements and Interpretations issued after November 30, 1989, except where they conflict or contradict GASB pronouncements.

Capitalizing Assets

Tangible and/or intangible assets used in operations with an initial useful life that extends beyond one year are capitalized. Infrastructure assets such as roads and bridges are also capitalized. Capital assets are recorded at their historical cost or estimated cost where historical cost is unavailable and are depreciated using the straight-line or modified accelerated recovery cost system methods of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the Statement of Net Assets.

Using the requirements of GASB Statement No. 34, the City is considered a Phase 3 government as its total annual revenues are less than \$10 million. Such governments are not required to report major general infrastructure assets retroactively. The City has opted not to retroactively report these types of capital assets.

Program Revenues

The Statement of Activities presents three categories of program revenues – (1) charges for services; (2) operating grants and contributions; and (3) capital grants and contributions. Charges for services are those revenues arising from charges to customers who purchase, use or directly benefit from goods and services provided by the City. Grants and contributions, whether operating or capital in nature, are revenues arising from receipts that are reserved for a specific use.

Indirect Expenses

Expenses are reported according to function except for those that meet the definition of special or extraordinary items. Direct expenses are specifically associated with a service or program. Indirect expenses include general government or administration that cannot be specifically traced to a service or

CITY OF BAKER, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2002

program. Governments are not required to allocate indirect expenses to other functions, and the City has chosen not to do so.

Operating Revenues

Proprietary funds separately report operating and non-operating revenues. Revenues from transactions of the City's operation of the utility department, cemetery and City-Parish sewer billing are considered operating revenues. All other revenues, which are reported as cash flows from capital or non-capital financing and investing, are reported as non-operating revenues.

Reserved Net Assets

Reserved net assets are those for which a constraint has been imposed either externally or by law. The City recognized the use of reserved resources for expenditures that comply with the specific restrictions. Reserved resources are exhausted before unreserved net assets are used.

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

A fund is a separate entity with a self-balancing set of accounts. Funds of the City are classified into two categories: governmental and proprietary. Each category, in turn, is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds: Governmental funds account for all or most of the City's general activities, including the collection and disbursement of specific or legally reserved monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds include:

1. General Fund - is the general operating fund of the City which accounts for all financial resources except those required to be accounted for in other funds; and
2. Special Revenue Funds - account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Proprietary Funds: Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which together with the maintenance of equity, is an important financial indicator. Proprietary funds include:

1. Enterprise Funds – account for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred,

CITY OF BAKER, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2002

and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Basis of Accounting/Measurement Focus: The accounting and financial reporting treatment applied to a fund is determined by the type of financial statement presentation.

The government-wide statements are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of governmental and business-type activities are included in the Statement of Net Assets. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred in the Statement of Activities. In these statements, capital assets are reported and depreciated in each fund.

This same measurement focus and basis of accounting is used by proprietary funds in the fund statements. However, all governmental funds are reported using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements present increases and decreases in net current assets. Expenditures for capital assets are reported as current expenses, and such assets are not depreciated.

Budgets and Budgetary Accounting: A pay plan, operating and capital budget and a capital plan are submitted by the Mayor to the Council for consideration each year. The following procedures were used in establishing the budgetary data reflected in these financial statements:

1. A letter of request is sent on or about April 1st to each department head requesting submission of operating budget requirements to the Mayor by May 1st. Capital budget and program requests along with substantiation in detail of need and cost are submitted by April 15th. Adding an estimate of revenues available for capital purposes for the next 5 years, the Mayor forwards the capital budget and program requests to the Planning Commission.

2. The Planning Commission submits its recommendations for the capital budget to the Mayor by May 1st including a listing by priorities of requested projects not included by reason of financing and a list of projects disapproved, together with the reasons therefore;

3. The Mayor consolidates all departmental requests and any recommended changes for presentation to the Council by May 15th of the operating budget and capital budget;

4. Following such public hearings as the Council deems necessary, the budgets are adopted no later than June 15th.

These budgets are adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts shown are as originally adopted and as amended by the City Council. Budget amendments are passed by the City Council on an as needed basis. A balanced budget is required.

CITY OF BAKER, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2002

If an appropriations ordinance is not passed consistent with the budget, 50% of the prior year appropriation is deemed re-appropriated. Appropriations lapse at year-end.

Amendments were made to the budget during the fiscal year. Control is at the departmental level where expenditures may not legally exceed appropriations.

Cash and Cash Equivalents: Cash includes amounts in demand deposits, interest bearing demand deposits, money market accounts and certificates of deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under State law, the City may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

For purposes of the Statement of Cash Flows, the City considers all investments with maturities of less than 90 days to be cash and cash equivalents.

Investments: Investments are limited by La. Revised Statute §33:2955. If the original maturities of investments exceed 90 days, they are classified as investments. Otherwise, the investments are classified as cash and cash equivalents. In accordance with GASB Statement No. 31, investments are recorded at fair value with the corresponding increase or decrease reported in investment earnings.

The City entered into an Investment Management Agreement with Hancock Trust Division on June 9, 1999, with an initial investment of \$4,000,000. Of this amount, at least \$300,000 is to be maintained in a money market account at all times. The goals of the City are (1) safety of principal, (2) liquidity and (3) yield.

Inventory: Inventory is stated at cost (first-in, first-out) and is maintained through utilization of a perpetual system. The cost is recorded as an expenditure at the time of purchase in both governmental and proprietary funds. A physical count is made at the end of each year. The reported inventory value at year-end is offset by a fund balance reserve that indicates it does not constitute available, spendable resources.

Receivables: Receivables are recorded net of any allowance for uncollectible amounts in both governmental and business-type activities. Revenues become susceptible to accrual when they become both measurable and available.

Prepaid Items: Payments to vendors representing costs applicable to future periods are recorded as prepaid items. In these financial statements, prepaid items include insurance, pre-need burial items, and bond debt paid at the time of issuance.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CITY OF BAKER, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2002

Restricted Assets: Certain proceeds are classified as restricted assets on the balance sheet because their use is limited. Components of these assets for business-type activities are as follows:

	<u>Customer Deposits</u>	<u>Capital Improvements</u>	<u>Merchandise</u>	<u>Total</u>
Cash	\$.00	\$ 81,548.87	\$ 64,799.00	\$ 146,347.87
Investments	27,244.01	.00	.00	27,244.01
Certificates of deposit	<u>140,000.00</u>	<u>934,195.18</u>	<u>.00</u>	<u>1,074,195.18</u>
 Total	 <u>167,244.01</u>	 <u>1,015,744.05</u>	 <u>64,799.00</u>	 <u>1,247,787.06</u>

Effective August 31, 1995, the Louisiana Cemetery Commission mandated that funds for pre-need sales be restricted in the amount of one-half of cost or one-half of sales price, whichever is greater. The Finance Director calculated the restricted funds requirement and complied with the Commission's mandate at August 31, 1995. This initial deposit and subsequent annual requirements are held in a trust account at Hancock Bank.

Components of restricted assets for governmental activities are as follows:

	<u>City Grounds</u>	<u>Street Maintenance</u>	<u>Fire/Police Salaries & Equip.</u>	<u>Total</u>
Cash	\$ 1,765.59	\$ 2,360,431.67	\$ 119,376.80	\$2,481,574.06
Investments	.00	1,000,000.00	.00	1,000,000.00
Certificates of deposit	<u>.00</u>	<u>228,130.00</u>	<u>.00</u>	<u>228,130.00</u>
 Total	 <u>1,765.59</u>	 <u>3,588,561.67</u>	 <u>119,376.80</u>	 <u>3,709,704.06</u>

Capital Assets: The City's assets are recorded at historical cost or estimated cost if historical cost is not available. Donated assets are valued at their estimated fair value on the date of donation.

Depreciation is recorded using the straight-line method or the modified accelerated recovery cost system over the estimated useful lives of the assets as follows:

Buildings	10-40 years	Vehicles	3-20 years
Equipment	4-10 years	Infrastructure	40-50 years
Office furniture	5-10 years		

In June 1999, the Governmental Accounting Standards Board issued Statement No. 34, which requires the inclusion of infrastructure assets, used in governmental activities in the general purpose financial statements retroactively reported back to 1982. An exception exists for local governments with annual revenues of less than \$10 million. As a result of this exception, the City has elected to not report its

CITY OF BAKER, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2002

governmental infrastructure retroactively. From this point forward, the City will use the basic approach to infrastructure reporting for its governmental activities when applicable.

Compensated Absences: The City allows annual leave to regular full-time employees based on length of service. No leave is earned, however, while on suspension or leave without pay status. Annual leave may be carried over to the next calendar year at a maximum of one year's earned annual leave. Employees are not paid for their unused annual leave at year-end, but are paid for accumulated, unused leave upon termination.

Sick leave is earned by regular employees at the rate of one day per month, and it may be accumulated up to 360 working days. Employees may be paid for unused sick leave upon separation, provided that he/she is in good standing and a two-week notice is given.

Exceptions apply to police and fire department personnel. They are allowed to accumulate all vacation leave earned and have unlimited sick leave up to one year. Upon separation, they are paid for accumulated sick leave that had accumulated prior to June 30, 1994.

At June 30, 2002, employees of the City had accumulated and vested \$888,897.14 of employee leave benefits, which was computed in accordance with GASB Codification Section C60.150.

Long-Term Obligations: In the government-wide financial statements, debt principal payments of both government and business-type activities are reported as decreases in the balance of the liability on the Statement of Net Assets. In the fund financial statements, however, debt principal payments of governmental funds are recognized as expenditures when paid.

Net Assets/Fund Balances: In the Statement of Net Assets, the difference between a government's assets and liabilities is recorded as net assets. The three components of net assets is as follows:

Invested in Capital Assets, Net of Related Debt

This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of capital assets.

Restricted Net Assets

Net Assets that are reserved by external sources such as banks or by law are reported separately as restricted net assets. When assets are required to be retained in perpetuity, these non-expendable net assets are recorded separately from expendable net assets. These are components of restricted net assets.

Unrestricted Net Assets

This category represents net assets not appropriable for expenditures or legally segregated for a specific future use.

**CITY OF BAKER, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2002**

In the Balance Sheet of governmental funds, fund balances are segregated as follows:

Reserved

These resources are segregated because their use is earmarked for a specific use.

Unreserved

This category represents that portion of equity not appropriable for expenditures or legally segregated for a specific future use.

Interfund Transactions: All interfund transactions except quasi-external transactions, are reported as operating transfers. These are eliminated in the government-wide statements.

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

NOTE 2 - CASH AND CASH EQUIVALENTS

The cash and cash equivalents on hand at June 30, 2002, are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Petty cash	\$ 1,867.00	\$ 400.00
Demand deposits	2,113,882.00	187,265.79
Interest-bearing demand deposits	2,474,468.26	234,082.08
Time deposits	<u>2,155,198.46</u>	<u>1,859,195.18</u>
Total	<u>6,745,415.72</u>	<u>2,280,943.05</u>

Of these amounts, \$2,709,704.06 and \$1,080,543.05 is restricted for governmental and business-type activities, respectively.

These deposits are stated at cost, which approximates market. Under state law, they must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

**CITY OF BAKER, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2002**

At June 30, 2002, the City had \$9,366,033.19 in deposits. These deposits are secured from risk by \$600,000 of federal deposit insurance and \$17,011,813 of pledged securities as follows:

Governmental Funds:

Restricted	\$ 2,965,827.15
General Fund	3,553,124.04
Special Revenue Funds	493,892.75

Proprietary Funds:

Restricted	1,080,543.05
Utility Fund	1,148,823.10
Cemetery Fund	74,293.86
City Parish Sewer Revenue Fund	<u>49,529.24</u>

Total	<u>9,366,033.19</u>
-------	---------------------

Bank One	6,527,579.00
Hancock Bank of Louisiana	5,984,234.00
Hancock Bank Trust Division	<u>5,100,000.00</u>

Total	<u>17,611,813.00</u>
-------	----------------------

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement No. 3, La. Revised Statute §39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 3 - INVESTMENTS

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the municipality or its agent in the municipality's name;
2. Uninsured and unregistered, with securities held by the counter-party's trust department or agent in the municipality's name; or
3. Uninsured and unregistered, with securities held by the counter-party, or by its trust department or agent but not in the municipality's name.

CITY OF BAKER, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2002

All investments of the City fall within category 1. The balances at June 30, 2002, are as follows:

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Carrying Amount</u>
Certificates of deposit	\$ 207,437.92	\$ 207,437.92	\$ 207,437.92
Government agencies	2,453,974.95	2,392,098.03	2,453,974.95
Total	<u>2,661,412.87</u>	<u>2,599,535.95</u>	<u>2,661,412.87</u>

NOTE 4 - RECEIVABLES

The net receivables, with the exception of interfund and intergovernmental transactions, of \$891,007.08 at June 30, 2002, are as follows:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Enterprise Funds</u>	<u>Total</u>
Accounts	\$ 163,023.51	\$.00	\$ 324,367.72	\$ 487,391.23
Taxes:				
Sales	222,689.73	.00	.00	222,689.73
Franchise	95,561.19	.00	.00	95,561.19
Other	78,336.94	.00	.00	78,336.94
Accrued interest	<u>3,142.90</u>	<u>559.74</u>	<u>3,325.35</u>	<u>7,027.99</u>
Total	<u>562,754.27</u>	<u>559.74</u>	<u>327,693.07</u>	<u>891,007.08</u>

Utility meters are read between the 1st and 15th of each month and bills are computed and mailed in three cycles by the 25th of each month. The amount of gas and water used from the date the meter is read until the end of the month is an unbilled receivable in the Utility Fund. It is reflected in the accompanying financial statements at June 30, 2002 and 2001, as \$119,815.41 and \$102,158.33, respectively.

An allowance for bad debts is determined by a percentage based on prior years' experience. At June 30, 2002 and 2001, the allowance was calculated as \$39,031.99 and \$39,892.77, respectively, in the Utility Fund. The allowance in the Cemetery Fund at June 30, 2002 and 2001, is \$3,565.08 and \$3,255.67, respectively.

CITY OF BAKER, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2002

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2002, is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Land	\$ 548,722.10	\$.00	\$.00	\$ 548,722.10
Buildings	1,926,087.35	39,194.10	.00	1,965,281.45
Improvements other than buildings	2,578,388.72	9,653.00	.00	2,588,041.72
Streets and bridges	320,973.31	218,917.50	.00	539,890.81
Equipment	1,177,829.47	38,015.94	.00	1,215,845.41
Vehicles	1,772,062.96	115,966.95	37,700.00	1,850,329.91
Furniture and fixtures	157,880.53	7,093.31	.00	164,973.84
Totals at Historical or Estimated Cost	8,481,944.44	428,840.80	37,700.00	8,873,085.24
Less Accumulated Depreciation for:				
Buildings	1,596,781.93	75,634.26	.00	1,672,416.19
Improvements other than buildings	2,528,937.56	12,845.11	.00	2,541,782.67
Streets and bridges	93,458.93	67,835.61	.00	161,294.54
Equipment	836,661.12	120,427.57	.00	957,088.69
Vehicles	1,216,322.98	176,639.77	37,700.00	1,355,262.75
Furniture and fixtures	146,025.63	4,889.98	.00	150,915.61
Total Accumulated Depreciation for:	6,418,188.15	458,272.30*	37,700.00	6,838,760.45
Governmental Activities Capital Assets, net	<u>2,063,756.29</u>	<u>(29,431.50)</u>	<u>.00</u>	<u>2,034,324.79</u>
Business-Type Activities				
Land	\$ 373,572.16	\$.00	\$.00	\$ 373,572.16
Buildings	155,731.51	1,260.00	.00	156,991.51
Equipment	1,127,078.66	18,060.50	.00	1,145,139.16
Vehicles	200,147.23	27,141.98	.00	227,289.21
Furniture and fixtures	98,763.93	.00	.00	98,763.93

CITY OF BAKER, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2002

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Utility systems	6,966,674.79	100,473.87	.00	7,067,148.66
Streets	<u>50,000.00</u>	<u>.00</u>	<u>.00</u>	<u>50,000.00</u>
Totals at Historical Cost	8,971,968.28	146,936.35	.00	9,118,904.63
Less Accumulated Depreciation for:				
Buildings	52,406.88	4,276.85	.00	56,683.73
Equipment	948,585.08	96,353.13	.00	1,044,938.21
Vehicles	185,697.63	14,084.18	.00	199,781.81
Furniture and fixtures	78,601.40	4,595.28	.00	83,196.68
Utility systems	3,152,467.17	213,051.81	.00	3,365,518.98
Streets	<u>25,277.76</u>	<u>1,666.67</u>	<u>.00</u>	<u>26,944.43</u>
Total Accumulated Depreciation for:	<u>4,443,035.92</u>	<u>334,027.92</u>	<u>.00</u>	<u>4,777,063.84</u>
Business-Type Activities				
Capital Assets, net	<u>4,528,932.36</u>	<u>(187,091.57)</u>	<u>.00</u>	<u>4,341,840.79</u>

*Depreciation expense was charged to governmental functions as follows:

General government	\$ 159,900.36
Public safety	183,404.65
Public works	<u>114,967.29</u>
 Total	 <u>458,272.30</u>

NOTE 6 - PENSION PLAN

Substantially all employees of the City are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana, Municipal Police Employees Retirement System of Louisiana or Firefighters' Retirement System of Louisiana. These systems are cost sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

A. Municipal Employees Retirement System of Louisiana (System)

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

CITY OF BAKER, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2002

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.25 percent of their annual covered salary, and the City is required to contribute at an actuarially determined rate. The current rate is 6.75 percent of annual covered payroll. The contribution requirements of plan members and the City was established and may be amended by state statute. As provided by La. Revised Statute §11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contributions to the System under Plan A for the years ended June 30, 2002, 2001 and 2000, were \$111,860.80, \$90,666.90 and \$88,214, respectively, equal to the required contributions for each year.

B. Municipal Police Employees Retirement System of Louisiana (MPERS)

Plan Description. All full-time police department employees engaged in law enforcement are required to participate in MPERS, a cost sharing multiple-employer defined benefit pension plan. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 percent of their final-average salary for each year of creditable service. Final average salary is the employee's average salary over the 36 consecutive or joined months that produces the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. MPERS also provides death and disability benefits. Benefits are established or amended by state statute.

The MPERS Board of Trustees issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United

CITY OF BAKER, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2002

Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (225) 929-7411.

Funding Policy. Plan members are required by state statute to contribute 7.5 percent of their annual covered salary, and the City is required to contribute at an actuarially determined rate. The current rate is 9.0 percent of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by state statute. As provided by La. Revised Statute §11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contributions to the System for the years ended June 30, 2002, 2001 and 2000 were \$83,817.28, \$76,363.26 and \$66,219, respectively, equal to the statutorily required contribution for each year.

C. Firefighters' Retirement System of Louisiana (System)

Plan Description. Membership in the Louisiana Firefighters' Retirement System is mandatory for all full-time firefighters employed by a municipality, parish or fire protection district that did not enact an ordinance before January 1, 1980, exempting itself from participation in the System. Employees are eligible to retire at or after age 55 with at least 12 years of creditable service or at or after age 50 with at least 20 years of creditable service. Upon retirement, members are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 percent of their final-average salary for each year of creditable service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 (or at or after age 50 with at least 20 years of creditable service at termination) and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Firefighters' Retirement System, Post Office Box 94095, Baton Rouge, Louisiana 70804, or by calling (225) 925-4060.

Funding Policy. Plan members are required by state statute to contribute 8.0 percent of their annual covered salary and the East Baton Rouge Parish Fire Protection District is required to contribute at an actuarially determined rate. The current rate is 9.0 percent of annual covered payroll. The contribution requirements of plan members and the East Baton Rouge Parish Fire Protection District are established and may be amended by state statute. As provided by La. Revised Statute §11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contributions to the System for the years ended June 30, 2002, 2001 and 2000, were \$35,286.61, \$35,422.90 and \$38,264, respectively, equal to the statutorily required contribution for each year.

CITY OF BAKER, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2002

NOTE 7 – POST-EMPLOYMENT BENEFITS

The City provides, as a post-employment benefit to retirees, 50% of medical insurance premiums up to \$150 per month per retiree until he/she reaches age 65. This benefit was approved by the Mayor and Council in the year in which it was enacted. During the year ended June 30, 2002, there were 28 participants at an annual cost to the City of \$21,639.53.

The City remits the full premium on the 15th of each month. The participants remit any excess over \$150 by the 1st of each month.

NOTE 8 - ACCOUNTS AND OTHER PAYABLES

The payables, with the exception of interfund and intergovernmental transactions, of \$3,845,613.52 at June 30, 2002, are as follows:

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Funds</u>	<u>Enterprise</u> <u>Funds</u>	<u>Total</u>
Accounts	\$ 96,702.59	\$ 32,933.25	\$ 17,204.49	\$ 146,840.33
Accrued interest	.00	.00	13,559.17	13,559.17
Salaries	25,801.70	.00	.00	25,801.70
Compensated absences	669,944.75	6,570.70	212,381.69	888,897.14
Bonds	.00	.00	1,945,000.00	1,945,000.00
Merchandise	.00	.00	578,791.17	578,791.17
Customer deposits	.00	.00	167,244.01	167,244.01
Other	<u>79,380.00</u>	<u>100.00</u>	<u>.00</u>	<u>79,480.00</u>
 Total	 <u>871,829.04</u>	 <u>39,603.95</u>	 <u>2,934,180.53</u>	 <u>3,845,613.52</u>

During the fiscal year ended June 30, 1986, the Hillcrest Memorial Gardens and Mausoleum filed for protection under the state bankruptcy law. It was determined by City officials that the City should take over the cemetery. In accordance with this decision, the City agreed to assume all financial and administrative obligations. In addition, the Cemetery currently sells pre-need items. It has been determined that as of June 30, 2002, the City had obligations for prepaid items, listed as merchandise above, as follows:

Interments	\$ 227,658.62
Memorial markers	123,263.55
Vaults	<u>227,869.00</u>
 Total	 <u>578,791.17</u>

CITY OF BAKER, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2002

NOTE 9 - COMPENSATED ABSENCES

Computed in accordance with GASB Codification Section C60, employees of the City had accumulated and vested \$888,897.14 of employee leave benefits at June 30, 2002. Governmental activities recorded \$676,515.45 of these benefits in the Statement of Net Assets. This amount is not included in the fund financial statements for general and special revenue funds. Business-type activities recorded \$212,381.69 of compensated absences in the Statement of Net Assets. This amount is also included in the fund financial statements for enterprise funds in accordance with the measurement focus utilized by proprietary funds.

NOTE 10 - LONG-TERM DEBT

The following is a summary of long-term debt incurred as of June 30, 2002:

	<u>Beginning</u> <u>7/01/01</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>6/30/02</u>
Governmental Activities:				
Claims/judgments	\$ 75,000.00	\$.00	\$.00	\$ 75,000.00
Compensated absences	666,633.06	223,010.38	213,127.99	676,515.45
Total Governmental Activities	<u>741,633.06</u>	<u>223,010.38</u>	<u>213,127.00</u>	<u>751,515.45</u>
Business-Type Activities:				
Compensated absences	\$ 212,006.88	67,944.24	67,569.43	212,381.69
Merchandise	486,668.17	.00	13,191.38	473,476.79
Revenue bonds	1,945,000.00	.00	242,000.00	1,703,000.00
Total Business-Type Activities	<u>2,643,675.05</u>	<u>67,944.24</u>	<u>322,760.81</u>	<u>2,388,858.48</u>

Bonds were issued by the Utility Fund in the amount of \$2,150,000. All bonds were purchased by Hancock Bank (formerly First State Bank) on April 28, 1994, at an interest rate of 5% for a period of 10 years. In order to take advantage of better interest rates, the City paid off these bonds in June of 1999. At the same time, Series 1999 Certificates of Indebtedness were issued in the amount of \$2,600,000. Hancock Bank purchased \$2,340,000 at an interest rate of 4.5% for a period of 10 years. The remaining \$260,000 was issued to the Louisiana Public Facilities Authority for a period of 5 years at no interest.

CITY OF BAKER, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2002

These bonds are backed by the full faith and credit of the City. Therefore, they are a contingent liability of the General Fund. Repayment is as follows:

<u>Due Date</u>	<u>Principal</u>	<u>Interest</u>
5/01/03	\$ 242,000.00	\$ 83,630.63
5/01/04	251,000.00	75,350.25
5/01/05	264,000.00	66,338.75
5/01/06	277,000.00	54,293.75
5/01/07	290,000.00	41,655.63
Remaining years	<u>621,000.00</u>	<u>35,697.00</u>
 Total	 <u>1,945,000.00</u>	 <u>356,966.01</u>

NOTE 11 - DEFERRED REVENUE

Deferred revenue of \$44,674.47 at June 30, 2002, is as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Civic Center fees	\$ 8,750.00	\$.00
Weed cutting	28,137.47	.00
EMS payments	5,500.00	.00
Collection fees	<u>.00</u>	<u>2,287.00</u>
 Total	 <u>42,387.47</u>	 <u>2,287.00</u>

The Civic Center requires a cash deposit in order to reserve a date for use of the facilities. Deposits paid for dates beyond June 30, 2002, created a deferred revenue of \$8,750.00 at year-end.

When the City cuts the grass on personal property as the result of a complaint from neighboring landowners, the owner is billed and a receivable recorded. The majority of these fees are collected at closing when property ownership transfers. As a result, a portion of the revenue recorded is deferred until actually realized. At June 30, 2002, this amount was \$28,137.47.

The City receives \$5,500.00 each month to handle 911 calls within the City. The monthly installment for July of 2002, was received in June creating a deferred revenue of \$5,500.00 at year-end.

Hibernia National Bank returned the responsibility of collection on cemetery loans for several accounts during the year ended June 30, 1996. The potential revenue of \$2,287 is being deferred until the fees are actually received.

CITY OF BAKER, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2002

NOTE 12 - RESTRICTED AND DESIGNATED NET ASSETS

The following is a summary of restricted and designated net assets at June 30, 2002:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Restricted for:		
Customer deposits	\$.00	\$ 167,244.01
Fire/police salaries	183,383.86	.00
Inventory	17,104.86	.00
Pre-need items	.00	64,799.00
Street maintenance/construction	<u>3,614,733.74</u>	<u>.00</u>
 Total Restricted for:	 <u>3,815,222.46</u>	 <u>232,043.01</u>
 Designated for:		
911 services	60,712.96	.00
Beautification	78,518.65	.00
Capital improvements	316,420.26	.00
Condemnation	25,939.39	.00
Court operations	73,175.88	.00
Economic development	85,161.49	.00
Insurance	2,431.27	.00
Law enforcement	28,435.35	.00
Recreation	43,769.82	.00
Special events	<u>11,567.11</u>	<u>.00</u>
 Total Designated for:	 <u>726,132.18</u>	 <u>.00</u>

NOTE 13 - PRIOR PERIOD ADJUSTMENTS

Prior period adjustments represent corrections to the financial statements of prior years. The following adjustments were made as of June 30, 2002:

Governmental Activities	
Accounts payable not paid	\$ 8,288.00
Accounts payable recorded in duplicate	13,219.99
Occupancy tax estimated at less than actual	18,877.37
Franchise tax estimated at more than actual	(17,392.61)
Inventory valuation overstated	(45,302.85)

CITY OF BAKER, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2002

Partial settlement of lawsuit/longevity pay	25,801.70
Interest associated with lawsuit from prior years	<u>12,812.95</u>
 Total Governmental Activities	 <u>(60,924.75)</u>

Business-Type Activities

Unrecorded liability for pre-need items	<u>\$ 2,200.00</u>
---	--------------------

NOTE 14 – INTERFUND RECEIVABLES AND PAYABLES

Amounts due to/from other funds within the City at June 30, 2002, are as follows:

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 32,750.73	\$.00
Special Revenue Funds:		
Supplemental Pay Fund	115,769.44	.00
City Court Fund	.00	32,750.73
Fire/Police Special Tax Fund	<u>.00</u>	<u>115,769.44</u>
 Total	 <u>148,520.17</u>	 <u>148,520.17</u>

NOTE 15 - INTERGOVERNMENTAL RECEIVABLES AND PAYABLES

The following is a summary of amounts due to/from other governmental agencies at June 30, 2002:

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 51,472.36	\$ 9,796.48
Special Revenue Funds:		
Street Maintenance	58,729.95	.00
Fire/Police Special Tax Fund	91,975.41	.00
Enterprise Funds:		
City Parish Sewer Revenue	11,783.90	.00
Utility	<u>.00</u>	<u>3,545.78</u>
 Total	 <u>213,961.62</u>	 <u>13,342.26</u>

CITY OF BAKER, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2002

NOTE 16 – INTERFUND TRANSFERS

Transfers to and from funds within the City are as follows:

	-----Transfers-----	
	<u>In</u>	<u>Out</u>
Governmental Activities	\$ 342,776.90	\$ 15,836.10
Business-Type Activities	14,920.30	341,861.10
Total	357,697.20	357,697.20

NOTE 17- LEASES

No capital leases exist as of June 30, 2002. There are three operating leases. The Mayor's auto lease began on January 31, 2001, for a period of 3 years with a minimum annual commitment of \$7,345.77. The Police Chief's vehicle has a minimum annual commitment of \$4,791.60, and its 4 year period began on February 23, 2000. On June 1, 2001, an additional auto was leased for the Mayor's Administrative Assistant at an annual commitment of \$4,472. It is being leased for a period of 3 years.

NOTE 18 - PROPERTY TAXES

Property taxes are due January 1st, and delinquent after December 31st. Under La. Revised Statute §33:1435, taxes are assessed and collected by the East Baton Rouge Sheriff. The City's portion is remitted by the Sheriff on a monthly basis. Taxes of 5.43 mills were levied for the most recent year. The total assessed value of property in the City is \$40,585,260 as of the 2002 tax rolls.

The following are the principal taxpayers for the City:

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Corrosion Materials	\$1,535,150	3.78%
Wal-Mart Stores	1,332,200	3.28%
Agway Systems	959,900	2.37%
Hancock Bank	782,550	1.93%
Graves Chevrolet-Realty Co.	767,500	1.89%
Albertson's	738,350	1.82%
Joseph Ltd. Baker, LLC	684,700	1.69%
Bellsouth Telecommunications	561,630	1.38%
Hibernia National Bank	558,950	1.37%
Camelia Trace Ltd. Partnership	461,000	1.13%

CITY OF BAKER, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2002

NOTE 19 – BUSINESS-TYPE ACTIVITIES - SEGMENT INFORMATION

The City maintains three enterprise funds that provide water, gas, sewer and burial services. Segment information for the year ended June 30, 2002, is as follows:

	<u>Utility</u>	<u>Cemetery</u>	<u>City Parish Sewer Revenue</u>	<u>Total</u>
Condensed Statement of Net Assets				
Current assets	\$ 2,229,547.78	\$ 693,742.93	\$ 175,900.91	\$ 3,099,191.62
Restricted assets	1,182,988.06	64,799.00	.00	1,247,787.06
Capital assets, net	4,062,349.23	279,491.56	.00	4,341,840.79
Other assets	3,772.00	.00	.00	3,772.00
Total Assets	<u>7,478,657.07</u>	<u>1,038,033.49</u>	<u>175,900.91</u>	<u>8,692,591.47</u>
Current liabilities	438,178.36	112,716.73	259.74	551,154.83
Long-term liabilities	<u>1,880,515.31</u>	<u>515,384.81</u>	<u>2,958.36</u>	<u>2,388,858.48</u>
Total Liabilities	<u>2,318,693.67</u>	<u>618,101.54</u>	<u>3,218.10</u>	<u>2,940,013.31</u>
Invested in capital assets, net of related debt	4,062,349.23	279,491.56	.00	4,341,840.79
Restricted	167,244.01	64,799.00	.00	232,043.01
Unrestricted	<u>930,370.16</u>	<u>75,641.39</u>	<u>172,682.81</u>	<u>1,178,694.36</u>
Total Net Assets	<u>5,159,963.40</u>	<u>419,931.95</u>	<u>172,682.81</u>	<u>5,752,578.16</u>
Condensed Statement of Revenues, Expenses and Changes in Net Assets				
Operating revenues	\$ 2,546,285.21	\$ 135,589.61	\$ 69,707.12	\$ 2,751,581.94
Operating expenses	(1,768,434.90)	(111,863.97)	(42,344.12)	(1,922,642.99)
Depreciation expense	<u>(316,340.78)</u>	<u>(17,687.14)</u>	<u>(.00)</u>	<u>(334,027.92)</u>
Operating Income	461,509.53	6,038.50	27,363.00	494,911.03
Non-operating revenues (expenses), net	12,717.19	16,328.25	5,428.19	34,473.63
Transfers, net	<u>(326,160.79)</u>	<u>4,648.18</u>	<u>(5,428.19)</u>	<u>(326,940.80)</u>
Change in Net Assets	148,065.93	27,014.93	27,363.00	202,443.86
Net assets, beginning	5,028,704.21	395,117.02	145,319.81	5,569,141.04
Increase in customer deposits	(16,806.74)	.00	.00	(16,806.74)
Adjustments to prior periods	<u>.00</u>	<u>(2,200.00)</u>	<u>.00</u>	<u>(2,200.00)</u>
Net assets, ending	<u>5,159,963.40</u>	<u>419,931.95</u>	<u>172,682.81</u>	<u>5,752,578.16</u>

CITY OF BAKER, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2002

Condensed Statement of Cash Flows

Net cash provided by (used for):

Operating activities	\$ 724,890.43	\$ 13,684.91	\$ 31,034.70	\$ 769,610.04
Non-capital financing activities	(326,382.05)	4,648.18	(5,428.19)	(327,162.06)
Capital and related financing activities	(401,628.24)	(17,198.00)	.00	(418,826.24)
Investing activities	<u>(21,707.47)</u>	<u>2,069.51</u>	<u>(25,606.51)</u>	<u>(45,244.47)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(24,827.33)	3,204.60	.00	(21,622.73)
Cash and cash equivalents, beginning of period	<u>2,165,971.38</u>	<u>111,594.40</u>	<u>25,000.00</u>	<u>2,302,565.78</u>
Cash and cash equivalents, end of period	<u>2,141,144.05</u>	<u>114,799.00</u>	<u>25,000.00</u>	<u>2,280,943.05</u>

NOTE 20 – NET ASSETS RESTATED

In the government-wide financial statements, capital assets previously recorded in the General Fixed Asset Account Group were recognized net of accumulated depreciation. In addition, long-term liabilities that had previously been recorded in the General Long-Term Debt Group of Accounts were recognized in the amount of \$741,633.06. The impact of these changes on net assets is as follows:

	<u>Net Assets, as</u> <u>Previously Reported</u>	<u>Adjustment</u>	<u>Net Assets,</u> <u>As Restated</u>
Governmental Activities			
Invested in Capital Assets, net of related debt	\$.00	\$ 2,034,324.79	\$2,034,324.79
Restricted	3,282,340.91	.00	3,282,340.91
Unrestricted	<u>4,933,328.20</u>	<u>(712,201.56)</u>	<u>4,221,126.64</u>
Total	<u>8,215,669.11</u>	<u>1,322,123.23</u>	<u>9,537,792.34</u>

NOTE 21 - RELATED PARTY TRANSACTIONS

There were no related party transactions that came to our attention during the audit.

CITY OF BAKER, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2002

NOTE 22 - LITIGATION

There are currently nine pending lawsuits against the City with maximum exposure estimated between \$5,000 and \$25,000 each. The City's exposure is its deductible of \$75,000. Risk Management, Inc., the City's liability and casualty carrier, is defending these claims. There were fifteen claims settled during the year for which the City paid \$58,897.

In addition, there is a lawsuit pending involving certain firefighters. Accrued in the accompanying financial statements is longevity pay of \$25,801.70 and interest that represents a settlement of one issue involved in the suit. The likely outcome and exposure to the City of the remaining issues of this suit cannot be determined at this time.

NOTE 23 - SUBSEQUENT EVENTS

There were no subsequent events that would have a significant impact on the accompanying financial statements.

REQUIRED SUPPLEMENTAL INFORMATION
(PART 2 OF 2)

**CITY OF BAKER, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2002**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES</u>				
Intergovernmental:				
Street maintenance (City Parish)	\$ 42,600.00	\$ 42,600.00	\$ 46,775.01	\$ 4,175.01
Weed cutting (DOTD)	9,724.00	9,724.00	9,724.22	0.22
Total Intergovernmental	52,324.00	52,324.00	56,499.23	4,175.23
Taxes:				
Sales	2,815,000.00	2,815,000.00	2,551,557.10	(263,442.90)
Franchise	392,000.00	392,000.00	400,299.72	8,299.72
Property	190,000.00	190,000.00	202,375.53	12,375.53
Teleprompter	80,000.00	80,000.00	108,765.05	28,765.05
Industrial	40,000.00	40,000.00	47,693.00	7,693.00
Occupancy	43,000.00	43,000.00	38,467.55	(4,532.45)
Firemen's	25,695.00	25,695.00	31,647.73	5,952.73
Beer	12,000.00	12,000.00	14,092.31	2,092.31
Chain store	7,500.00	7,500.00	9,592.20	2,092.20
Total Taxes	3,605,195.00	3,605,195.00	3,404,490.19	(200,704.81)
Licenses and Permits:				
Insurance licenses	126,000.00	126,000.00	200,462.41	74,462.41
Business licenses	135,000.00	135,000.00	141,873.29	6,873.29
Plumbing licenses	9,000.00	9,000.00	7,000.00	(2,000.00)
Plumbing permits	10,000.00	10,000.00	6,108.00	(3,892.00)
Building permits	20,000.00	20,000.00	5,856.25	(14,143.75)
Electrical licenses	4,000.00	4,000.00	4,400.00	400.00
Beer permits	4,000.00	4,000.00	3,237.50	(762.50)
Electrical permits	6,000.00	6,000.00	2,676.00	(3,324.00)
Other licenses/permits	2,400.00	2,400.00	1,910.00	(490.00)
Total Licenses and Permits	316,400.00	316,400.00	373,523.45	57,123.45

Continued

CITY OF BAKER, LOUISIANA
BUDGETARY COMPARISON SCHEDULE (Continued)
GENERAL FUND
YEAR ENDED JUNE 30, 2002

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Charges for Services:				
Garbage collection	\$ 650,000.00	\$ 650,000.00	\$ 596,962.29	\$ (53,037.71)
Public safety	40,000.00	40,000.00	36,802.00	(3,198.00)
Rent - City property	25,471.00	25,471.00	27,786.00	2,315.00
Rent - utility	27,500.00	27,500.00	27,500.04	0.04
Civic Center fees	25,000.00	25,000.00	23,115.00	(1,885.00)
Citizen's participation	25,834.00	25,834.00	13,330.70	(12,503.30)
Police reports	6,200.00	6,200.00	8,622.22	2,422.22
Weed cutting	3,000.00	3,000.00	5,315.93	2,315.93
Rent - sewer	2,500.00	2,500.00	2,499.96	(0.04)
Other charges for services	-	-	1,000.00	1,000.00
Museum fees	-	-	150.00	150.00
Rezoning fees	-	-	100.00	100.00
Bicycle registration	-	-	25.00	25.00
Total Charges for Services	805,505.00	805,505.00	743,209.14	(62,295.86)
Fines:				
City court receipts	200,000.00	200,000.00	191,326.82	(8,673.18)
Interest:				
Interest earned	201,836.00	201,836.00	132,471.15	(69,364.85)
Other Revenues:				
Grant proceeds	32,680.00	78,612.00	106,872.40	28,260.40
Other revenues	3,250.00	5,941.00	47,977.69	42,036.69
Vending machine commissions	700.00	700.00	931.32	231.32
Inspection fees	500.00	500.00	425.00	(75.00)
Total Other Revenues	37,130.00	85,753.00	156,206.41	70,453.41
Total Revenues	5,218,390.00	5,267,013.00	5,057,726.39	(209,286.61)

Continued

CITY OF BAKER, LOUISIANA
BUDGETARY COMPARISON SCHEDULE (Continued)
GENERAL FUND
YEAR ENDED JUNE 30, 2002

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>EXPENDITURES</u>				
General Government:				
Adminstrative	\$ 524,975.00	\$ 562,311.00	\$ 448,587.30	\$ 113,723.70
Alcohol control board	1,708.00	1,708.00	1,436.97	271.03
Beautification	141,033.00	141,033.00	79,241.08	61,791.92
Central garage	45,658.00	45,658.00	44,401.04	1,256.96
Central stores	65,135.00	65,135.00	55,539.46	9,595.54
City attorney	78,831.00	78,831.00	72,004.38	6,826.62
City court	333,556.00	333,606.00	265,831.43	67,774.57
Civic center	109,188.00	112,188.00	133,857.61	(21,669.61)
Civil defense	300.00	300.00	1,627.00	(1,327.00)
Civil service	12,823.00	22,123.00	21,462.14	660.86
Council	79,298.00	79,298.00	73,380.63	5,917.37
Council on aging	9,550.00	9,550.00	7,356.99	2,193.01
Economic development	20,832.00	121,832.00	46,837.02	74,994.98
Heritage museum	94,472.00	94,472.00	66,763.19	27,708.81
Independent school district	100,000.00	100,000.00	86,213.93	13,786.07
Inspection	91,566.00	91,566.00	84,241.99	7,324.01
Municipal annex	43,675.00	45,675.00	44,499.18	1,175.82
Planning commission	4,621.00	6,621.00	5,918.62	702.38
Prosecution	73,115.00	73,115.00	67,110.25	6,004.75
Total General Government	1,830,336.00	1,985,022.00	1,606,310.21	378,711.79
Public Safety:				
Fire	706,972.00	709,972.00	715,535.11	(5,563.11)
Police	1,426,208.00	1,456,208.00	1,365,729.82	90,478.18
Total Public Safety	2,133,180.00	2,166,180.00	2,081,264.93	84,915.07

Continued

CITY OF BAKER, LOUISIANA
BUDGETARY COMPARISON SCHEDULE (Continued)
GENERAL FUND
YEAR ENDED JUNE 30, 2002

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Public Works:				
Public works	\$ 1,463,553.00	\$ 1,469,553.00	\$ 1,387,662.92	\$ 81,890.08
Capital outlay	410,642.00	578,403.00	313,254.03	265,148.97
Total Expenditures	<u>5,837,711.00</u>	<u>6,199,158.00</u>	<u>5,388,492.09</u>	<u>810,665.91</u>
Excess (Deficiency) of Revenues over Expenditures	(619,321.00)	(932,145.00)	(330,765.70)	601,379.30
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in	182,000.00	255,180.00	342,776.90	87,596.90
Operating transfers out	-	-	(14,920.30)	(14,920.30)
Total Other Financing Sources (Uses)	<u>182,000.00</u>	<u>255,180.00</u>	<u>327,856.60</u>	<u>72,676.60</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	(437,321.00)	(676,965.00)	(2,909.10)	674,055.90
Fund Balances, beginning	4,880,747.01	4,880,747.01	4,880,747.01	-
Adjustments to prior periods	-	-	(69,212.75)	(69,212.75)
Fund Balances, ending	<u>4,443,426.01</u>	<u>4,203,782.01</u>	<u>4,808,625.16</u>	<u>604,843.15</u>

The accompanying notes are an integral part of this statement.

**CITY OF BAKER, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
STREET MAINTENANCE FUND
YEAR ENDED JUNE 30, 2002**

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Sales taxes	\$ 582,000.00	\$ 582,000.00	\$ 528,170.23	\$ (53,829.77)
Interest earned	45,000.00	47,160.00	100,521.05	53,361.05
Total Revenues	627,000.00	629,160.00	628,691.28	(468.72)
<u>EXPENDITURES</u>				
Public works	2,277,000.00	1,731,943.00	7,631.06	1,724,311.94
Capital outlay	1,000,000.00	1,546,500.00	98,880.48	1,447,619.52
Total Expenditures	3,277,000.00	3,278,443.00	106,511.54	3,171,931.46
Excess (Deficiency) of Revenues over Expenditures	(2,650,000.00)	(2,649,283.00)	522,179.74	3,171,462.74
Fund Balances, beginning	3,092,554.00	3,092,554.00	3,092,554.00	-
Fund Balances, ending	442,554.00	443,271.00	3,614,733.74	3,171,462.74

The accompanying notes are an integral part of this statement.

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

**CITY OF BAKER, LOUISIANA
COMPARATIVE BALANCE SHEET
GENERAL FUND
JUNE 30, 2002 AND 2001**

<u>ASSETS</u>	<u>2002</u>	<u>2001</u>
Cash and cash equivalents	\$ 3,863,656.46	\$ 3,115,602.22
Investments	394,249.06	1,255,568.26
Inventory, at cost	17,104.86	62,407.71
Due from City Court Fund	32,750.73	-
Due from other governmental agencies	51,472.36	44,949.11
Account receivables, net	163,023.51	158,649.55
Taxes receivables, net	396,587.86	416,512.16
Accrued interest receivable	3,142.90	8,829.69
Prepaid expenses	30,471.72	28,321.86
Restricted assets:		
Cash and cash equivalents	29,733.94	30,497.94
	<hr/>	<hr/>
TOTAL ASSETS	4,982,193.40	5,121,338.50
	<hr/> <hr/>	<hr/> <hr/>
 <u>LIABILITIES AND FUND BALANCES</u>		
Liabilities:		
Due to City Court Fund	-	1,240.00
Due to other governmental agencies	9,796.48	11,232.84
Accounts payable	96,702.59	182,960.25
Accrued salaries payable	25,801.70	-
Bonds held for future disposition	4,380.00	6,000.00
Deferred revenue	36,887.47	39,158.40
	<hr/>	<hr/>
Total Liabilities	173,568.24	240,591.49
Fund Balances:		
Reserved for inventory	17,104.86	62,407.71
Unreserved:		
Designated for insurance	2,431.27	6,670.87
Designated for special events	11,567.11	14,779.19

Continued

CITY OF BAKER, LOUISIANA
COMPARATIVE BALANCE SHEET (Continued)
GENERAL FUND
JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
Designated for capital improvements	\$ 316,420.26	\$ 395,973.67
Designated for law enforcement	28,435.35	33,214.00
Designated for beautification	78,518.65	68,524.00
Designated for recreation	43,769.82	62,001.06
Designated for economic development	85,161.49	58,870.33
Designated for condemnation	25,939.39	41,533.26
Undesignated	4,199,276.96	4,136,772.92
	<hr/>	<hr/>
Total Fund Balances	4,808,625.16	4,880,747.01
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCES	4,982,193.40	5,121,338.50
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes are an integral part of this statement.

CITY OF BAKER, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2002

With Comparative Actual Amounts for the Year Ended June 30, 2001

	2002			2001 Actual Amounts
	Final Budgeted Amount	Actual Amount	Variance Positive (Negative)	
<u>REVENUES</u>				
Intergovernmental:				
Street maintenance (City Parish)	\$ 42,600.00	\$ 46,775.01	\$ 4,175.01	\$ 49,630.00
Weed cutting (DOTD)	9,724.00	9,724.22	0.22	9,724.23
Total Intergovernmental	52,324.00	56,499.23	4,175.23	59,354.23
Taxes:				
Sales	2,815,000.00	2,551,557.10	(263,442.90)	2,802,855.32
Franchise	392,000.00	400,299.72	8,299.72	475,633.74
Property	190,000.00	202,375.53	12,375.53	189,197.38
Teleprompter	80,000.00	108,765.05	28,765.05	67,058.07
Industrial	40,000.00	47,693.00	7,693.00	41,775.00
Occupancy	43,000.00	38,467.55	(4,532.45)	42,250.28
Firemen's	25,695.00	31,647.73	5,952.73	28,265.27
Beer	12,000.00	14,092.31	2,092.31	9,620.27
Chain store	7,500.00	9,592.20	2,092.20	14,597.20
Total Taxes	3,605,195.00	3,404,490.19	(200,704.81)	3,671,252.53
Licenses and Permits:				
Insurance licenses	126,000.00	200,462.41	74,462.41	135,074.23
Business licenses	135,000.00	141,873.29	6,873.29	142,948.21
Plumbing licenses	9,000.00	7,000.00	(2,000.00)	8,100.00
Plumbing permits	10,000.00	6,108.00	(3,892.00)	6,449.00
Building permits	20,000.00	5,856.25	(14,143.75)	7,301.25
Electrical licenses	4,000.00	4,400.00	400.00	4,700.00
Beer permits	4,000.00	3,237.50	(762.50)	3,350.00

Continued

CITY OF BAKER, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (Continued)
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2002

With Comparative Actual Amounts for the Year Ended June 30, 2001

	2002		Variance Positive (Negative)	2001 Actual Amounts
	Final Budgeted Amount	Actual Amount		
Electrical permits	\$ 6,000.00	\$ 2,676.00	\$ (3,324.00)	\$ 3,995.00
Other licenses/permits	2,400.00	1,910.00	(490.00)	1,735.00
Total Licenses and Permits	316,400.00	373,523.45	57,123.45	313,652.69
Charges for Services:				
Garbage collection	650,000.00	596,962.29	(53,037.71)	587,473.14
Public safety	40,000.00	36,802.00	(3,198.00)	28,506.00
Rent - City property	25,471.00	27,786.00	2,315.00	14,036.00
Rent - utility	27,500.00	27,500.04	0.04	27,500.04
Civic Center fees	25,000.00	23,115.00	(1,885.00)	22,705.00
Citizen's participation	25,834.00	13,330.70	(12,503.30)	25,796.29
Police reports	6,200.00	8,622.22	2,422.22	8,405.56
Weed cutting	3,000.00	5,315.93	2,315.93	9,076.59
Rent - sewer	2,500.00	2,499.96	(0.04)	2,499.96
Other charges for services	-	1,000.00	1,000.00	40.00
Museum fees	-	150.00	150.00	150.00
Rezoning fees	-	100.00	100.00	150.00
Bicycle registration	-	25.00	25.00	5.00
Total Charges for Services	805,505.00	743,209.14	(62,295.86)	726,343.58
Fines:				
City court receipts	200,000.00	191,326.82	(8,673.18)	203,892.13
Interest:				
Interest earned	201,836.00	132,471.15	(69,364.85)	200,585.09

Continued

**CITY OF BAKER, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (Continued)
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2002**

With Comparative Actual Amounts for the Year Ended June 30, 2001

	2002			2001 Actual Amounts
	Final Budgeted Amount	Actual Amount	Variance Positive (Negative)	
Other Revenues:				
Grant proceeds	\$ 78,612.00	\$ 106,872.40	\$ 28,260.40	\$ 85,306.68
Donations	-	14,831.37	14,831.37	21,140.00
Other revenues	5,941.00	33,146.32	27,205.32	6,742.02
Vending machine commissions	700.00	931.32	231.32	464.92
Inspection fees	500.00	425.00	(75.00)	2,997.00
Auction	-	-	-	1,957.50
Total Other Revenues	85,753.00	156,206.41	70,453.41	118,608.12
Total Revenues	5,267,013.00	5,057,726.39	(209,286.61)	5,293,688.37

EXPENDITURES

General Government:

Administrative

Association dues	300.00	1,565.00	(1,265.00)	1,177.00
Auditing fees	11,600.00	12,047.58	(447.58)	11,871.43
Auto lease	5,500.00	10,532.14	(5,032.14)	8,415.11
Buffalo Festival	27,700.00	21,447.99	6,252.01	35,953.09
Christmas activities	5,000.00	4,353.53	646.47	4,117.02
Codification	1,500.00	250.00	1,250.00	250.00
Computer expense	6,000.00	7,679.17	(1,679.17)	2,015.00
Donations	2,500.00	2,000.00	500.00	12,500.00
Election expense	18,000.00	13,208.55	4,791.45	22,494.94
Employee drug testing	5,000.00	2,961.33	2,038.67	3,116.04
Equipment rental	400.00	488.14	(88.14)	604.04
Gas and oil	2,000.00	2,401.48	(401.48)	1,250.50
Inaugural expense	-	-	-	8,960.50
Insurance	149,068.00	82,545.56	66,522.44	83,905.53

Continued

CITY OF BAKER, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (Continued)
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2002

With Comparative Actual Amounts for the Year Ended June 30, 2001

	2002		Variance Positive (Negative)	2001 Actual Amounts
	Final Budgeted Amount	Actual Amount		
Lease/Baker Civic Club	\$ 10.00	\$ -	\$ 10.00	\$ 10.00
Maintenance and repairs	2,000.00	2,969.22	(969.22)	2,110.67
Maintenance of vehicles	1,000.00	115.25	884.75	516.14
Municipal assessment roll	5,500.00	5,441.50	58.50	5,440.50
Official journal	9,000.00	12,793.28	(3,793.28)	7,531.29
Opinion survey	-	-	-	4,000.00
Other expenditures	5,000.00	16,155.34	(11,155.34)	8,375.98
Postage	2,000.00	1,550.00	450.00	1,574.80
Public relations	2,000.00	3,227.80	(1,227.80)	733.39
Recreation	61,700.00	8,045.10	53,654.90	5,581.53
Redistricting for Council	15,000.00	7,844.01	7,155.99	-
Retirement	13,981.00	10,766.53	3,214.47	10,651.33
Salaries	165,466.00	173,888.37	(8,422.37)	146,217.14
Salaries study	15,000.00	1,350.00	13,650.00	2,325.00
Seminars	1,300.00	2,495.00	(1,195.00)	1,471.00
Supplies	8,707.00	15,966.47	(7,259.47)	20,359.09
Telephone	6,000.00	10,058.55	(4,058.55)	8,592.18
Travel allowance	4,000.00	4,736.31	(736.31)	3,819.46
Trust fees	8,829.00	8,829.99	(0.99)	6,886.37
Uniforms	1,050.00	673.95	376.05	3.00
Utility fire hydrant rentals	200.00	200.16	(0.16)	200.16
Total Administrative	562,311.00	448,587.30	113,723.70	433,029.23
Alcohol Control Board				
Insurance	6.00	-	6.00	-
Retirement	102.00	84.01	17.99	72.12
Salaries	1,200.00	1,200.00	-	1,200.00
Supplies	400.00	152.96	247.04	67.87
Total Alcohol Control Board	1,708.00	1,436.97	271.03	1,339.99

Continued

CITY OF BAKER, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (Continued)
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2002

With Comparative Actual Amounts for the Year Ended June 30, 2001

	2002			2001 Actual Amounts
	Final Budgeted Amount	Actual Amount	Variance Positive (Negative)	
Beautification				
Equipment rental	\$ 100.00	\$ -	\$ 100.00	\$ -
Gas and oil	2,000.00	1,157.98	842.02	2,041.84
Insurance	7,250.00	6,622.47	627.53	7,738.83
Lease - railroad right of way	100.00	25.00	75.00	140.00
Maintenance of vehicles	1,700.00	3,164.42	(1,464.42)	1,246.18
Retirement	4,767.00	4,711.29	55.71	4,168.15
Salaries	56,413.00	56,191.24	221.76	54,601.52
Supplies	68,053.00	6,559.90	61,493.10	10,514.64
Uniforms	650.00	808.78	(158.78)	861.47
Total Beautification	141,033.00	79,241.08	61,791.92	81,312.63
Central Garage				
Association dues	100.00	-	100.00	-
Equipment rental	500.00	1,076.39	(576.39)	907.27
Gas and oil	500.00	270.01	229.99	269.49
Insurance	6,460.00	6,522.08	(62.08)	6,646.65
Maintenance and repairs	500.00	176.49	323.51	266.67
Maintenance of vehicles	1,000.00	457.52	542.48	856.67
Retirement	2,153.00	2,152.08	0.92	1,865.28
Salaries and overtime	31,245.00	30,755.08	489.92	29,940.85
Seminars	500.00	-	500.00	38.00
Supplies	2,500.00	2,702.50	(202.50)	3,318.08
Uniforms	200.00	288.89	(88.89)	159.90
Total Central Garage	45,658.00	44,401.04	1,256.96	44,268.86
Central Stores				
Association dues	50.00	-	50.00	20.00
Computer	2,500.00	1,578.60	921.40	2,048.75
Equipment rental	200.00	70.15	129.85	136.87

Continued

CITY OF BAKER, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (Continued)
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2002

With Comparative Actual Amounts for the Year Ended June 30, 2001

	2002			2001 Actual Amounts
	Final Budgeted Amount	Actual Amount	Variance Positive (Negative)	
Gas and oil	\$ 450.00	\$ 6.96	\$ 443.04	\$ -
Insurance	1,907.00	2,634.27	(727.27)	2,166.13
Maintenance and repairs	1,500.00	2,156.18	(656.18)	491.28
Maintenance of vehicles	300.00	20.39	279.61	11.00
Retirement	4,201.00	3,333.01	867.99	3,479.30
Salaries	49,727.00	42,435.02	7,291.98	45,533.79
Seminars	100.00	-	100.00	-
Supplies	2,500.00	1,045.96	1,454.04	780.57
Telephone	1,500.00	1,679.02	(179.02)	1,400.67
Uniforms	200.00	579.90	(379.90)	159.90
Total Central Stores	65,135.00	55,539.46	9,595.54	56,228.26
City Attorney				
Association dues	100.00	-	100.00	40.00
Computer expense	2,000.00	1,995.00	5.00	-
Insurance	1,803.00	1,792.65	10.35	3,388.26
Outside legal services	21,000.00	16,302.94	4,697.06	20,717.29
Retirement	3,904.00	3,963.59	(59.59)	3,175.59
Salaries	46,224.00	46,449.00	(225.00)	45,474.00
Seminars	500.00	425.00	75.00	498.00
Supplies	500.00	60.00	440.00	202.54
Telephone	300.00	22.00	278.00	42.41
Travel allowance	2,500.00	994.20	1,505.80	1,759.53
Total City Attorney	78,831.00	72,004.38	6,826.62	75,297.62
City Court				
Ad hoc judge	1,500.00	-	1,500.00	-
Association dues	100.00	-	100.00	-
Auditing fees	4,625.00	4,747.57	(122.57)	4,721.43

Continued

CITY OF BAKER, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (Continued)
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2002

With Comparative Actual Amounts for the Year Ended June 30, 2001

	<u>2002</u>		Variance Positive (Negative)	2001 Actual Amounts
	Final Budgeted Amount	Actual Amount		
Computer	\$ 1,000.00	\$ 152.50	\$ 847.50	\$ 1,011.75
Court-ordered payments	93,300.00	60,786.84	32,513.16	59,256.52
Equipment rental	200.00	188.73	11.27	192.64
Insurance	17,447.00	13,632.65	3,814.35	16,448.94
Judge's expense	2,100.00	2,100.00	-	2,100.00
Judicial retirement	2,053.00	2,052.96	0.04	2,052.96
Maintenance and repairs	1,500.00	2,751.00	(1,251.00)	2,485.65
Postage	1,850.00	1,350.00	500.00	1,350.00
Retirement	14,973.00	10,470.05	4,502.95	9,180.30
Salaries	172,058.00	148,055.66	24,002.34	141,903.94
Seminars	500.00	-	500.00	-
Supplies	4,000.00	5,408.95	(1,408.95)	4,627.71
Telephone	4,500.00	5,667.94	(1,167.94)	5,627.57
Travel allowance	1,900.00	1,304.00	596.00	779.60
Uniforms	1,500.00	1,421.26	78.74	
Utilities	8,500.00	5,741.32	2,758.68	6,945.91
Total City Court	333,606.00	265,831.43	67,774.57	258,684.92
Civic Center				
Bad debts	-	1,506.26	(1,506.26)	-
Equipment rental	250.00	109.84	140.16	136.86
Gas and oil	1,250.00	1,491.31	(241.31)	2,120.30
Insurance	17,951.00	19,456.71	(1,505.71)	17,964.25
Maintenance and repairs	10,600.00	25,463.82	(14,863.82)	7,658.47
Maintenance of vehicles	2,000.00	218.92	1,781.08	197.95
Retirement	4,271.00	4,768.27	(497.27)	3,770.36
Salaries and overtime	67,766.00	74,762.66	(6,996.66)	68,047.90
Supplies	7,000.00	4,821.25	2,178.75	4,614.63

Continued

CITY OF BAKER, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (Continued)
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2002

With Comparative Actual Amounts for the Year Ended June 30, 2001

	2002		Variance Positive (Negative)	2001 Actual Amounts
	Final Budgeted Amount	Actual Amount		
Telephone	\$ 700.00	\$ 862.95	\$ (162.95)	\$ 714.61
Uniforms	400.00	395.62	4.38	283.50
Total Civic Center	112,188.00	133,857.61	(21,669.61)	105,508.83
Civil Defense				
Insurance	-	1,627.00	(1,627.00)	1,168.30
Supplies	100.00	-	100.00	-
Travel	200.00	-	200.00	-
Total Civil Defense	300.00	1,627.00	(1,327.00)	1,168.30
Civil Service				
Insurance	40.00	817.26	(777.26)	91.13
Maintenance and repairs	100.00	-	100.00	100.00
Postage	200.00	-	200.00	-
Retirement	783.00	1,201.46	(418.46)	738.62
Salaries	8,400.00	13,423.09	(5,023.09)	8,400.00
Seminars	500.00	498.00	2.00	-
Supplies	10,800.00	4,795.96	6,004.04	909.09
Telephone	300.00	726.37	(426.37)	539.79
Travel allowance	1,000.00	-	1,000.00	691.46
Total Civil Service	22,123.00	21,462.14	660.86	11,470.09
Council				
Association dues	2,800.00	2,784.00	16.00	2,614.00
Computer	1,500.00	-	1,500.00	344.99
Council clerk	8,100.00	8,100.00	-	8,100.00
Expense	4,500.00	4,406.25	93.75	4,125.00
Insurance	2,000.00	1,164.32	835.68	543.63
Postage	500.00	-	500.00	-

Continued

CITY OF BAKER, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (Continued)
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2002

With Comparative Actual Amounts for the Year Ended June 30, 2001

	2002		Variance Positive (Negative)	2001 Actual Amounts
	Final Budgeted Amount	Actual Amount		
Retirement	\$ 3,698.00	\$ 3,513.11	\$ 184.89	\$ 3,091.39
Salaries	42,000.00	41,900.00	100.00	38,500.00
Seminars	2,000.00	525.00	1,475.00	1,726.00
Supplies	4,000.00	5,042.75	(1,042.75)	2,233.37
Telephone	1,000.00	289.40	710.60	135.43
Telephone - private lines	2,200.00	2,485.94	(285.94)	2,066.13
Travel allowance	5,000.00	3,169.86	1,830.14	6,006.32
Total Council	79,298.00	73,380.63	5,917.37	69,486.26
Council on Aging				
Equipment rental	250.00	-	250.00	159.08
Maintenance and repairs	1,000.00	499.56	500.44	850.42
Special events	1,500.00	920.74	579.26	1,423.51
Supplies	1,000.00	1,503.58	(503.58)	894.01
Telephone	1,300.00	1,118.65	181.35	1,161.51
Utilities	4,500.00	3,314.46	1,185.54	4,334.90
Total Council on Aging	9,550.00	7,356.99	2,193.01	8,823.43
Economic Development				
Contracted services	63,832.00	46,053.76	17,778.24	13,332.00
Marketing and tourism	4,000.00	-	4,000.00	-
Supplies	54,000.00	783.26	53,216.74	40.00
Total Economic Development	121,832.00	46,837.02	74,994.98	13,372.00
Heritage Museum				
Association dues	500.00	185.00	315.00	140.00
Brochures	1,000.00	-	1,000.00	-
Computer	1,500.00	-	1,500.00	-
Equipment rental	2,000.00	188.73	1,811.27	192.62

Continued

CITY OF BAKER, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (Continued)
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2002

With Comparative Actual Amounts for the Year Ended June 30, 2001

	2002			2001 Actual Amounts
	Final Budgeted Amount	Actual Amount	Variance Positive (Negative)	
Exhibit construction	\$ 5,000.00	\$ -	\$ 5,000.00	\$ 214.50
Insurance	5,589.00	3,759.59	1,829.41	3,496.06
Maintenance and repairs	7,500.00	6,408.75	1,091.25	21,405.30
Postage	500.00	297.00	203.00	297.00
Retirement	3,662.00	2,441.02	1,220.98	2,344.85
Salaries and overtime	49,171.00	39,734.01	9,436.99	41,063.20
Seminars	400.00	375.00	25.00	408.00
Supplies	8,000.00	6,108.16	1,891.84	4,815.72
Telephone	2,000.00	1,764.25	235.75	1,877.34
Travel allowance	1,000.00	985.11	14.89	1,052.49
Uniforms	650.00	537.25	112.75	176.85
Utilities	6,000.00	3,979.32	2,020.68	6,153.82
Total Heritage Museum	94,472.00	66,763.19	27,708.81	83,637.75
Independent School District				
Association dues	200.00	10,250.00	(10,050.00)	-
Contracted services	32,800.00	34,189.87	(1,389.87)	15,697.50
Demographer	2,000.00	224.73	1,775.27	1,816.51
Legal fees	60,000.00	40,119.78	19,880.22	45,696.68
Supplies	5,000.00	1,429.55	3,570.45	781.05
Total Independent School District	100,000.00	86,213.93	13,786.07	63,991.74
Inspection				
Association dues	200.00	75.00	125.00	75.00
Computer	600.00	-	600.00	149.99
Equipment rental	300.00	188.72	111.28	192.62
Gas and oil	500.00	152.78	347.22	234.57
Insurance	12,677.00	12,767.08	(90.08)	12,808.45
Maintenance and repairs	800.00	809.64	(9.64)	567.66

Continued

CITY OF BAKER, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (Continued)
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2002

With Comparative Actual Amounts for the Year Ended June 30, 2001

	2002			2001 Actual Amounts
	Final Budgeted Amount	Actual Amount	Variance Positive (Negative)	
Maintenance of vehicles	\$ 300.00	\$ 52.95	\$ 247.05	\$ 358.07
Maps and surveys	1,000.00	-	1,000.00	-
Postage	600.00	504.00	96.00	504.00
Retirement	5,219.00	5,020.56	198.44	4,002.58
Salaries and overtime	63,590.00	60,828.58	2,761.42	52,714.80
Seminars	200.00	-	200.00	-
Supplies	3,000.00	1,138.72	1,861.28	1,374.80
Telephone	2,000.00	2,173.07	(173.07)	2,040.96
Travel allowance	100.00	-	100.00	-
Uniforms	480.00	530.89	(50.89)	92.94
Total Inspection	91,566.00	84,241.99	7,324.01	75,116.44
Municipal Annex				
Equipment rental	115.00	97.81	17.19	136.86
Gas and oil	600.00	768.78	(168.78)	425.10
Insurance	6,091.00	5,595.93	495.07	5,177.60
Maintenance and repairs	5,000.00	5,958.02	(958.02)	5,456.92
Maintenance of vehicles	1,000.00	1.59	998.41	-
Retirement	1,745.00	1,752.36	(7.36)	1,518.54
Salaries and overtime	26,924.00	27,035.37	(111.37)	26,376.25
Supplies	4,000.00	3,101.47	898.53	927.97
Uniforms	200.00	187.85	12.15	92.94
Utilities	-	-	-	106.53
Total Municipal Annex	45,675.00	44,499.18	1,175.82	40,218.71
Planning Commission				
Association dues	550.00	-	550.00	-
CRPC meeting	2,000.00	2,000.00	-	-
Insurance	17.00	17.62	(0.62)	50.09

Continued

CITY OF BAKER, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (Continued)
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2002

With Comparative Actual Amounts for the Year Ended June 30, 2001

	2002			2001 Actual Amounts
	Final Budgeted Amount	Actual Amount	Variance Positive (Negative)	
Retirement	\$ 304.00	\$ 301.00	\$ 3.00	\$ 235.61
Salaries	3,600.00	3,600.00	-	3,075.00
Supplies	150.00	-	150.00	-
Total Planning Commission	6,621.00	5,918.62	702.38	3,360.70
Prosecution				
Ad hoc prosecutor	1,000.00	-	1,000.00	1,042.50
Computer	1,000.00	492.95	507.05	85.00
Dues	100.00	90.00	10.00	90.00
Equipment rental	100.00	39.26	60.74	-
Insurance	4,354.00	4,091.91	262.09	4,369.18
Maintenance and repairs	600.00	681.47	(81.47)	586.95
Postage	825.00	621.20	203.80	612.00
Retirement	4,558.00	4,307.97	250.03	3,453.94
Salaries	54,778.00	52,154.53	2,623.47	45,332.50
Seminars	450.00	320.00	130.00	325.00
Supplies	1,000.00	1,749.61	(749.61)	2,019.36
Telephone	1,500.00	1,196.56	303.44	1,277.58
Travel allowance	1,000.00	-	1,000.00	1,225.84
Uniforms	350.00	356.87	(6.87)	-
Utilities	1,500.00	1,007.92	492.08	1,548.86
Total Prosecution	73,115.00	67,110.25	6,004.75	61,968.71
Total General Government	1,985,022.00	1,606,310.21	378,711.79	1,488,284.47
Public Safety:				
Fire				
Association dues	500.00	147.00	353.00	94.00
Computer expense	2,000.00	1,058.75	941.25	2,008.75

Continued

CITY OF BAKER, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (Continued)
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2002

With Comparative Actual Amounts for the Year Ended June 30, 2001

	2002			2001 Actual Amounts
	Final Budgeted Amount	Actual Amount	Variance Positive (Negative)	
Equipment rental	\$ 2,000.00	\$ 405.74	\$ 1,594.26	\$ 423.76
Fire prevention	4,000.00	3,450.72	549.28	1,406.50
Fire training	12,000.00	6,874.42	5,125.58	11,517.52
Gas and oil	7,000.00	6,879.56	120.44	8,033.71
Insurance	103,592.00	105,842.29	(2,250.29)	108,657.95
Interest expense	-	2,733.78	(2,733.78)	-
Maintance and repairs	27,429.00	23,261.97	4,167.03	15,712.10
Maintenance of vehicles	10,000.00	7,300.74	2,699.26	5,235.47
Medical supplies	3,000.00	415.00	2,585.00	355.00
Postage	100.00	100.00	-	-
Retirement	50,171.00	43,050.76	7,120.24	39,770.13
Salaries and overtime	459,680.00	485,431.05	(25,751.05)	455,145.00
Seminars	750.00	185.00	565.00	60.00
Supplies	10,000.00	9,882.78	117.22	20,892.99
Telephone	4,000.00	5,526.02	(1,526.02)	4,680.03
Travel allowance	1,250.00	392.34	857.66	134.64
Uniforms	5,500.00	5,116.16	383.84	5,350.36
Utilities	7,000.00	7,481.03	(481.03)	8,847.22
Total Fire	709,972.00	715,535.11	(5,563.11)	688,325.13
Police				
Accrued absences	30,000.00	31,515.12	(1,515.12)	-
Association dues	900.00	550.00	350.00	580.00
Auto lease	5,500.00	4,811.56	688.44	4,325.95
Auxillary pay	4,000.00	3,240.00	760.00	6,705.00
Auxillary supplies	5,000.00	2,223.45	2,776.55	3,730.40
Computer expense	3,000.00	2,997.96	2.04	621.99
Deputy marshall	13,345.00	14,936.23	(1,591.23)	13,337.52
Equipment rental	2,500.00	2,750.67	(250.67)	2,332.96

Continued

CITY OF BAKER, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (Continued)
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2002

With Comparative Actual Amounts for the Year Ended June 30, 2001

	2002			2001 Actual Amounts
	Final Budgeted Amount	Actual Amount	Variance Positive (Negative)	
Firearms training	\$ 7,000.00	\$ 7,351.79	\$ (351.79)	\$ 2,768.58
Gas and oil	35,000.00	39,841.73	(4,841.73)	47,938.01
Insurance	224,622.00	187,353.92	37,268.08	198,199.89
Junior deputies	2,000.00	827.10	1,172.90	327.55
Law enforcement expense	9,500.00	8,546.29	953.71	3,816.95
Maintance and repairs	8,000.00	21,099.42	(13,099.42)	17,916.65
Maintenance of vehicles	16,000.00	19,464.91	(3,464.91)	17,622.74
Medical supplies	1,500.00	208.75	1,291.25	104.00
Police chief's expense	2,400.00	2,400.00	-	2,400.00
Postage	1,500.00	1,170.98	329.02	1,176.00
Prisoner expense	500.00	85.40	414.60	177.66
Retirement	78,908.00	70,250.74	8,657.26	72,120.87
Salaries and overtime	903,236.00	844,667.75	58,568.25	873,446.06
Seminars	4,175.00	3,944.75	230.25	2,603.20
Special account	3,000.00	-	3,000.00	3,000.00
Subpoenas	700.00	-	700.00	-
Supplies	50,322.00	43,944.38	6,377.62	40,369.46
Telephone	14,000.00	20,559.58	(6,559.58)	20,930.12
Travel allowance	7,600.00	6,182.64	1,417.36	4,648.63
Uniforms	10,000.00	16,343.82	(6,343.82)	11,706.95
Utilities	12,000.00	8,460.88	3,539.12	11,300.14
Total Police	1,456,208.00	1,365,729.82	90,478.18	1,364,207.28
Total Public Safety	2,166,180.00	2,081,264.93	84,915.07	2,052,532.41
Public Works:				
Animal control	12,000.00	12,000.00	-	12,006.11
Bad debts	-	3,486.98	(3,486.98)	5,401.56
Computer expense	1,000.00	873.71	126.29	2,807.88

Continued

CITY OF BAKER, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (Continued)
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2002

With Comparative Actual Amounts for the Year Ended June 30, 2001

	2002			2001 Actual Amounts
	Final Budgeted Amount	Actual Amount	Variance Positive (Negative)	
Engineering fees	\$ 8,000.00	\$ 19,359.36	\$ (11,359.36)	\$ 10,000.00
Equipment rental	2,000.00	1,246.45	753.55	1,199.46
Garbage collection	505,000.00	502,906.92	2,093.08	500,883.82
Gas and oil	12,000.00	12,095.96	(95.96)	14,723.86
Herbicide/weed killer	20,000.00	15,649.43	4,350.57	12,408.35
Insurance	91,706.00	79,554.45	12,151.55	81,546.31
Landfill fees	2,000.00	1,722.00	278.00	788.00
Maintance and repairs	2,000.00	10,977.85	(8,977.85)	4,181.65
Maintenance of vehicles	15,000.00	16,367.55	(1,367.55)	14,307.48
Medical supplies	100.00	-	100.00	-
Postage	-	-	-	25.00
Recycling expense	115,000.00	112,903.32	2,096.68	120,438.82
Retirement	35,908.00	31,482.09	4,425.91	26,112.22
Salaries and overtime	474,539.00	409,080.48	65,458.52	381,892.55
Security and traffic lights	140,000.00	124,523.48	15,476.52	135,137.56
Seminars	300.00	-	300.00	-
Supplies	13,000.00	11,772.53	1,227.47	18,218.80
Telephone	5,000.00	5,801.40	(801.40)	4,770.89
Travel	1,000.00	-	1,000.00	-
Uniforms	4,000.00	4,217.23	(217.23)	3,395.64
Utilities	10,000.00	11,641.73	(1,641.73)	14,067.53
Total Public Works	1,469,553.00	1,387,662.92	81,890.08	1,364,313.49
Capital Outlay:				
Administrative				
Mayor's carpet	3,000.00	-	3,000.00	-
Office upgrade	10,000.00	4,245.00	5,755.00	13,219.99
Police				
Cars/equipment	84,511.00	87,596.95	(3,085.95)	82,267.41

Continued

CITY OF BAKER, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (Continued)
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2002

With Comparative Actual Amounts for the Year Ended June 30, 2001

	2002			2001 Actual Amounts
	Final Budgeted Amount	Actual Amount	Variance Positive (Negative)	
Computer equipment	\$ -	\$ -	\$ -	\$ 1,500.00
Generator (10 h.p.)	-	800.00	(800.00)	1,154.20
Tactical equipment/supplies	12,009.00	8,789.98	3,219.02	1,299.94
Helmets	-	-	-	1,424.85
Office equipment	-	-	-	15,300.00
Radios	10,000.00	5,317.60	4,682.40	-
Weapons replacement	7,061.00	7,185.60	(124.60)	-
Public Works				
Backhoe thumb	3,000.00	-	3,000.00	-
Curb cutter	-	-	-	5,537.14
Drainage/erosion/culverts	130,273.00	114,679.14	15,593.86	43,854.14
Side mower/tractor	44,000.00	-	44,000.00	-
Street signs/sidewalks	20,000.00	-	20,000.00	12,794.00
Truck/light duty	15,900.00	15,338.00	562.00	13,563.44
Fire				
Fire truck	100,000.00	-	100,000.00	-
Communication equipment	4,253.00	4,043.50	209.50	-
ISFTA manuals	790.00	-	790.00	-
Service equipment	-	-	-	4,308.05
Shed for chief's car	-	-	-	2,487.63
Station maintenance/furniture	4,000.00	3,953.93	46.07	1,184.99
Council				
Recording kit	1,080.00	-	1,080.00	-
Inspection				
Flooring	3,843.00	-	3,843.00	-
Buildings and Grounds				
A/C replacement	-	24,975.28	(24,975.28)	-
Auditorium renovations	66,078.00	-	66,078.00	222,375.64

Continued

CITY OF BAKER, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (Continued)
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2002

With Comparative Actual Amounts for the Year Ended June 30, 2001

	2002			2001 Actual Amounts
	Final Budgeted Amount	Actual Amount	Variance Positive (Negative)	
Chairs/folding	\$ -	\$ -	\$ -	\$ 2,000.00
Curtains for stage	10,000.00	9,653.00	347.00	-
Bridge/rail	-	5,357.88	(5,357.88)	-
Roof repair/civic center	420.00	-	420.00	-
Sound system/accessories	1,700.00	-	1,700.00	-
Tables/chairs	-	-	-	600.00
Tables/folding	-	-	-	2,000.00
Weedeater/trimmer/edger	400.00	-	400.00	-
Civil Service				
File cabinet	639.00	-	639.00	-
Central Garage				
Tire machine	4,000.00	3,895.00	105.00	-
City Court				
Chair/Judge	500.00	-	500.00	-
Hardware upgrade	2,605.00	-	2,605.00	1,014.00
Sofa	600.00	-	600.00	-
Beautification				
Lawnmower	500.00	-	500.00	-
Weedeater/edger/trimmer	400.00	-	400.00	866.00
Museum				
Building/grounds renovations	7,941.00	-	7,941.00	-
Furniture	-	2,940.00	(2,940.00)	-
Overhead projector	-	264.35	(264.35)	-
Municipal Annex				
A/C replacement/repair	17,000.00	14,218.82	2,781.18	-
Floor burnishers	-	-	-	795.00
Roof repairs	10,000.00	-	10,000.00	-

Continued

CITY OF BAKER, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (Continued)
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2002

With Comparative Actual Amounts for the Year Ended June 30, 2001

	2002		Variance Positive (Negative)	2001 Actual Amounts
	Final Budgeted Amount	Actual Amount		
Central Stores				
Computer w/printer and software	\$ 1,900.00	\$ -	\$ 1,900.00	\$ -
Total Capital Outlay	578,403.00	313,254.03	265,148.97	429,546.42
Total Expenditures	6,199,158.00	5,388,492.09	810,665.91	5,334,676.79
Excess (Deficiency) of Revenues over Expenditures	(932,145.00)	(330,765.70)	601,379.30	(40,988.42)
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in	255,180.00	342,776.90	87,596.90	274,529.42
Operating transfers out	-	(14,920.30)	(14,920.30)	(11,186.00)
Total Other Financing Sources (Uses)	255,180.00	327,856.60	72,676.60	263,343.42
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	(676,965.00)	(2,909.10)	674,055.90	222,355.00
Fund Balances, beginning	4,880,747.01	4,880,747.01	-	4,667,919.14
Adjustments to prior periods	-	(69,212.75)	(69,212.75)	(9,527.13)
Fund Balances, ending	4,203,782.01	4,808,625.16	604,843.15	4,880,747.01

The accompanying notes are an integral part of this statement.

**CITY OF BAKER, LOUISIANA
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
JUNE 30, 2002**

With Comparative Totals for June 30, 2001

		911 <u>Communications</u>	Supplemental <u>Pay</u>	Fire/Police <u>Special Tax</u>	Street <u>Maintenance</u>	City <u>Court</u>	Totals (Memorandum Only)			
							2002	2001		
							\$	\$		
ASSETS										
Cash and cash equivalents	\$	66,212.96	-	-	-	105,842.24	\$	172,055.20	\$	68,578.20
Investments		-	-	-	-	-		-		51,335.58
Due from other funds		-	115,769.44	-	-	-		115,769.44		1,240.00
Due from other governmental agencies		-	-	91,975.41	58,729.95	-		150,705.36		72,419.80
Accrued interest receivable		-	-	-	375.37	184.37		559.74		1,081.11
Restricted assets:										
Cash and cash equivalents		-	18,404.43	73,004.02	2,588,561.67	-		2,679,970.12		1,239,120.26
Investments		-	-	-	1,000,000.00	-		1,000,000.00		1,913,122.15
TOTAL ASSETS		66,212.96	134,173.87	164,979.43	3,647,666.99	106,026.61		4,119,059.86		3,346,897.10
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable		-	-	-	32,933.25	-		32,933.25		11,875.00
Deferred revenues		5,500.00	-	-	-	-		5,500.00		-

**CITY OF BAKER, LOUISIANA
COMBINING BALANCE SHEET (Continued)
SPECIAL REVENUE FUNDS
JUNE 30, 2002**

With Comparative Totals for June 30, 2001

	911 Communications	Supplemental Pay	Fire/Police Special Tax	Street Maintenance	City Court	Totals (Memorandum Only)	
						2002	2001
Due to other funds	\$ -	\$ -	\$ 115,769.44	\$ -	\$ 32,750.73	\$ 148,520.17	\$ -
Due to bond accounts	-	-	-	-	100.00	100.00	100.00
Total Liabilities	5,500.00	-	115,769.44	32,933.25	32,850.73	187,053.42	11,975.00
Fund Balances:							
Reserved for fire/police salaries	-	134,173.87	49,209.99	-	-	183,383.86	127,379.20
Reserved for street maint/const	-	-	-	3,614,733.74	-	3,614,733.74	3,092,554.00
Unreserved:							
Designated for 911 services	60,712.96	-	-	-	-	60,712.96	38,435.10
Designated for court operations	-	-	-	-	73,175.88	73,175.88	76,553.80
Total Fund Balances	60,712.96	134,173.87	49,209.99	3,614,733.74	73,175.88	3,932,006.44	3,334,922.10
TOTAL LIABILITIES AND FUND BALANCES	66,212.96	134,173.87	164,979.43	3,647,666.99	106,026.61	4,119,059.86	3,346,897.10

The accompanying notes are an integral part of this statement.

CITY OF BAKER, LOUISIANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2002

With Comparative Totals for the Year Ended June 30, 2001

	911 Communications	Supplemental Pay	Fire/Police Special Tax	Street Maintenance	City Court	Totals	
						2001	2000
						(Memorandum Only)	
<u>REVENUES</u>							
Intergovernmental	\$ 66,000.00	\$ -	\$ -	\$ -	\$ -	\$ 66,000.00	\$ 66,000.00
Taxes	-	450,681.46	528,170.23	-	-	978,851.69	559,655.51
Charges for services	-	-	-	-	17,242.00	17,242.00	15,844.29
Interest earned	974.62	7,241.47	-	100,521.05	1,272.24	110,009.38	153,423.18
Grant proceeds	-	-	-	-	-	-	90,000.00
Total Revenues	66,974.62	7,241.47	450,681.46	528,691.28	18,514.24	1,172,103.07	884,922.98
<u>EXPENDITURES</u>							
General government	-	-	-	-	13,473.87	13,473.87	9,401.05
Public safety	43,780.96	446.80	401,471.47	-	-	445,699.23	65,535.45
Public works	-	-	-	7,631.06	-	7,631.06	28,613.97
Capital outlay	-	-	-	98,880.48	16,706.29	115,586.77	225,469.71
Total Expenditures	43,780.96	446.80	401,471.47	106,511.54	30,180.16	582,390.93	329,020.18

Continued

CITY OF BAKER, LOUISIANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (Continued)
YEAR ENDED JUNE 30, 2002

With Comparative Totals for the Year Ended June 30, 2001

	911 Communications	Supplemental Pay	Fire/Police Special Tax	Street Maintenance	City Court	Totals (Memorandum Only)	
						2002	2001
Excess (Deficiency) of Revenues over Expenditures \$	23,193.66	\$ 6,794.67	\$ 49,209.99	\$ 522,179.74	\$ (11,665.92)	\$ 589,712.14	\$ 555,902.80
<u>OTHER FINANCING SOURCES (USES)</u>							
Transfers to General Fund	(915.80)	-	-	-	-	(915.80)	(1,707.72)
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	22,277.86	6,794.67	49,209.99	522,179.74	(11,665.92)	588,796.34	554,195.08
Fund Balances, beginning	38,435.10	127,379.20	-	3,092,554.00	76,553.80	3,334,922.10	2,780,727.02
Adjustments to prior periods	-	-	-	-	8,288.00	8,288.00	-
Fund Balances, ending	60,712.96	134,173.87	49,209.99	3,614,733.74	73,175.88	3,932,006.44	3,334,922.10

The accompanying notes are an integral part of this statement.

**CITY OF BAKER, LOUISIANA
COMPARATIVE BALANCE SHEET
911 COMMUNICATIONS FUND
JUNE 30, 2002 AND 2001**

	<u>2002</u>	<u>2001</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 66,212.96	\$ 32,935.10
Due from other governmental agencies	-	5,500.00
	<hr/>	<hr/>
TOTAL ASSETS	66,212.96	38,435.10
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCES</u>		
Liabilities:		
Deferred revenues	5,500.00	-
Fund Balances:		
 Unreserved:		
Designated for 911 services	60,712.96	38,435.10
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCES	66,212.96	38,435.10
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes are an integral part of this statement

CITY OF BAKER, LOUISIANA
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
911 COMMUNICATIONS FUND
YEARS ENDED JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
<u>REVENUES</u>		
EMS payments	\$ 66,000.00	\$ 66,000.00
Interest earned	974.62	1,775.12
	66,974.62	67,775.12
Total Revenues	66,974.62	67,775.12
 <u>EXPENDITURES</u>		
Salaries and overtime	31,690.32	47,858.71
Retirement	3,574.26	5,113.06
Insurance	7,870.11	10,214.19
Telephone	587.45	1,907.44
Trust fees	58.82	67.40
	43,780.96	65,160.80
Total Expenditures	43,780.96	65,160.80
Excess of Revenues over Expenditures	23,193.66	2,614.32
 <u>OTHER FINANCING SOURCES (USES)</u>		
Transfers to General Fund	(915.80)	(1,707.72)
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	22,277.86	906.60
Fund Balances, beginning	38,435.10	37,528.50
Fund Balances, ending	60,712.96	38,435.10

The accompanying notes are an integral part of this statement.

**CITY OF BAKER, LOUISIANA
COMPARATIVE BALANCE SHEET
SUPPLEMENTAL PAY FUND
JUNE 30, 2002 AND 2001**

	<u>2002</u>	<u>2001</u>
<u>ASSETS</u>		
Due from Fire/Police Special Tax Fund	\$ 115,769.44	\$ -
Restricted assets:		
Cash and cash equivalents	18,404.43	127,379.20
	134,173.87	127,379.20
TOTAL ASSETS	134,173.87	127,379.20
 <u>LIABILITIES AND FUND BALANCES</u>		
Liabilities:	-	-
Fund Balances:		
Reserved for fire/police salaries	134,173.87	127,379.20
	134,173.87	127,379.20
TOTAL LIABILITIES AND FUND BALANCES	134,173.87	127,379.20

The accompanying notes are an integral part of this statement.

CITY OF BAKER, LOUISIANA
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
SUPPLEMENTAL PAY FUND
YEARS ENDED JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
<u>REVENUES</u>		
Interest earned	\$ 7,241.47	\$ 9,281.42
Total Revenues	7,241.47	9,281.42
<u>EXPENDITURES</u>		
Supplies	446.80	374.65
Total Expenditures	446.80	374.65
Excess of Revenues over Expenditures	6,794.67	8,906.77
Fund Balances, beginning	127,379.20	118,472.43
Fund Balances, ending	<u>134,173.87</u>	<u>127,379.20</u>

The accompanying notes are an integral part of this statement.

**CITY OF BAKER, LOUISIANA
BALANCE SHEET
FIRE/POLICE SPECIAL TAX FUND
JUNE 30, 2002**

	<u>2002</u>
<u>ASSETS</u>	
Due from other governmental agencies	\$ 91,975.41
Restricted assets:	
Cash and cash equivalents	<u>73,004.02</u>
TOTAL ASSETS	<u><u>164,979.43</u></u>
 <u>LIABILITIES AND FUND BALANCES</u>	
Liabilities:	
Due to Supplemental Pay Fund	115,769.44
Fund Balances:	
Reserved for fire/police salaries	<u>49,209.99</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>164,979.43</u></u>

The accompanying notes are an integral part of this statement.

**CITY OF BAKER, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FIRE/POLICE SPECIAL TAX FUND
YEAR ENDED JUNE 30, 2002**

	<u>2002</u>
<u>REVENUES</u>	
Sales taxes	\$ 450,681.46
Total Revenues	450,681.46
<u>EXPENDITURES</u>	
Salaries and overtime	357,947.36
Retirement	26,161.67
Insurance	17,362.44
Total Expenditures	401,471.47
Excess of Revenues over Expenditures	49,209.99
Fund Balances, beginning	-
Fund Balances, ending	<u>49,209.99</u>

The accompanying notes are an integral part of this statement.

**CITY OF BAKER, LOUISIANA
COMPARATIVE BALANCE SHEET
STREET MAINTENANCE FUND
JUNE 30, 2002 AND 2001**

	<u>2002</u>	<u>2001</u>
<u>ASSETS</u>		
Due from other governmental agencies	\$ 58,729.95	\$ 66,919.80
Accrued interest receivable	375.37	770.99
Restricted assets:		
Cash and cash equivalents	2,588,561.67	1,111,741.06
Investments	1,000,000.00	1,913,122.15
	<hr/>	<hr/>
TOTAL ASSETS	3,647,666.99	3,092,554.00
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCES</u>		
Liabilities:		
Accounts payable	32,933.25	-
Fund Balances:		
Reserved for street maintenance/construction	3,614,733.74	3,092,554.00
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCES	3,647,666.99	3,092,554.00
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes are an integral part of this statement.

CITY OF BAKER, LOUISIANA
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
STREET MAINTENANCE FUND
YEARS ENDED JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
<u>REVENUES</u>		
Sales taxes	\$ 528,170.23	\$ 559,655.51
Interest earned	100,521.05	138,795.70
Grant proceeds	-	90,000.00
	628,691.28	788,451.21
<u>EXPENDITURES</u>		
Bank/trust fees	6,288.77	3,616.97
Repairs and maintenance	438.50	-
Professional fees	-	10,500.00
Supplies and materials	903.79	14,497.00
Capital outlay	98,880.48	193,660.35
	106,511.54	222,274.32
Excess of Revenues over Expenditures	522,179.74	566,176.89
Fund Balances, beginning	3,092,554.00	2,526,377.11
Fund Balances, ending	3,614,733.74	3,092,554.00

The accompanying notes are an integral part of this statement.

**CITY OF BAKER, LOUISIANA
COMPARATIVE BALANCE SHEET
CITY COURT FUND
JUNE 30, 2002 AND 2001**

	<u>2002</u>	<u>2001</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 105,842.24	\$ 35,643.10
Investments	-	51,335.58
Due from General Fund	-	1,240.00
Accrued interest receivable	184.37	310.12
TOTAL ASSETS	106,026.61	88,528.80
 <u>LIABILITIES AND FUND BALANCES</u>		
Liabilities:		
Accounts payable	-	11,875.00
Due to General Fund	32,750.73	-
Due to bond accounts	100.00	100.00
Total Liabilities	32,850.73	11,975.00
Fund Balances:		
Unreserved:		
Designated for court operations	73,175.88	76,553.80
TOTAL LIABILITIES AND FUND BALANCES	106,026.61	88,528.80

The accompanying notes are an integral part of this statement.

CITY OF BAKER, LOUISIANA
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
CITY COURT FUND
YEARS ENDED JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
<u>REVENUES</u>		
Court costs earned	\$ 17,242.00	\$ 15,844.29
Interest earned	1,272.24	3,570.94
	18,514.24	19,415.23
<u>EXPENDITURES</u>		
Ad hoc judge	1,445.65	1,356.52
Computer expenses	207.50	787.47
Drug testing expense	6,839.03	1,848.98
Insurance	895.00	825.00
Office and supplies	3,235.57	4,364.96
Travel	851.12	218.12
Capital outlay	16,706.29	31,809.36
	30,180.16	41,210.41
Deficiency of Revenues over Expenditures	(11,665.92)	(21,795.18)
Fund Balances, beginning	76,553.80	98,348.98
Adjustments to prior periods	8,288.00	-
Fund Balances, ending	73,175.88	76,553.80

The accompanying notes are an integral part of this statement.

**CITY OF BAKER, LOUISIANA
COMPARATIVE BALANCE SHEET
UTILITY FUND
JUNE 30, 2002 AND 2001**

	<u>2002</u>	<u>2001</u>
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents	\$ 1,125,400.00	\$ 1,025,400.00
Investments	734,398.08	194,712.66
Inventory	49,253.62	41,527.41
Accounts receivable, net of allowance for doubtful accounts; \$ 39,031.99 in 2002 and \$39,892.77 in 2001	195,988.85	220,610.42
Unbilled receivables	119,815.41	102,158.33
Accrued interest receivable	3,325.35	8,610.19
Prepaid expenses	1,366.47	1,677.67
Total Current Assets	2,229,547.78	1,594,696.68
Restricted Assets:		
Cash and cash equivalents	1,015,744.05	1,140,571.38
Investments	167,244.01	640,069.77
Total Restricted Assets	1,182,988.06	1,780,641.15
Property, Plant and Equipment:		
Property, plant and equipment, at cost, net of accumulated depreciation of \$4,597,024.57 in 2002 and \$4,280,683.79 in 2001	4,062,349.23	4,248,951.66
Other Assets:		
Deferred bond debt, net of amortization of \$17,061.00 in 2002 and \$14,905.92 in 2001	3,772.00	5,927.08
TOTAL ASSETS	7,478,657.07	7,630,216.57

Continued

CITY OF BAKER, LOUISIANA
COMPARATIVE BALANCE SHEET (Continued)
UTILITY FUND
JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Payable from current assets:		
Due to other governmental agencies	\$ 3,545.78	\$ 6,573.62
Accounts payable	8,103.42	70,972.55
Sales taxes payable	3,725.98	3,419.98
	<hr/>	<hr/>
Total Current Liabilities (Payable from Current Assets)	15,375.18	80,966.15
Payable from restricted assets:		
Revenue bonds payable	242,000.00	229,000.00
Accrued interest payable	13,559.17	14,868.50
Customer deposits	167,244.01	150,437.27
	<hr/>	<hr/>
Total Current Liabilities (Payable from Restricted Assets)	422,803.18	394,305.77
	<hr/>	<hr/>
Total Current Liabilities	438,178.36	475,271.92
Long-Term Liabilities:		
Revenue bonds payable	929,255.95	558,664.62
Compensated absences payable	177,515.31	181,240.44
Payable from restricted assets:		
Revenue bonds payable	773,744.05	1,386,335.38
	<hr/>	<hr/>
Total Long-Term Liabilities	1,880,515.31	2,126,240.44
	<hr/>	<hr/>
Total Liabilities	2,318,693.67	2,601,512.36

Continued

CITY OF BAKER, LOUISIANA
COMPARATIVE BALANCE SHEET (Continued)
UTILITY FUND
JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
Net Assets:		
Invested in capital assets, net of related debt	\$ 4,062,349.23	\$ 4,248,951.66
Restricted for customer deposits	167,244.01	150,437.27
Unrestricted	930,370.16	629,315.28
	<hr/>	<hr/>
Total Net Assets	5,159,963.40	5,028,704.21
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET ASSETS	<u>7,478,657.07</u>	<u>7,630,216.57</u>

The accompanying notes are an integral part of this statement.

CITY OF BAKER, LOUISIANA
COMPARATIVE STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
UTILITY FUND
YEARS ENDED JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
<u>OPERATING REVENUES</u>		
Charges for services:		
Water sales	\$ 754,547.93	\$ 754,091.79
Gas sales	1,282,800.21	1,528,692.35
Sprinkler system	2,700.00	1,000.00
Reconnection charges	138,986.50	136,377.39
Sewer fees	362,654.91	277,908.64
Other operating revenues	4,595.66	1,566.02
Total Operating Revenues	2,546,285.21	2,699,636.19
<u>OPERATING EXPENSES</u>		
Administrative	60,245.70	46,136.82
Depreciation	316,340.78	287,944.12
Employee and related expenses	669,607.41	670,980.15
Occupancy	60,987.84	67,201.52
Personal services	977,593.95	1,969,011.56
Total Operating Expenses	2,084,775.68	3,041,274.17
Operating Income (Loss)	461,509.53	(341,637.98)
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
Interest earned	84,924.96	193,406.68
Grant proceeds	-	36,000.00
Contributions	20,776.74	13,860.00
Bond-related expenses	(2,155.08)	(2,155.08)
Interest expense	(90,829.43)	(98,247.24)
Total Non-Operating Revenues (Expenses)	12,717.19	142,864.36
Income (Loss) Before Operating Transfers	474,226.72	(198,773.62)

Continued

CITY OF BAKER, LOUISIANA
COMPARATIVE STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS (Continued)
UTILITY FUND
YEARS ENDED JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
<u>OPERATING TRANSFERS</u>		
Transfers to General Fund	\$ (326,160.79)	\$ (251,512.47)
Change in Net Assets	148,065.93	(450,286.09)
Net Assets, beginning	5,028,704.21	5,508,228.86
Increase in customer deposits	(16,806.74)	(7,590.00)
Adjustment to prior periods	-	(21,648.56)
Net Assets, ending	<u>5,159,963.40</u>	<u>5,028,704.21</u>

The accompanying notes are an integral part of this statement.

CITY OF BAKER, LOUISIANA
COMPARATIVE STATEMENT OF CASH FLOWS
UTILITY FUND
YEARS ENDED JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 2,570,056.44	\$ 2,694,516.30
Cash paid to suppliers for goods/services	(1,171,833.47)	(2,023,254.24)
Cash paid to employees for services	(673,332.54)	(654,728.19)
	724,890.43	16,533.87
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Operating transfers out	(326,382.05)	(251,512.47)
	(326,382.05)	(251,512.47)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital contributed by property owners	3,970.00	6,270.00
Interest received from bond proceeds	45,057.61	70,638.96
Proceeds from capital grants	-	36,000.00
Acquisition of capital assets	(129,738.35)	(1,119,537.71)
Interest paid on bonds	(91,917.50)	(99,497.37)
Principal paid on bond maturities	(229,000.00)	(218,000.00)
	(401,628.24)	(1,324,126.12)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received from investments	45,152.19	126,954.80
Purchase/maturities of securities	(66,859.66)	429,947.95
	(21,707.47)	556,902.75

Continued

CITY OF BAKER, LOUISIANA
COMPARATIVE STATEMENT OF CASH FLOWS (Continued)
UTILITY FUND
YEARS ENDED JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
Net Decrease in Cash and Cash Equivalents	\$ (24,827.33)	\$ (1,002,201.97)
Cash and Cash Equivalents, beginning of year	<u>2,165,971.38</u>	<u>3,168,173.35</u>
Cash and Cash Equivalents, end of year	<u><u>2,141,144.05</u></u>	<u><u>2,165,971.38</u></u>
 RECONCILIATION OF OPERATING INCOME (LOSS)		
TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	461,509.53	(341,637.98)
 Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation	316,340.78	287,944.12
(Increase) decrease in assets:		
Inventory	(7,726.21)	(2,604.03)
Accounts receivable	6,964.49	(12,709.89)
Prepaid expenses	311.20	(245.27)
Increase (decrease) in liabilities:		
Accounts payable	(65,590.97)	61,944.96
Compensated absences payable	(3,725.13)	16,251.96
Customer deposits	16,806.74	7,590.00
Net Cash Provided by Operating Activities	<u><u>724,890.43</u></u>	<u><u>16,533.87</u></u>

The accompanying notes are an integral part of this statement.

CITY OF BAKER, LOUISIANA
COMPARATIVE SCHEDULE OF OPERATING EXPENSES
UTILITY FUND
YEARS ENDED JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
<u>ADMINISTRATIVE</u>		
Association dues	\$ 675.20	\$ 235.00
Computer expenses	20,187.66	13,569.48
Office supplies	1,630.33	1,307.97
Postage	18,617.30	20,684.70
Professional fees	18,503.94	9,544.79
Public relations	631.27	794.88
	<hr/>	<hr/>
Total Administrative	60,245.70	46,136.82
 <u>DEPRECIATION</u>		
Depreciation - gas	66,900.54	66,900.54
Depreciation - other equipment	124,431.71	97,339.47
Depreciation - sewer	27,095.14	27,095.14
Depreciation - water	97,913.39	96,608.97
	<hr/>	<hr/>
Total Depreciation	316,340.78	287,944.12
 <u>EMPLOYEE AND RELATED EXPENSES</u>		
Employee drug testing	511.00	306.46
Insurance	75,726.16	80,018.61
Retirement	37,552.02	33,140.38
Salaries and overtime	545,869.91	545,607.38
Travel and education	2,719.00	4,836.52
Uniforms	7,229.32	7,070.80
	<hr/>	<hr/>
Total Employee and Related Expenses	669,607.41	670,980.15

Continued

CITY OF BAKER, LOUISIANA
COMPARATIVE SCHEDULE OF OPERATING EXPENSES (Continued)
UTILITY FUND
YEARS ENDED JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
<u>OCCUPANCY</u>		
Insurance	\$ 14,935.90	\$ 17,441.79
Rent	30,000.00	30,000.00
Telephone	6,800.20	8,097.02
Utilities	9,251.74	11,662.71
Total Occupancy	60,987.84	67,201.52
 <u>PERSONAL SERVICES</u>		
Bad debts	15,993.59	30,342.45
Cathodic protection	8,745.98	170.43
Chlorination of water	7,949.60	8,287.42
Electricity	100,215.66	123,162.62
Engineering fees	-	16,878.30
Equipment rental	2,476.89	2,541.64
Maintenance and repairs	68,064.21	53,252.53
Maintenance to gas system	21,864.89	22,010.57
Maintenance to sewer system	17,529.38	35,020.34
Maintenance to water system	18,898.29	28,490.31
Purchase and repair of meters	18,702.02	25,252.46
Purchases of gas	618,537.99	1,561,739.04
Supplies	26,372.82	19,882.63
Vehicle expense	52,242.63	41,980.82
Total Personal Services	977,593.95	1,969,011.56
Total Operating Expenses	2,084,775.68	3,041,274.17

The accompanying notes are an integral part of this statement.

**CITY OF BAKER, LOUISIANA
COMPARATIVE BALANCE SHEET
CEMETERY FUND
JUNE 30, 2002 AND 2001**

	<u>2002</u>	<u>2001</u>
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents	\$ 50,000.00	\$ 50,000.00
Investments	231,459.69	217,200.95
Inventory	403,719.78	408,965.51
Accounts receivable, net of allowance for doubtful accounts; \$3,565.08 in 2002 and \$3,255.67 in 2001	8,563.46	5,209.47
Total Current Assets	693,742.93	681,375.93
Restricted Assets:		
Cash and cash equivalents	64,799.00	61,594.40
Fixed Assets		
Property, plant and equipment, at cost, net of accumulated depreciation of \$175,963.78 in 2002 and \$158,276.64 in 2001	279,491.56	279,980.70
TOTAL ASSETS	<u>1,038,033.49</u>	<u>1,022,951.03</u>

LIABILITIES AND NET ASSETS

Current Liabilities:

Payable from current assets:

Accounts payable	5,115.35	6,359.38
Deferred revenue	2,287.00	2,287.00
Merchandise payable	40,515.38	42,318.98

Total Current Liabilities (Payable from Current Assets)	47,917.73	50,965.36
---	-----------	-----------

CITY OF BAKER, LOUISIANA
COMPARATIVE BALANCE SHEET (Continued)
CEMETERY FUND
JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
Payable from restricted assets:		
Merchandise payable	\$ 64,799.00	\$ 61,594.40
Total Current Liabilities (Payable from Restricted Assets)	112,716.73	112,559.76
Long-Term Liabilities:		
Merchandise payable	473,476.79	486,668.17
Compensated absences payable	31,908.02	28,606.08
Total Long-Term Liabilities	505,384.81	515,274.25
Total Liabilities	618,101.54	627,834.01
Net Assets:		
Restricted for pre-need items	64,799.00	61,594.40
Unrestricted	355,132.95	333,522.62
Total Net Assets	419,931.95	395,117.02
 TOTAL LIABILITIES AND NET ASSETS	 1,038,033.49	 1,022,951.03

The accompanying notes are an integral part of this statement.

CITY OF BAKER, LOUISIANA
COMPARATIVE STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN NET ASSETS
CEMETERY FUND
YEARS ENDED JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
<u>OPERATING REVENUES</u>		
Sale of merchandise, net of cost of goods sold of \$36,421.85 in 2002 and \$58,936.08 in 2001	\$ 135,589.61	\$ 110,571.08
<u>OPERATING EXPENSES</u>		
Administrative	7,758.19	6,060.58
Depreciation	17,687.14	16,814.67
Employee and related expenses	89,381.29	78,785.77
Occupancy	4,955.42	4,735.43
Personal services	9,769.07	9,537.98
Total Operating Expenses	129,551.11	115,934.43
Operating Income (Loss)	6,038.50	(5,363.35)
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
Interest earned	12,406.25	21,228.56
Lease income	3,922.00	3,922.00
Total Non-Operating Revenues (Expenses)	16,328.25	25,150.56
Income Before Operating Transfers	22,366.75	19,787.21
<u>OPERATING TRANSFERS</u>		
Transfers from General Fund/Capital Improvements	14,920.30	11,186.00
Transfers to General Fund	(10,272.12)	(14,524.99)
Total Operating Transfers	4,648.18	(3,338.99)

Continued

CITY OF BAKER, LOUISIANA
COMPARATIVE STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN NET ASSETS (Continued)
CEMETERY FUND
YEARS ENDED JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
Change in Net Assets \$	27,014.93	\$ 16,448.22
Net Assets, beginning	395,117.02	380,603.80
Adjustment to prior periods	<u>(2,200.00)</u>	<u>(1,935.00)</u>
Net Assets, ending	<u>419,931.95</u>	<u>395,117.02</u>

The accompanying notes are an integral part of this statement.

CITY OF BAKER, LOUISIANA
COMPARATIVE STATEMENT OF CASH FLOWS
CEMETERY FUND
YEARS ENDED JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 168,657.47	\$ 180,017.75
Cash paid to suppliers for goods/services	(68,893.21)	(76,622.53)
Cash paid to employees for services	(86,079.35)	(76,262.17)
	13,684.91	27,133.05
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Operating transfers in	14,920.30	11,186.00
Operating transfers out	(10,272.12)	(14,524.99)
	4,648.18	(3,338.99)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(17,198.00)	(11,186.00)
	(17,198.00)	(11,186.00)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received from investments	12,406.25	21,228.56
Lease income	3,922.00	3,922.00
Purchase/maturities of securities	(14,258.74)	(30,149.31)
	2,069.51	(4,998.75)
Net Increase in Cash and Cash Equivalents	3,204.60	7,609.31
Cash and Cash Equivalents, beginning of year	111,594.40	103,985.09
Cash and Cash Equivalents, end of year	114,799.00	111,594.40

Continued

CITY OF BAKER, LOUISIANA
COMPARATIVE STATEMENT OF CASH FLOWS (Continued)
CEMETERY FUND
YEARS ENDED JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
RECONCILIATION OF OPERATING INCOME (LOSS)		
TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	\$ 6,038.50	\$ (5,363.35)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation	17,687.14	16,814.67
(Increase) decrease in assets:		
Inventory	5,245.73	9,474.84
Accounts receivable	(3,353.99)	10,510.59
Increase (decrease) in liabilities:		
Accounts payable	(1,244.03)	5,163.20
Merchandise payable	(13,990.38)	(11,990.50)
Compensated absences payable	3,301.94	2,523.60
Net Cash Provided by Operating Activities	13,684.91	27,133.05

The accompanying notes are an integral part of this statement.

CITY OF BAKER, LOUISIANA
COMPARATIVE SCHEDULE OF OPERATING EXPENSES
CEMETERY FUND
YEARS ENDED JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
<u>ADMINISTRATIVE</u>		
Association dues	\$ 943.00	\$ 975.00
Computer expenses	828.73	-
Office supplies	3,863.89	3,195.41
Professional fees	2,122.57	1,890.17
Total Administrative	7,758.19	6,060.58
<u>DEPRECIATION</u>	17,687.14	16,814.67
<u>EMPLOYEE AND RELATED EXPENSES</u>		
Insurance	13,336.34	12,416.26
Retirement	5,340.86	4,244.32
Salaries and overtime	69,836.20	60,841.53
Travel and education	-	769.03
Uniforms	867.89	514.63
Total Employee and Related Expenses	89,381.29	78,785.77
<u>OCCUPANCY</u>		
Insurance	764.00	643.30
Telephone	1,212.33	1,177.31
Utilities	2,979.09	2,914.82
Total Occupancy	4,955.42	4,735.43

Continued

CITY OF BAKER, LOUISIANA
COMPARATIVE SCHEDULE OF OPERATING EXPENSES (Continued)
CEMETERY FUND
YEARS ENDED JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
<u>PERSONAL SERVICES</u>		
Bad debt expense	\$ 309.41	\$ -
Equipment rental	110.04	136.86
Maintenance and repairs	869.34	3,344.70
Official journal	495.50	536.06
Trust fees	1,956.62	1,849.87
Vehicle expense	6,028.16	3,670.49
	9,769.07	9,537.98
Total Personal Services	9,769.07	9,537.98
Total Operating Expenses	129,551.11	115,934.43

The accompanying notes are an integral part of this statement.

**CITY OF BAKER, LOUISIANA
COMPARATIVE BALANCE SHEET
CITY PARISH SEWER REVENUE FUND
JUNE 30, 2002 AND 2001**

	<u>2002</u>	<u>2001</u>
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents	\$ 25,000.00	\$ 25,000.00
Investments	134,062.03	103,027.33
Due from other governmental agencies	11,783.90	16,439.94
Prepaid expenses	5,054.98	3,012.90
Total Current Assets	175,900.91	147,480.17
Fixed Assets		
Property, plant and equipment, at cost, net of accumulated depreciation of \$4,075.49 in 2002 and \$4,075.49 in 2001	-	-
TOTAL ASSETS	175,900.91	147,480.17
 <u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Payable from current assets:		
Accounts payable	259.74	-
Long-Term Liabilities:		
Compensated absences payable	2,958.36	2,160.36
Net Assets:		
Unrestricted	172,682.81	145,319.81
TOTAL LIABILITIES AND NET ASSETS	175,900.91	147,480.17

The accompanying notes are an integral part of this statement.

CITY OF BAKER, LOUISIANA
COMPARATIVE STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
CITY PARISH SEWER REVENUE FUND
YEARS ENDED JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
<u>OPERATING REVENUES</u>		
City Parish sewer user fees	\$ 69,707.12	\$ 65,742.55
<u>OPERATING EXPENSES</u>		
Administrative	872.57	846.43
Employee and related expenses	25,929.77	23,525.17
Personal services	15,541.78	11,826.74
Total Operating Expenses	<u>42,344.12</u>	<u>36,198.34</u>
Operating Income	27,363.00	29,544.21
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
Interest earned	<u>5,428.19</u>	<u>6,784.24</u>
Income Before Operating Transfers	32,791.19	36,328.45
<u>OPERATING TRANSFERS</u>		
Transfers to General Fund	<u>(5,428.19)</u>	<u>(6,784.24)</u>
Change in Net Assets	27,363.00	29,544.21
Net Assets, beginning	<u>145,319.81</u>	<u>115,775.60</u>
Net Assets, ending	<u><u>172,682.81</u></u>	<u><u>145,319.81</u></u>

The accompanying notes are an integral part of this statement.

CITY OF BAKER, LOUISIANA
COMPARATIVE STATEMENT OF CASH FLOWS
CITY PARISH SEWER REVENUE FUND
YEARS ENDED JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 74,363.16	\$ 54,645.49
Cash paid to suppliers for goods/services	(18,196.69)	(13,711.33)
Cash paid to employees for services	(25,131.77)	(23,695.29)
	31,034.70	17,238.87
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Operating transfers out	(5,428.19)	(6,784.24)
	(5,428.19)	(6,784.24)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
	-	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received from investments	5,428.19	6,784.24
Purchase/maturities of securities	(31,034.70)	(17,238.87)
	(25,606.51)	(10,454.63)
Net Increase in Cash and Cash Equivalents	-	-
Cash and Cash Equivalents, beginning of year	25,000.00	25,000.00
Cash and Cash Equivalents, end of year	25,000.00	25,000.00

Continued

CITY OF BAKER, LOUISIANA
COMPARATIVE STATEMENT OF CASH FLOWS (Continued)
CITY PARISH SEWER REVENUE FUND
YEARS ENDED JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 27,363.00	\$ 29,544.21
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
(Increase) decrease in assets:		
Accounts receivable	4,656.04	(11,097.06)
Prepaid expenses	(2,042.08)	(1,038.16)
Increase (decrease) in liabilities:		
Accounts payable	259.74	-
Compensated absences payable	798.00	(170.12)
Net Cash Provided by Operating Activities	<u>31,034.70</u>	<u>17,238.87</u>

The accompanying notes are an integral part of this statement.

CITY OF BAKER, LOUISIANA
COMPARATIVE SCHEDULE OF OPERATING EXPENSES
CITY PARISH SEWER REVENUE FUND
YEARS ENDED JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
<u>ADMINISTRATIVE</u>		
Professional fees	\$ 872.57	\$ 846.43
<u>EMPLOYEE AND RELATED EXPENSES</u>		
Insurance	208.60	212.41
Retirement	1,840.58	1,621.11
Salaries and overtime	23,524.60	21,691.65
Uniforms	355.99	-
	25,929.77	23,525.17
<u>PERSONAL SERVICES</u>		
Computer expense	788.13	-
Postage	12,403.21	11,629.84
Supplies	2,350.44	196.90
	15,541.78	11,826.74
	42,344.12	36,198.34

The accompanying notes are an integral part of this statement.

SUPPLEMENTAL SCHEDULES AND INFORMATION

CITY OF BAKER, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO GOVERNING MEMBERS
YEAR ENDED JUNE 30, 2002

<u>Name</u>	<u>Salary</u>	<u>Retirement</u>	<u>Travel and Insurance</u>	<u>Total</u>
Mayor Davis	\$ 57,168.00	\$ 4,002.00	\$ 7,976.00	\$ 69,146.00
Councilpersons:				
Marshall	3,500.00	268.00	.00	3,768.00
Pitts	3,150.00	221.00	751.00	4,122.00
Pourciau	1,750.00	134.00	.00	1,884.00
Russell	8,400.00	122.00	819.00	9,341.00
Simpson	8,400.00	643.00	246.00	9,289.00
Vincent	8,400.00	643.00	2,816.00	11,859.00
Walls	8,400.00	643.00	239.00	9,282.00
Chief of Police Gautreaux	51,228.00	4,611.00	769.00	56,608.00
Judge Englesman	15,792.00	1,942.00	.00	17,734.00
Total	<u>152,505.64</u>	<u>10,152.30</u>	<u>14,181.88</u>	<u>176,839.82</u>

Auto leases for Mayor Davis of \$5,314 and Police Chief Gautreaux of \$4,792 are not included in the expenses above.

JOHN D. BUTLER & COMPANY
A PROFESSIONAL ACCOUNTING CORPORATION
P. O. BOX 30
BAKER, LOUISIANA 70704-0030

(225) 775-4982

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

October 14, 2002

The Honorable Leroy Davis, Mayor,
and the Members of the City Council
City of Baker, Louisiana
P. O. Box 707
Baker, Louisiana 70704-0707

We have audited the financial statements of the City of Baker, Louisiana, as of and for the year ended June 30, 2002, and have issued our report thereon dated October 14, 2002. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City of Baker, 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 statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 02-01 through 02-03. We also noted certain immaterial instances of noncompliance that we have reported to the City of Baker's management in a separate letter dated October 14, 2002.

The Honorable Leroy Davis, Mayor
and the Members of the Baker City Council
October 14, 2002
Page Two

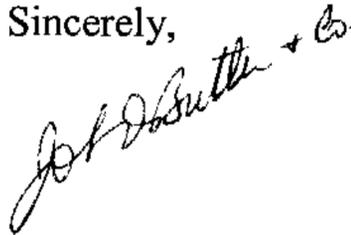
Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Baker, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City of Baker's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questions costs as item 02-04.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe the reportable condition described above is a material weakness. We also noted other matters involving the internal control over financial reporting that we have reported to the City of Baker's management in a separate letter dated October 14, 2002.

This report is intended solely for the information and use of management, Baker City Council, Legislative Auditor and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute §24:513, the Legislative Auditor distributes this report as a public document.

Sincerely,



John D. Butler & Company
A Professional Accounting Corporation

**CITY OF BAKER, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2002**

We have audited the financial statements of the City of Baker, Louisiana as of and for the year ended June 30, 2002, and have issued our report thereon dated October 14, 2002. 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. Our audit of the financial statements as of June 30, 2002, resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

1. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control	Material Weakness Reportable Condition	No Yes
Compliance	Compliance Material to F/S	No

2. Federal Awards

N/A

Section II Financial Statement Findings

2002-01. Public Records Act

It appears that the Public Records Act was violated when the Mayor did not timely provide information upon written and oral requests.

The financial records of governmental units are public records and, therefore, they should be made available for inspection to the general public within three days of an official request. In one instance that was reviewed, a councilperson requested information on February 5, 2002. Several additional attempts to receive this information were made before it was provided on May 15, 2002. Additionally, the auditors were not allowed to review certain documents as requested.

It is our recommendation that all future requests for information not protected under the Public Records Act be provided within three days.

Mayor's Response *"I disagree with this allegation. Information that is a public record is provided to the Council Persons on a regular basis. Council Persons are provided the Revenue and Expenditure Reports on a regular monthly basis. They are invited to and do participate occasionally in our monthly Department Heads' Budget meetings. Public Records Act is a legal matter which must be proven in a court of law.*

Continued

CITY OF BAKER, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
YEAR ENDED JUNE 30, 2002

No such legal action has been taken or findings rendered. Personnel information has been leaked to the press on a routine basis for political gain, since I was elected Mayor. Unfortunately this will continue until the next election. The Council has requested four (4) State Attorney General's opinions during the past year all related to personnel decisions; all of these opinions have been in my favor."

2002-02.

Legal Services

An employee of the City was paid for legal services provided to the City on four separate occasions. These questioned costs amounted to \$1,031.25. Of this amount, \$375 was paid for time spent to fulfill the duties of the City Attorney at a Council meeting in his absence.

Section 4-08 of the City's Charter states that, "No special legal counsel shall be employed by the city except by written contract." A contract was not executed.

Additionally, Section 8-06 states that, "No officer, official or employee of the city shall have an interest directly or indirectly in any contract, lease, franchise, concession or service to the city, nor shall profit therefrom..." An employee cannot also be an independent contractor of the city.

Our recommendation is that this practice be discontinued immediately. Payments made in the absence of the City Attorney should be made through payroll. If additional time is required of City employees, a consideration for payment of overtime is more appropriate. Employees providing services to the City outside of their employment run the risk of violating the Code of Ethics for Public Employees (La. Revised Statute §42).

Mayor's Response *"This was an isolated incident. The Mayor did not prescribe what method of payment that should be used for additional work for part time employees. This will be addressed by issuing a 1099 Form. In the future the Mayor will inform the accounting personnel to pay via the payroll process for additional work for part time employees."*

2002-03.

Payment for Loss of Vehicle Use

The Mayor was involved in an accident while in a City-leased vehicle on November 2, 2001, in which he was considered not-at-fault. He was paid \$379.18 as a per diem by the insurance company to be used for a rental car. There was no documentation provided to support the rental of a car.

This action appears to violate Section 8-06 of the City's charter that is referenced in finding 2002-02 above and states, "No officer, official or employee of the city shall have

Continued

CITY OF BAKER, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
YEAR ENDED JUNE 30, 2002

an interest directly or indirectly in any contract, lease, franchise, concession or service to the city, nor shall profit therefrom...”

It is our recommendation that invoices supporting the rental of a vehicle for \$379.18 or more be provided to Finance personnel. If such documentation cannot be provided, these funds should be remitted to the City for deposit into the general fund.

Mayor's Response *“This item is not material to the financial statement and has been explained to the auditors. Since the auditors refused to accept the factual explanation, I am responding in writing. The \$379.18 paid to me was due to the use of my personal vehicle for the one month time while the leased vehicle was being repaired. I drove a 1998 Oldsmobile 98 Regency during that time which actually exceeding the cost reimbursement of \$379.18. Hence, there was absolutely no gain on my part. In fact I lost money, because I also paid for the gasoline used in the vehicle plus the depreciation and repairs on the vehicle. Hence, I strongly disagree with the alleged finding.”*

2002-04.

Third-Party Endorsement

A check in the amount of \$2,251.38 made payable to the City of Baker was received from the insurance company and was endorsed by the Mayor to Graves Chevrolet for the repair of his City-leased vehicle. The insurance company remitted an additional check to Graves Chevrolet in the amount of \$946.07. There was no support documentation.

This action disregards internal control procedures and does not adhere to generally accepted accounting principles. Municipalities are required, under La. Revised Statutes §24:514 and §33:463, to follow generally accepted accounting principles. These principles require an audit trail in which every transaction must be traceable from the point of occurrence to the financial report. Documentation must be in place to allow every event to be traced from the supporting documentation to the initial recording and summarization in the general ledger, comparison to budgeted amounts and recorded amounts in the financial report.

It is our recommendation that all supporting documentation related to the repair of the Mayor's vehicle be provided to Finance. In addition, a policy should be created that requires all checks written to the City of Baker to be deposited into consolidated cash or another appropriate City account.

Mayor's Response *“Again, this matter was explained to the auditors, but the auditors refused to accept the factual explanation. I did not obtain any value or benefit from this transaction. This matter should have been handled by the Purchasing Director, but he was having difficulties and ultimately resigned. The new Purchasing Director will*

Continued

CITY OF BAKER, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
YEAR ENDED JUNE 30, 2002

handle future matters of this type. The vendor, Graves Chevrolet, who owns the leased vehicle also repaired the vehicle. The check for \$2,251.38 was endorsed to Graves Chevrolet because the check was written to Graves and the City. Graves requested payment at that time. The check for \$946.07 was not endorsed by me. In fact, I did not see the check and was not informed about the transaction; this matter was between the Insurance Company and Graves Chevrolet. Therefore, I disagree with this finding. However, the new Purchasing Director will handle all such matters in the future. Further, the City will develop policies in this area."

Auditors' Note The check for \$2,251.38 was made payable to 'City of Baker'.
The check for \$946.07 was made payable to 'Graves Chevy'.

Section III Federal Award Findings and Questioned Costs

N/A

**CITY OF BAKER, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2002**

Section I Internal Control and Compliance Material to the Financial Statements

01-01 Salaries Paid Outside of Budget Authority Recommendation was (1) to consult with the City's attorney to determine the appropriate salaries to be paid and (2) that future pay plans be approved with a salary range including a minimum and maximum per position.	Partially Resolved; <i>Attorney General's Opinion gives authority to set salaries of appointees; The need to have this in the pay plan is being addressed through a salary study currently in progress</i>
01-02 Appointment Not Ratified by Council Recommendation was that the Council ratify the appointment or the amounts paid be returned to the City.	Resolved
01-03 Unauthorized Increase in Mayor's Salary Recommendation was that any unauthorized payments be returned to the City.	Unresolved
01-04 Adoption of Budget Recommendation to adopt a budget as soon as possible	Resolved
01-05 Lack of Invoice Approval Recommendation that the Treasurer not sign any checks without the appropriate support	Resolved
01-06 Personnel Action Forms Recommendation that personnel forms be accompanied with documentation to support the change requested and that a policy be put into place allowing for amicable resolutions to future disputed changes	Partially Resolved; <i>This recommendation will be considered with the current updating of the Policies & Procedures Manual</i>
01-07 Revenue Collections Recommendation that a tickler system be put into place regarding revenue streams	Resolved; <i>See Management Letter item M02-03 and M02-05</i>

Section II Internal Control and Compliance Material to Federal Awards

N/A

Section III Management Letter

M01-01 Compliance with Act 508 Recommendation to comply	Resolved
M01-02 Equipment Log Recommendation was to maintain a log of equipment purchased by the Recreation Commission that is held off-site	Resolved
M01-03 Cash Receipts Recommendation for appropriate training and supervision of part-time or student workers regarding cash collections	Resolved
M01-04 Purchasing Procedures Recommendation was to remind all personnel of the appropriate purchasing procedures	Resolved

**CITY OF BAKER, LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2002**

Section I Internal Control and Compliance Material to the Financial Statements

Please refer to the Mayor's response, as presented in writing on December 20, 2002, in the Schedule of Findings and Questioned Costs beginning on page 124.

Section II Internal Control and Compliance Material to Federal Awards

N/A

Section III Management Letter

Please refer to the Mayor's response, as presented in writing on December 20, 2002, in the Management Letter beginning on page 130.

JOHN D. BUTLER & COMPANY
A PROFESSIONAL ACCOUNTING CORPORATION
P. O. BOX 30
BAKER, LOUISIANA 70704-0030

(225) 775-4982

MANAGEMENT LETTER

October 14, 2002

The Honorable Leroy Davis, Mayor,
and the Members of the City Council
City of Baker, Louisiana
P. O. Box 707
Baker, Louisiana 70704-0707

We have audited the general-purpose financial statements of the City of Baker, Louisiana as of and for the year ended June 30, 2002, and have issued our report thereon dated October 14, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

As part of our examination, we have issued our report on the financial statements, dated October 14, 2002, and our report on internal control and compliance with laws, regulations and contracts, dated October 14, 2002.

During the course of our audit, we noted the following conditions that are or may become potential problems in the areas of internal control over financial reporting or compliance with laws and regulations applicable to the City.

MANAGEMENT POINTS

M02-02 *Budget to Actual Comparison*

There were two departments for which total expenditures exceeded budget by more than 5%.

The Civic Center exceeded its budgeted expenditures by \$21,670 or 19% primarily due to maintenance/repairs and salaries. Expenditures related to civil defense exceeded budget by \$1,327 or 443% because its pro-rata share of liability insurance was omitted from the budget.

Expenditures within a budget unit may not exceed budgeted amounts. While the Charter does not define a "budget unit", it has been interpreted in the past as reference to a department.

We recommend that a budget to actual comparison be closely reviewed on a monthly basis. The actual amounts should include those expended to date as well as the anticipated needs through year-end. Any line items that exceed budgeted amounts should be identified for consideration either to cut future spending or to request an amendment by the Council.

Mayor's Response *“The then Budget Director failed to include funds for the liability insurance for the Civil Defense item. The new Budget Director was briefed on this matter, and has put into force procedures that should prevent such reoccurrence. The Civic Center did have some unexpected repairs which were not anticipated, but this budget overage was not reflected in the monthly Revenue and Expenditure Reports. In the future, this matter will be monitored more carefully and thoroughly by the finance personnel and appropriate action taken.”*

M02-02 *Economic Development Expenditures*

Expenses related to economic development are being budgeted and paid from both a department of the general fund and as a fund separate from the general fund.

To avoid confusion, either the department or the separate fund should be eliminated and economic development expenses be consolidated.

Mayor's Response *“This recommendation will be carefully reviewed. If feasible, changes will be made after revisiting the purposes of these programs.”*

M02-03 *Court Receipts*

Court receipts have decreased for each of the past four years. The number of tickets has also decreased. Court receipts compared to the number of tickets written is summarized below:

	<u>Court Receipts</u>	<u>Tickets Issued</u>
FYE 6/30/99	\$291,924.63	2112
FYE 6/30/00	\$212,969.78	2091
FYE 6/30/01	\$203,892.13	1509
FYE 6/30/02	\$191,326.82	1307

Of the 48 DWI tickets written in the past year, 38% or 18 of them were not processed. There were 6 out of 31 drug charges not processed and 2 that were dismissed. This, along with the decrease in tickets written, has contributed to the decrease in court receipts that is down 6% from the prior year and 5% below the budgeted revenues.

We recommend that a review of court receipts and tickets written be made on a regular basis. The responsible person should bring to the attention of department heads any shortfalls that are unexpected.

Mayor's Response *“This item has been reviewed and discussed with the law enforcement officers. Enclosed are their written responses. I am recommending these written responses be included in the*

audit report. (See Attachment)."

Auditors' Note The written responses as received from Mayor Leroy Davis are copied at the back of this audit report.

M02-4 *Travel Budget/Authorization*

The administrative travel budget was exceeded by \$736 or 19%.

Section 2-322 of the Code of Ordinances states, "When prior knowledge is available, travel authorization of persons traveling on behalf of the city shall be approved by the Council at a regular or special meeting. When prior knowledge is not available, all travel authorization by persons traveling on behalf of the city shall be approved by the mayor with notification and approval by the council at its next regular meeting..." Travel has not always been authorized at a regular or special meeting in the past because it was assumed by management that travel expenses up to the budgeted amounts was authorized through the budget ordinance.

It is recommended that a policy be established to clarify how the requirement stated in the Code of Ordinances will be enforced to avoid misunderstandings.

Mayor's Response *"The Administration Manual, which was developed by John D. Butler and Company, will be reviewed. This matter will be addressed in the review of travel policies and procedures. If feasible, changes will be made."*

Auditors' Note John D. Butler & Co. assisted in the development of an Accounting Policies and Procedures Manual to serve as the basis for enhanced internal control in 1996. This manual does not address travel authorization. To our knowledge, this manual has not been effectively maintained.

M02-05 *Sprinkler System Billing*

Billing for sprinkler systems was not done for 2 of the past 3 years. Revenues from this annual billing are approximately \$1,500 each year. This was discussed during previous audits with utility personnel.

We recommend that this duty be assigned to one individual within the Utility Department and be added to his/her tickler system. In addition, a review of the budget to actual comparison on a monthly basis should trigger a follow-up for those revenues falling short of anticipated receipts.

Mayor's Response *"This matter will be addressed with the management in the Utility Department. Procedures will be implemented that prevent such reoccurrence."*

City of Baker, Louisiana
October 14, 2002
Page Four

M02-06 *Executed Contracts*

There were two contracts executed without Council approval with total commitment exceeding \$29,500.

La. Attorney General Opinion No. 91-516 states, "As a general rule, a mayor acting alone is without power to execute a contract binding on the city absent an ordinance or resolution by the governing council authorizing him to do so."

We recommend that all contracts be executed with the Council's approval.

Mayor's Response *"This matter will be addressed by reviewing current policies and procedures. Where feasible, changes will be implemented."*

M02-07 *Professional Services*

Payments in the amount of \$22,530.34 were made for professional services without an executed contract.

It is good business to have a contract so that there is no misunderstanding as to what services the contractor will provide and what constitutes successful completion for payment.

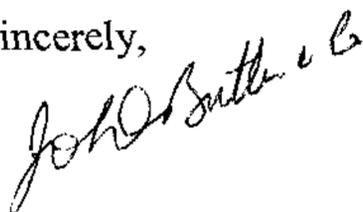
We recommend that all professional services be performed through a properly executed contract.

Mayor's Response *"Again, current procedures will be reviewed. Facts will be analyzed, and changes made where practical and feasible."*

"All findings and recommendations have been considered and have been or will be addressed."

We offer these recommendations as a means of strengthening the internal control structure of the City and urge management to address the foregoing issues as an improvement to operations and the administration of public programs. We are available to further explain the suggestions or help implement the recommendations.

Sincerely,



John D. Butler & Company
A Professional Accounting Corporation



City of Baker

Police Department

P.O. Box 389
Baker, Louisiana 70704-0389
(225) 775-6000
FAX (225) 775-0936

S.J. "SID" GAUTREAUX III
Chief of Police

W.R. "BUDDY" MULLINS
Assistant Chief

MONA M. ALMOND
Secretary to Chief

December 4, 2002

TO: MAYOR LEROY DAVIS

FROM: CHIEF SID J. GAUTREAUX III

*Rec'd from
W.R. Mullins
12/20/02
@ 1:30 PM*

I am writing in response to our meeting on December 2, 2002 in regard to the auditor's report on court receipts.

Our mission at the Baker Police Department is to ensure public safety and, as such, we have a responsibility to enforce and regulate traffic. This is a duty that we take very seriously. We realize that some of our officers are more aggressive and proficient in regard to traffic. Therefore, we are constantly evaluating each officer's performance. We do not operate under a quota system nor will we.

In my opinion there are several reasons for reductions in the number of citations. In recent years we have had several officers retire, and new officers have been hired. These new officers must attend basic training and receive on the job training. During the past year we have had an officer on military leave and have had several out of the office due to illness and injury.

In the past we issued individual citations for each violation. Now we issue one citation per violator. All of the violations are listed on the same citation.

Also, the work load in other areas has increased. I would like to think that some of the reductions are due to our enforcement efforts. We do not have the manpower nor the money to create a specialized traffic division to handle traffic only. Some departments do have this ability. I sincerely hope that sometime in the future the City of Baker can provide this service. Thank you.


Sid J. Gautreaux III
Chief of Police



City Prosecutor
MAZIE TOUSSAINT ROBERSON

City of Baker
OFFICE OF THE PROSECUTOR
East Baton Rouge Parish, La.

Post Office Box 389
Baker, Louisiana 70714
Phone: (225) 778-1717
Fax: (225) 775-5639

December 9, 2002

*Recd from
Dor Kyr on
12/20/02 @
1:20pm*

Honorable Dr. Leroy Davis
Mayor, City of Baker

RE: Court Receipts

Dear Dr. Davis:

Pursuant to our recent discussion regarding the decrease in court receipts for the past four years, I can only give an overview encompassing the time I became City Prosecutor.

The communication from the auditor dated October 14, 2002, beginning with the paragraph "of the 48 DWI tickets written in the past year, ..." is ambiguous in that it is unclear whether reference is made to a period from June 30, 2001 to June 30, 2002, or the actual time period, October, 2001 to October 2002.

Although the City has an excellent winning average in court, sometimes a defendant is found not guilty due to technical errors; the case is found defective on its face and is not prosecuted; the case is dismissed due to lack of evidence or a witness vital to the prosecution fails to appear or cannot be located.

The City was placed in an unfortunate situation when it was discovered that the Baker City Ordinance 14-98 was not in compliance with general state law as mandated by La. R.S. 13:94. This situation had existed going back to the tenure of Paul Thompson. As a result, many DWI cases had to be dismissed in Baker City Court, and transferred to the 19th Judicial District Court, until the Baker City Ordinance was amended. This means that any DWI offenses occurring prior to amendment of our ordinance could be subject to dismissal.

As regarding drug charges, we are unsure of the term, "not processed." Does this mean that prosecution was not instituted? However, more than two drug charges were dismissed because of

the failure of the State Police to conduct scientific testing and forward results to us, which is a statutorily mandated procedure. A check with the State Police Crime Lab indicated that because of a lack of manpower, when the substance found or forwarded to them is minute, they did not rush to conduct the tests.

As the Prosecutor, I am aware that all of our officers are diligent in writing misdemeanor summonses for Loud Music. I have seen the number of summonses decrease over time and I have spoken to several offenders who advised that they do not play their music loud anymore, because "the Baker Police will get you". This means that some drivers are aware of the Loud Music Ordinance and are complying therewith.

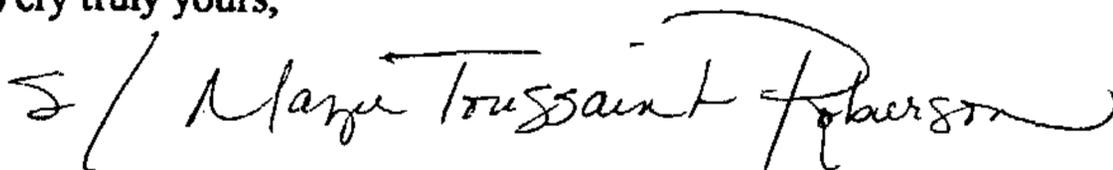
A situation that is largely responsible for a decrease in court revenue is the failure to more and more offenders to appear in court for arraignment after being given a citation or a misdemeanor summons. Also, of an average thirty or more persons appearing on each week's dockets for failure to pay, four persons may appear in court, an average of ten persons will pay their fines prior to court, and the rest just fail to appear. In these situations, the prosecutor can only request a bench warrant for their arrest. If they are arrested, they usually are just given another summons to appear. They cannot be booked because Parish Prison is full. Offenders are aware of this. Some offenders have two and three outstanding warrants. Each of these situations represents potential revenue that the City does not receive.

Finally, in accordance with Code of Criminal Procedure Arts. 61 and 691, the prosecuting attorney determines who, when and how he/she shall prosecute, and is also given the power, in his/her discretion to dismiss an indictment (or a Bill of Information in their case) or a count thereof. These statutes were enacted to preclude anyone placing the prosecutor in a position of having to defend the actions taken by their office.

If any other information is desired, please contact me.

Thank you kindly.

Very truly yours,

A handwritten signature in cursive script that reads "Mazie Toussaint Roberson". The signature is written in black ink and is positioned above the typed name.

Mazie Toussaint Roberson
Prosecutor, City of Baker
MTR/ksb