

CITY OF DERIDDER
ANNUAL FINANCIAL STATEMENTS
WITH AUDITOR'S REPORT
SEPTEMBER 30, 2002

CITY OF DERIDDER
SEPTEMBER 30, 2002

MAYOR

The Honorable Gerald Johnson

CITY COUNCIL

Mr. Vincent Labue (President)
Mrs. Estella Scott (Vice President)
Mr. Hayward Steele
Mrs. Jonnie Mango
Mr. Kerry Anderson
Mr. Gordon Jenkins
Mr. Collowyn Hodnett

DIRECTOR OF FINANCE

Mr. Wilbert Curtis

PUBLIC WORKS DIRECTOR

Mr. Herschell R. Nutt

LEGAL COUNSEL

Mr. David R. Lestage - City Attorney

CITY CLERK

Ms. Penny Simmons

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John A. Windham, CPA

INDEPENDENT AUDITOR'S REPORT

The Honorable Gerald Johnson, Mayor
and Members of the City Council
City of DeRidder, Louisiana

I have audited the accompanying general purpose financial statements of the City of DeRidder, Louisiana, as of and for the year ended September 30, 2002, as listed in the table of contents. These general purpose financial statements are the responsibility of the City of DeRidder, Louisiana's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in GOVERNMENT AUDITING STANDARDS, issued by the Comptroller General of the United States. Those standards require that I 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 evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

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

In accordance with GOVERNMENT AUDITING STANDARDS, I have also issued my report dated February 5, 2003, on my consideration of the City of DeRidder, Louisiana's internal control over financial reporting and my test of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with GOVERNMENTAL AUDITING STANDARDS and should be read in conjunction with this report in considering the results of my audit.

The Honorable Gerald Johnson, Mayor
Members of the City Council
City of DeRidder, Louisiana
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My audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of DeRidder, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented, in all material respects, in relation to the general purpose financial statements taken as a whole.

John A. Windham, CPA

DeRidder, Louisiana
February 5, 2003

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS -- OVERVIEW)

CITY OF DERIDDER

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

For the Fiscal Year Ended September 30, 2002

GOVERNMENTAL FUND TYPES

<u>ASSETS</u>	<u>GOVERNMENTAL FUND TYPES</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Cash	\$ 682,572	\$ 1,549,749	\$ 215,409	\$ 866,131
Receivables:				
Accounts	86,317	153,150	-	-
Special assessments	-	-	21,857	-
Accrued interest	-	-	20,790	-
Intergovernmental	23,306	-	-	-
Prepaid insurance	44,707	35,675	-	-
Due from other funds	3,395	2,325	27,301	-
Restricted assets:				
Cash	-	-	-	-
Land	-	-	-	-
Buildings and improvements	-	-	-	-
Equipment	-	-	-	-
Utility plant and equipment	-	-	-	-
Accumulated depreciation	-	-	-	-
Amount available in debt service funds	-	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-	-
Amount to be provided for retirement of compensated absences	-	-	-	-
 Total assets	 <u>\$ 840,297</u>	 <u>\$ 1,740,899</u>	 <u>\$ 285,357</u>	 <u>\$ 866,131</u>

PROPRIETARY FUND TYPES		ACCOUNT GROUPS		Totals (Memorandum Only)
Enterprise	Internal Service	General Fixed Assets	General Long-Term Debt	
\$ 551,822	\$ 165,337	\$ -	\$ -	\$ 4,031,020
139,989	-	-	-	379,456
83,524	-	-	-	105,381
1,403	-	-	-	22,193
-	-	-	-	23,306
75,627	-	-	-	156,009
70,589	-	-	-	103,610
1,581,274	-	-	-	1,581,274
57,221	-	391,985	-	449,206
-	-	3,149,855	-	3,149,855
-	-	2,164,638	-	2,164,638
29,573,158	-	-	-	29,573,158
(11,174,060)	-	-	-	(11,174,060)
-	-	-	258,056	258,056
-	-	-	879,288	879,288
-	-	-	434,938	434,938
<u>\$ 20,960,547</u>	<u>\$ 165,337</u>	<u>\$ 5,706,478</u>	<u>\$ 1,572,282</u>	<u>\$ 32,137,328</u>

(Continued)

The accompanying notes are an integral part of this statement.

CITY OF DERIDDER

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
For the Fiscal Year Ended September 30, 2002

GOVERNMENTAL FUND TYPES

<u>LIABILITIES</u>	<u>GOVERNMENTAL FUND TYPES</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Accounts payable	\$ 35,725	\$ 65,564	\$ -	\$ -
Employee benefits payable	53,077	24,133	-	-
Current portion of sewerage certificates payable	-	-	-	-
Accrued interest payable	-	-	-	-
Payable from restricted assets:				
Customer deposits	-	-	-	-
Contracts payable	-	-	-	-
Due to other funds	70,584	1,761	27,301	5
Compensated absences payable	-	-	-	-
Deferred revenues	-	-	-	-
Sewerage certificates payable	-	-	-	-
Revenue bonds payable	-	-	-	-
Certificates of Indebtedness	-	-	-	-
Capital lease payable	-	-	-	-
Total liabilities	<u>\$ 159,386</u>	<u>\$ 91,458</u>	<u>\$ 27,301</u>	<u>\$ 5</u>

PROPRIETARY FUND TYPES		ACCOUNT GROUPS		
Enterprise	Internal Service	General Fixed Assets	General Long-Term Debt	Totals (Memorandum Only)
\$ 45,722	\$ 3,341	\$ -	\$ -	\$ 150,352
35,372	-	-	-	112,582
18,236	-	-	-	18,236
6,042	-	-	-	6,042
130,788	-	-	-	130,788
20,900	-	-	-	20,900
3,959	-	-	-	103,610
179,727	-	-	434,938	614,665
82,537	-	-	-	82,537
127,654	-	-	-	127,654
-	-	-	155,000	155,000
-	-	-	955,000	955,000
-	-	-	27,344	27,344
<u>\$ 650,937</u>	<u>\$ 3,341</u>	<u>\$ -</u>	<u>\$ 1,572,282</u>	<u>\$ 2,504,710</u>

(Continued)

The accompanying notes are an integral part of this statement.

CITY OF DERIDDER

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

For the Fiscal Year Ended September 30, 2002

FUND EQUITY	GOVERNMENTAL FUND TYPES			
	General	Special Revenue	Debt Service	Capital Projects
Contributed capital	\$ -	\$ -	\$ -	\$ -
Investments in general fixed assets	-	-	-	-
Retained earnings:				
Reserved	-	-	-	-
Unreserved	-	-	-	-
Fund balances:				
Reserved for perpetual care				
Cemeteries	173,512	-	-	-
Industrial Park	44,028	-	-	-
City hall building fund	30,547	-	-	-
Mausoleum	15,242	-	-	-
Museum	10,157	-	-	-
Community facilities building	463	-	-	-
Police and fire department capital improvements	72,307	-	-	-
Drug task force	7,333	-	-	-
Contingency Fund	91,762	-	-	-
FEMA Grant	5,755	-	-	-
Reserved for debt service	-	-	258,056	-
Unreserved -				
Designated for subsequent year's expenditures	-	200,000	-	-
Undesignated	229,805	1,449,441	-	866,126
Total fund equity	<u>\$ 680,911</u>	<u>\$ 1,649,441</u>	<u>\$ 258,056</u>	<u>\$ 866,126</u>
Total liabilities and fund equity	<u>\$ 840,297</u>	<u>\$ 1,740,899</u>	<u>\$ 285,357</u>	<u>\$ 866,131</u>

PROPRIETARY FUND TYPES		ACCOUNT GROUPS		
Enterprise	Internal Service	General Fixed Assets	General Long-Term Debt	Totals (Memorandum Only)
\$ 23,164,433	\$ 131,563	\$ -	\$ -	\$ 23,295,996
-	-	5,706,478	-	5,706,478
1,296,833	-	-	-	1,296,833
(4,151,656)	30,433	-	-	(4,121,223)
-	-	-	-	173,512
-	-	-	-	44,028
-	-	-	-	30,547
-	-	-	-	15,242
-	-	-	-	10,157
-	-	-	-	463
-	-	-	-	72,307
-	-	-	-	7,333
-	-	-	-	91,762
-	-	-	-	5,755
-	-	-	-	258,056
-	-	-	-	200,000
-	-	-	-	2,545,372
<u>\$ 20,309,610</u>	<u>\$ 161,996</u>	<u>\$ 5,706,478</u>	<u>\$ -</u>	<u>\$ 29,632,618</u>
<u>\$ 20,960,547</u>	<u>\$ 165,337</u>	<u>\$ 5,706,478</u>	<u>\$ 1,572,282</u>	<u>\$ 32,137,328</u>

(Concluded)

The accompanying notes are an integral part of this statement.

CITY OF DERIDDER

COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
For the Fiscal Year Ended September 30, 2002

	GOVERNMENTAL	
	General	Special Revenue
Revenues:		
Taxes	\$ 836,806	\$ 3,842,331
Licenses and permits	408,457	-
Intergovernmental	137,332	153,409
Fees, charges and commissions for services	22,854	-
Use of money and property	43,860	28,522
Miscellaneous	94,905	651
Total revenues	<u>\$ 1,544,214</u>	<u>\$ 4,024,913</u>
Expenditures:		
General government	\$ 495,017	\$ 380,903
Public safety	1,823,074	-
Public works	-	1,230,154
Culture and recreation	66,202	-
Debt service:		
Principal retirement	27,344	-
Interest and fiscal charges	1,673	-
Capital outlay	81,879	43,423
Total expenditures	<u>\$ 2,495,189</u>	<u>\$ 1,654,480</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (950,975)</u>	<u>\$ 2,370,433</u>
Other financing sources (uses):		
Transfers in	\$ 1,298,456	\$ 10,000
Transfers out	(239,392)	(2,090,904)
Museum donations	1,049	-
Gain on sale of assets	5,162	1,495
Total other financing sources (uses)	<u>\$ 1,065,275</u>	<u>\$ (2,079,409)</u>

FUND TYPES		
Debt Service	Capital Projects	Totals (Memorandum Only)
\$ -	\$ -	\$ 4,679,137
-	-	408,457
-	-	290,741
-	-	22,854
6,955	19,577	98,914
-	-	95,556
<u>\$ 6,955</u>	<u>\$ 19,577</u>	<u>\$ 5,595,659</u>
\$ 734	\$ -	\$ 876,654
-	-	1,823,074
-	-	1,230,154
-	-	66,202
585,000	-	612,344
86,196	-	87,869
-	21,859	147,161
<u>\$ 671,930</u>	<u>\$ 21,859</u>	<u>\$ 4,843,458</u>
<u>\$ (664,975)</u>	<u>\$ (2,282)</u>	<u>\$ 752,201</u>
\$ 561,218	\$ 271,859	\$ 2,141,533
-	-	(2,330,296)
-	-	1,049
-	-	6,657
<u>\$ 561,218</u>	<u>\$ 271,859</u>	<u>\$ (181,057)</u>

(Continued)

The accompanying notes are an integral part of this statement.

CITY OF DERIDDER

COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES

For the Fiscal Year Ended September 30, 2002

	GOVERNMENTAL	
	<u>General</u>	<u>Special Revenue</u>
Excess (deficiency) of revenues and other sources over expenditures and other (uses)	\$ 114,300	\$ 291,024
Fund balances at beginning of year	<u>566,611</u>	<u>1,358,417</u>
Fund balances at end of year	<u>\$ 680,911</u>	<u>\$ 1,649,441</u>

<u>FUND TYPES</u>		
<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
\$ (103,757)	\$ 269,577	\$ 571,144
<u>361,813</u>	<u>596,549</u>	<u>2,883,390</u>
<u>\$ 258,056</u>	<u>\$ 866,126</u>	<u>\$ 3,454,534</u>
		(Concluded)

The accompanying notes are an integral part of this statement.

CITY OF DERIDDER

COMBINED STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES
 IN FUND BALANCES BUDGET (GAAP BASIS) AND ACTUAL
 GENERAL AND SPECIAL REVENUE GOVERNMENTAL FUND TYPES
 For the Fiscal Year Ended September 30, 2002

	GENERAL FUND		
	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:			
Taxes	\$ 847,000	\$ 836,806	\$ (10,194)
Licenses and permits	410,000	408,457	(1,543)
Intergovernmental	134,900	137,332	2,432
Fees, charges and commissions for services	26,500	22,854	(3,646)
Use of money and property	49,200	43,860	(5,340)
Miscellaneous	111,000	94,905	(16,095)
Total revenues	<u>\$ 1,578,600</u>	<u>\$ 1,544,214</u>	<u>\$ (34,386)</u>
Expenditures:			
General government	\$ 513,116	\$ 495,017	\$ 18,099
Public safety	1,834,800	1,823,074	11,726
Public works	-	-	-
Culture and recreation	58,680	66,202	(7,522)
Debt service:			
Principal payment	27,344	27,344	-
Interest payment	1,673	1,673	-
Capital outlay	102,183	81,879	20,304
Total expenditures	<u>\$ 2,537,796</u>	<u>\$ 2,495,189</u>	<u>\$ 42,607</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (959,196)</u>	<u>\$ (950,975)</u>	<u>\$ 8,221</u>
Other financing sources (uses):			
Transfers in	\$ 1,305,000	\$ 1,298,456	\$ (6,544)
Transfers out	(241,700)	(239,392)	2,308
Museum donations	1,000	1,049	49
Gain on sale of assets	6,000	5,162	(838)
Total other financing sources (uses):	<u>\$ 1,070,300</u>	<u>\$ 1,065,275</u>	<u>\$ (5,025)</u>

SPECIAL REVENUE FUNDS

<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
\$ 3,740,000	\$ 3,842,331	\$ 102,331
-	-	-
151,545	153,409	1,864
-	-	-
30,000	28,522	(1,478)
-	651	651
<u>\$ 3,921,545</u>	<u>\$ 4,024,913</u>	<u>\$ 103,368</u>
\$ 383,387	\$ 380,903	\$ 2,484
-	-	-
1,268,100	1,230,154	37,946
-	-	-
-	-	-
-	-	-
55,000	43,423	11,577
<u>\$ 1,706,487</u>	<u>\$ 1,654,480</u>	<u>\$ 52,007</u>
<u>\$ 2,215,058</u>	<u>\$ 2,370,433</u>	<u>\$ 155,375</u>
\$ 10,000	\$ 10,000	\$ -
(2,082,000)	(2,090,904)	(8,904)
-	-	-
2,000	1,495	(505)
<u>\$ (2,070,000)</u>	<u>\$ (2,079,409)</u>	<u>\$ (9,409)</u>

(Continued)

The accompanying notes are an integral part of this statement.

CITY OF DERIDDER

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES BUDGET (GAAP BASIS) AND ACTUAL
 GENERAL AND SPECIAL REVENUE GOVERNMENTAL FUND TYPES
 For the Fiscal Year Ended September 30, 2002

	<u>GENERAL FUND</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ 111,104	\$ 114,300	\$ 3,196
Fund balances at beginning of year	<u>566,611</u>	<u>566,611</u>	<u>-</u>
Fund balances at end of year	<u>\$ 677,715</u>	<u>\$ 680,911</u>	<u>\$ 3,196</u>

<u>SPECIAL REVENUE FUNDS</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
\$ 145,058	\$ 291,024	\$ 145,966
<u>1,358,417</u>	<u>1,358,417</u>	<u>-</u>
<u>\$ 1,503,475</u>	<u>\$ 1,649,441</u>	<u>\$ 145,966</u>
		(Concluded)

The accompanying notes are an integral part of this statement.

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
RETAINED EARNINGS - ALL PROPRIETARY FUND TYPES

For the Fiscal Year Ended September 30, 2002

	PROPRIETARY FUND TYPES		Totals (Memorandum Only)
	Enterprise	Internal Service	
Operating revenues:			
Charges for services:			
Water sales and service fees	\$ 830,792	\$ -	\$ 830,792
Sewer service charge	755,334	-	755,334
Delinquent charges	30,034	-	30,034
Self insurance charges	-	21,274	21,274
Sales tax fees	29,553	-	29,553
Total operating revenues	\$ 1,645,713	\$ 21,274	\$ 1,666,987
Operating expenses:			
Claims and cost	\$ -	\$ 31,356	\$ 31,356
Water department expenses	528,701	-	528,701
Sewer department expenses	711,252	-	711,252
Sewer plant expenses	521,747	-	521,747
Water plant expenses	219,556	-	219,556
General and administrative expenses	296,699	-	296,699
Total operating expenses	\$ 2,277,955	\$ 31,356	\$ 2,309,311
Operating income (loss)	\$ (632,242)	\$ (10,082)	\$ (642,324)
Non-operating revenues (expenses):			
Sewer assessments	\$ 31,549	\$ -	\$ 31,549
Interest income	32,017	8,061	40,078
Transfers in	210,622	-	210,622
Transfers out	(21,859)	-	(21,859)
Miscellaneous	1,111	-	1,111
Gain on sale of assets	5,775	-	5,775
Total non-operating revenues (expenses):	\$ 259,215	\$ 8,061	\$ 267,276

(Continued)

The accompanying notes are an integral part of this statement.

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
RETAINED EARNINGS - ALL PROPRIETARY FUND TYPES

For the Fiscal Year Ended September 30, 2002

	PROPRIETARY FUND TYPES		
	Enterprise	Internal Service	Totals (Memorandum Only)
Net income (loss)	\$ (373,027)	\$ (2,021)	\$ (375,048)
Retained earnings/fund balance at beginning of year	(2,481,796)	32,454	(2,449,342)
Retained earnings/fund balance at end of year	\$ (2,854,823)	\$ 30,433	\$ (2,824,390)
			(Concluded)

The accompanying notes are an integral part of this statement.

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
For the Fiscal Year Ended September 30, 2002

	PROPRIETARY FUND TYPES		Totals (Memorandum Only)
	Enterprise	Internal Service	
Cash flows from operating activities:			
Cash received from customers	\$ 1,661,338	\$ 21,274	\$ 1,682,612
Cash payments to suppliers for goods and services	(709,025)	(28,015)	\$ (737,040)
Cash payments for employee services and employee related fringe benefits	(795,143)	-	(795,143)
Net cash provided (used) by operating activities	<u>\$ 157,170</u>	<u>\$ (6,741)</u>	<u>\$ 150,429</u>
Cash flows from noncapital financing activities:			
Transfers from other funds	\$ 210,622	\$ -	\$ 210,622
Transfers out to other funds	(21,859)	-	(21,859)
Miscellaneous	1,111	-	1,111
Due from other funds	(10)	-	(10)
Net cash provided for noncapital financing activities	<u>\$ 189,864</u>	<u>\$ -</u>	<u>\$ 189,864</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	\$ (253,559)	\$ -	\$ (253,559)
Retirement of assets	49,033	-	49,033
Sewer assessments	31,549	-	31,549
Interest on sewer assessments	9,827	-	9,827
Gain on sale of assets	5,775	-	5,775
Principal paid on certificates	(18,236)	-	(18,236)
Contributed capital received	22,000	-	22,000
Net cash used for capital and related financing activities	<u>\$ (153,611)</u>	<u>\$ -</u>	<u>\$ (153,611)</u>

(Continued)

The accompanying notes are an integral part of this statement.

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
For the Fiscal Year Ended September 30, 2002

	PROPRIETARY FUND TYPES		Totals (Memorandum Only)
	Enterprise	Internal Service	
Cash flows from investing activities:			
Interest on cash management activities:	\$ 24,186	\$ 8,061	\$ 32,247
Net increase in cash and cash equivalents	\$ 217,609	\$ 1,320	\$ 218,929
Cash and cash equivalents, beginning of year	1,915,487	164,017	2,079,504
Cash and cash equivalents, end of year	\$ 2,133,096	\$ 165,337	\$ 2,298,433
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (632,242)	\$ (10,082)	\$ (642,324)
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Depreciation	\$ 770,120	\$ -	\$ 770,120
Decrease in accounts receivable	13,317	-	13,317
Increase in accounts payable	3,232	3,341	6,573
Increase in employee benefits payable	5,652	-	5,652
Increase in contracts payable	1,200	-	1,200
Increase in customer deposits	2,308	-	2,308
Increase in compensated absences	17,782	-	17,782
Increase in prepaid insurance	(23,442)	-	(23,442)
Decrease in accrued interest payable	(757)	-	(757)
Total adjustments	\$ 789,412	\$ 3,341	\$ 792,753
Net cash provided (used) by operating activities	\$ 157,170	\$ (6,741)	\$ 150,429

(Concluded)

The accompanying notes are an integral part of this statement.

CITY OF DERIDDER
NOTES TO FINANCIAL STATEMENTS
September 30, 2002

INTRODUCTION

The City of DeRidder was originally incorporated under the provisions of the Lawrason Act. The City operates under a Mayor-Council form of government under a Home Rule Charter. The governing body is comprised of an elected mayor and seven elected council members. The council members are paid \$600.00 each per month for their service.

The accounting and reporting policies of the City of DeRidder conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide and to the industry audit guide, Audits of State and Local Governmental Units.

The City is located within Beauregard Parish in the southwestern part of the State of Louisiana and is comprised of approximately 9,700 residents. The City employs approximately 96 people that provide various services to the residents. The City maintains approximately 74 miles of roadways within the city limits.

The City maintains various funds that provide services and benefits to the residents. The general fund provides police and fire protection, and culture and recreational activities. The sales tax fund provides public works of highway and street maintenance and solid waste collection and disposal. The utility fund provides water and sewer services to approximately 4,100 residents. Other funds are established as needed for specific projects undertaken by the City.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the City of DeRidder have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

CITY OF DERIDDER

NOTES TO FINANCIAL STATEMENTS

B. REPORTING ENTITY

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

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

1. Appointing a voting majority of an organization's governing body, and
 - a) The ability of the City to impose its will on that organization and/or
 - b) The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City.
2. Organizations for which the City does not appoint a voting majority but are fiscally dependent on the City.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

As required by generally accepted accounting principles, these financial statements present the City of DeRidder and its component units. The component unit, included in the accompanying financial statements, is blended with the municipality's funds.

Blended Components Units

Component units that are legally separate from the municipality, but are so intertwined with the municipality that they are, in substance, the same as the municipality are blended component units. For a component unit to be blended, the organization's board and the municipality must be substantially the same, or the organization must provide services entirely to the municipality and blended with the appropriate municipality funds:

CITY OF DERIDDER

NOTES TO FINANCIAL STATEMENTS

Section - 8 Existing Housing

Included in the special revenue funds are the financial statements of Section-8 Existing Housing that has a fiscal year ending June 30, 2002. Section - 8 Existing Housing is a component unit of the City government, and a separate audit of its operations is performed. Although the City does provide facilities and some of the financing, no control is exercised over the operations. In addition to the above organization, the Mayor, with the approval of the council, appoints board members to the DeRidder Housing Authority Board. The financial statements of Section - 8 Existing Housing may be obtained from the City of DeRidder, 200 S. Jefferson St., DeRidder, LA. 70634.

Discretely Presented Component Units

Component units that are legally separate from the municipality, but are financially accountable to the municipality, or whose relationship with the municipality are such that exclusion would cause the municipality's financial statements to be misleading or incomplete are discretely presented.

The City of DeRidder had no discretely presented component units as of September 30, 2002.

C. FUND ACCOUNTING

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

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

Funds of the municipality are classified into two categories: governmental and proprietary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

GOVERNMENTAL FUNDS

Governmental funds are used to account for all or most of the municipality's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

CITY OF DERIDDER

NOTES TO FINANCIAL STATEMENTS

1. General fund – the general operating fund of the municipality, accounts for all financial resources, except those required to be accounted for in other funds.
2. Special revenue funds – accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. In addition, the General Fund of each blended component unit is reported as a special revenue fund.
3. Debt service funds – accounts for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term obligations account group.
4. Capital projects funds – accounts for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other funds.

PROPRIETARY FUNDS

Proprietary funds are used to 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 – accounts 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, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.
2. Internal service funds – accounts for the financing of goods or services provided by one department to other departments or governments on a cost-reimbursement basis.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds, expendable trust funds, and agency funds. The governmental funds and expendable trust funds use the following practices in recording revenues and expenditures:

CITY OF DERIDDER

NOTES TO FINANCIAL STATEMENTS

Revenues

Revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income, gross receipts, and sales taxes are considered “measurable” when in the hands of collecting governments and are recognized as revenues at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is that principal and interest on long-term debt is recognized when due.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (and any other financing source/use) are accounted for as other financing sources (uses).

All proprietary funds and non-expendable trust funds are accounted for on a flow of resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The proprietary funds and non-expendable trust funds use the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time liabilities are incurred.

E. BUDGETS

The City of DeRidder uses the following budget practices:

1. The Director of Finance submits to the Mayor and City Council a proposed operating budget no later than fifteen days prior to the beginning of each fiscal year. The operating budget includes proposed expenditures and the means of financing them. For the fiscal year beginning October 1, 2001 and ending September 30, 2002 the budget was submitted to the City Council on August 13, 2001 and the public hearing was called for. After the public hearing was held, the budget was adopted by ordinance of the City Council.
2. Budgetary appropriations lapse at the end of each fiscal year.
3. Budgets for the general and special revenue funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended by the City Council.

CITY OF DERIDDER

NOTES TO FINANCIAL STATEMENTS

4. Amendments to the budget are approved by the City Council by a formal adoption of an ordinance. The original budget is amended as necessary and all amendments are reflected in the budget comparisons in the financial statements.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds. Formal budgetary integration is not employed for Debt Service Funds because effective budgetary control is alternatively achieved through bond indenture provisions.

F. ENCUMBRANCES

The City uses encumbrance accounting primarily as a budgetary control device.

G. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, money market accounts and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the municipality may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

H. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

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

I. PREPAID ITEMS

Prepaid items consist of insurance policy premiums paid in advance.

J. RESTRICTED ASSETS

Certain cash accounts of the enterprise fund are set aside for repairs and maintenance of the system and are classified as restricted assets on the balance sheet because their use is limited. Customer deposits held by the utility fund are also classified as restricted assets.

K. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized in the general fixed assets account group. Public domain or infrastructures are not capitalized. Interest costs incurred during

CITY OF DERIDDER

NOTES TO FINANCIAL STATEMENTS

construction are not capitalized. No depreciation has been provided on general fixed assets.

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

Fixed assets used in the proprietary fund operations are included on the balance sheet of the funds along with accumulated depreciation. Depreciation of all exhaustible fixed assets used by proprietary fund operations is charged as an expense against operations.

Depreciation is computed using the straight-line method and the following useful lives.

Water utility assets	5-40 years
Sewer utility assets	5-50 years
Administrative assets	5-10 years
Sewer plant	5-40 years
Water plant	5-40 years

L. COMPENSATED ABSENCES

The City of DeRidder's recognition and measurement criterion for compensated absences follows:

On July 1, 1996, the City enacted new legislation concerning sick leave pay and unpaid vacation. Full time employees earn vacation leave at varying rates depending upon length of service, which also may be accumulated up to a maximum of 160 days. Upon death, retirement, or separation of service from the City, an employee may receive their entire accumulated sick leave pay if he chooses to draw it out over regular pay periods. If the employee chooses to receive the pay in a lump sum he will receive 50% of the accumulated pay. In addition, upon retirement, unused sick leave is used in the retirement benefit computation as earned service.

On March 28, 1994 the old sick leave policy was amended to reflect that each employee of the City would receive 4 hours of sick leave per pay period (13 days per year). As an exception, firemen working 53 hours per week will receive 10 hours of sick leave per month. Upon termination (voluntary or involuntary) an employee will receive full pay for accumulated sick leave not to exceed a 60-day limit (480 hours) with payment made by an installment plan based on the hourly rate at retirement.

No sick leave credit hours accumulated under the old sick leave policy will be lost. Upon retirement or termination, remuneration will be made to those employees who have accrued sick leave under the old policy. This payment will be made in installments and capped at the hourly rate as of December 31, 1993.

CITY OF DERIDDER
NOTES TO FINANCIAL STATEMENTS

M. LONG-TERM OBLIGATIONS

For the primary government, long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due. Long-term obligations expected to be financed from proprietary fund operations are accounted for in those funds.

N. FUND EQUITY

Contributed Capital

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers, or other funds when such resources are restricted for the acquisition or construction of capital assets. Contributed capital is not amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such resources.

Reserves

Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use.

Designated Fund Balances

Designated fund balances represent tentative plans for future use of financial resources.

O. INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers of the City of DeRidder are reported as operating transfers.

P. SALES TAX

The 1% sales and use tax is dedicated to constructing, paving, resurfacing and improving streets, sidewalks and bridges; constructing and improving drains and subsurface drainage;

CITY OF DERIDDER

NOTES TO FINANCIAL STATEMENTS

and for the purpose of defraying the maintenance expenses thereof; constructing, acquiring and improving public parks and recreational facilities and purchasing and acquiring the necessary land, equipment and furnishing thereof. In addition, it provides funds for the retirement of all public improvement bonds. This tax is for an indefinite period.

An additional 1% sales tax, for a twenty year period, is dedicated and used for the following purposes:

41% for constructing, improving, repairing, operating and maintaining public buildings, public streets and sidewalks; drains and drainage facilities; garbage and solid waste collection and disposal facilities; paying the cost of other public services, including grass cutting; and paying the cost of improving or extending city utilities to encourage and induce the location of or additions to industrial enterprises having economic impact upon the city;

55% to pay the cost of providing public safety and fire and police protection services and improving, repairing, operating and maintaining sewers and sewerage collection and disposal works, including the acquisition of furnishings and equipment for any of said purposes;

4% to pay the cost of constructing, improving, repairing, operating and maintaining public parks and recreational facilities and purchasing and acquiring the necessary land, equipment and furnishing thereof. In addition, it provides funds for the retirement of all public improvement bonds.

Q. TOTAL COLUMNS ON COMBINED STATEMENTS

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

R. BAD DEBTS

Uncollectible amounts due for customers' utility receivables are recognized as bad debts using the direct write-off method. Due to the immateriality of uncollectible receivables an allowance account has not been established.

S. FASB PRONOUNCEMENTS

The City of DeRidder, Louisiana has applied all applicable GASB (Government Accounting Standards Board) pronouncements as well as FASB (Financial Accounting

CITY OF DERIDDER

NOTES TO FINANCIAL STATEMENTS

Standards Board) statements and interpretations, APB (Accounting Principles Board) opinions and (ARB's) Accounting Research Bulletins issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. Also, applied are all FASB statements and interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements.

2. FUND DEFICITS

The following individual fund has a deficit in unreserved retained earnings at September 30, 2002:

<u>Fund</u>	<u>Deficit Amount</u>
Enterprise Fund	<u>\$ 4,151,656</u>

The retained deficit of the enterprise fund arises because of the application of generally accepted accounting principles of financial reporting for such funds. Depreciation, a non-cash expense, contributes to the deficit. Even though the retained deficit exists, the enterprise fund had an overall fund equity of \$ 20,309,610 at September 30, 2002. The City Council will monitor the retained deficit and raise utility fees when necessary.

3. LEVIED TAXES

Taxes are levied on January 1, billed between November 1 and November 15, and payable by December 31. The lien date for unpaid taxes is August 15 of the following year. The tax collector bills and collects the City's property taxes. City property tax revenues are recognized when billed to the extent that they result in current receivables.

The following is a summary of authorized and levied ad valorem taxes for the year:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Citywide taxes:			
General fund	7.23	7.23	---
Police\Fire			
Capital improvements	2.60	2.60	9-30-2006

CITY OF DERIDDER

NOTES TO FINANCIAL STATEMENTS

The following are the principal taxpayers for the municipality:

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Wal-Mart Stores Inc.	Retail Store	1,964,375	4.47%
Ampacet Corporation	Manufacturer	2,101,920	4.78%
Westvaco Corporation	Manufacturer	2,785,850	6.28%
First National Bank	Banking	2,700,569	6.14%
Bell South Communications	Communications	1,162,650	2.65%
Cleco	Utility Company	1,351,790	3.08%

4. CASH AND CASH EQUIVALENTS

The following is a summary of cash and cash equivalents (book balances) at September 30, 2002:

Demand deposits	\$ 38,842
Interest-bearing demand deposits	149,456
Money market accounts	3,297,998
Louisiana Asset Management Pool (LAMP)	1,312,648
Time deposits	813,000
Petty cash	<u>350</u>
Total	<u>\$ 5,612,294</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. 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.

At September 30, 2002, the City of DeRidder has \$ 4,332,928 in deposits (collected bank balances) and \$ 1,312,648 invested in the Louisiana Asset Management Pool (LAMP). These deposits are secured from risk by \$ 471,653 of federal deposit insurance, \$ 3,861,285 of pledged securities held by the custodial bank in the name of the fiscal agent bank and \$ 1,312,648 invested in government securities in the LAMP program (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory

CITY OF DERIDDER

NOTES TO FINANCIAL STATEMENTS

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.

5. RECEIVABLES

The following is a summary of receivables for September 30, 2002:

Class of Receivable	General Fund	Special Revenue Fund	Debt Service Funds	Capital Projects Funds	Proprietary Funds
Taxes:					
Franchise	\$ 86,317	\$ ---	\$ ---	\$ ---	\$ ---
Intergovernmental:					
State of Louisiana	23,306	---	---	---	---
Special assessments:					
Current	---	---	---	---	83,524
Delinquent	---	---	21,857	---	---
Accrued Interest	---	---	20,790	---	1,403
Accounts:					
Accounts receivable	---	153,150	---	---	139,989
Total	<u>\$ 109,623</u>	<u>\$153,150</u>	<u>\$ 42,647</u>	<u>\$ ---</u>	<u>\$ 224,916</u>

6. FIXED ASSETS

The changes in general fixed assets follow:

	Balance September 30, 2001	Additions	Deletions	Balance September 30, 2002
Land	\$ 391,985	\$ ---	\$ ---	\$ 391,985
Buildings and Improvements	3,127,992	21,863	---	3,149,855
Equipment and Furniture	2,179,530	103,438	(118,330)	2,164,638
Total	<u>\$ 5,699,507</u>	<u>\$ 125,301</u>	<u>\$ (118,130)</u>	<u>\$ 5,706,478</u>

CITY OF DERIDDER

NOTES TO FINANCIAL STATEMENTS

A summary of proprietary property, plant, and equipment follows:

	<u>Enterprise Fund</u>
Land	\$ 57,221
Plant and equipment	<u>29,573,158</u>
Subtotal	\$ 29,630,379
Less accumulated depreciation	<u>\$ (11,174,060)</u>
Total	<u>\$ 18,456,319</u>

7. PENSION PLAN

Substantially all employees of the City of DeRidder are members of the following statewide retirement systems: Municipal Police Employees' Retirement System of Louisiana, Municipal Employees' Retirement System of Louisiana, and 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 B.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan B, employees who retire at or after age 60 with at least 10 years of creditable service or at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2 % of their final-average monthly salary in excess of \$100 for each year of creditable service. Furthermore, employees with at least 10 years of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 60, with the basis benefit reduced 3% for each year retirement precedes age 62, unless he has at least 30 years of creditable service. In any case, monthly retirement benefits paid under Plan B cannot exceed 100% of final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

CITY OF DERIDDER

NOTES TO FINANCIAL STATEMENTS

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 B, members are required by state statute to contribute 5.0% of their annual covered salary and the City of DeRidder is required to contribute at an actuarially determined rate. The current rate is 6.25% of annual covered payroll. Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirement of plan members and the City of DeRidder are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City of DeRidder contributions to the System under Plan B for the years ending September 30, 2002, 2001 and 2000, were \$ 55,892, \$ 48,134 and \$ 47,150, respectively, equal to the required contributions for the year.

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

Plan Description. All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 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 Police Employees' Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, LA. 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 of DeRidder is required to contribute at an actuarially determined rate. The current rate is 9.0 percent of annual covered payroll.

CITY OF DERIDDER

NOTES TO FINANCIAL STATEMENTS

The contribution requirements of plan members and the City of DeRidder are established and may be amended by state statute. As provided by Louisiana 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 of DeRidder's contributions to the System for the years ending September 30, 2002, 2001, and 2000, were \$ 63,169, \$ 69,953, and \$ 61,286 respectively, equal to the required contributions for each year.

C. Firefighters' Retirement System of Louisiana

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, P. O. Box 94095, Baton Rouge, LA, 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 City of DeRidder 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 of DeRidder are established and may be amended by state statute. As provided by Louisiana 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 of DeRidder's contributions to the System for the years ending September 30, 2002, 2001, and 2000, were \$ 35,623, \$ 35,465 and \$ 30,965 respectively, equal to the required contributions for each year.

CITY OF DERIDDER

NOTES TO FINANCIAL STATEMENTS

8. ACCOUNTS AND OTHER PAYABLES

The following is a summary of payables at September 30, 2002:

Class of Payable	General Fund	Special Revenue Funds	Enterprise Funds	Internal Service Funds
Employee benefits	\$ 53,077	\$ 24,133	\$ 35,372	\$ ---
Accounts	35,725	65,564	45,722	3,341
Total	<u>\$ 88,802</u>	<u>\$ 89,697</u>	<u>\$ 81,094</u>	<u>\$ 3,341</u>

9. COMPENSATED ABSENCES

At September 30, 2002, employees of the primary government have accumulated and vested \$ 614,665 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. Of this amount, \$ 434,938 is recorded within the general long-term obligations account group. The leave liability for employees of the Enterprise Fund, for \$ 179,727 is accounted for within the fund.

10. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended September 30, 2002:

	<u>Primary Government</u>				<u>Total</u>
	<u>Bonded Debt</u>	<u>Certificates of Indebtedness</u>	<u>Compensated Absences</u>	<u>Capital lease</u>	
Long-term obligations payable at September 30, 2001	\$ 570,000	\$ 1,125,000	\$ 596,046	\$ 54,688	\$ 2,345,734
Additions	---	---	18,619	---	18,619
Deductions	<u>(415,000)</u>	<u>(170,000)</u>	<u>---</u>	<u>(27,344)</u>	<u>(612,344)</u>
Long-term obligations payable at September 30, 2002	<u>\$ 155,000</u>	<u>\$ 955,000</u>	<u>\$ 614,665</u>	<u>\$ 27,344</u>	<u>\$ 1,752,009</u>

CITY OF DERIDDER

NOTES TO FINANCIAL STATEMENTS

Revenue bonds, and Certificates of Indebtedness are comprised of the following individual issues at September 30, 2002:

Revenue Bonds – Sales Tax:

\$1,570,000 Series ST-1998 Public Improvement Sales Tax Refunding Bonds due in annual installments of \$155,000 to \$415,000 through May, 2003; interest at the rate of 4.60% \$ 155,000

Certificates of Indebtedness:

\$1,320,000 Series 1997 Certificates of Indebtedness due in annual installments of \$165,000 through August, 2007; interest at the rate of 5.5% \$ 750,000

\$ 250,000 Series 2001 Certificates of Indebtedness due in annual installments of \$ 45,000 to \$ 55,000 through August 1, 2006; interest at the rate of 4.5% \$ 205,000

Capital Lease

\$ 82, 032 Capital lease due in annual installments of \$ 29,017 through January 5, 2003 including interest of \$ 1,673 per annual payment \$ 27,344

At September 30, 2002, the City of DeRidder accumulated \$ 258,056 in the debt service fund for future debt requirements. The annual requirements to amortize all bonds, certificates, and capital lease outstanding at September 30, 2002, including interest of \$ 160,353 for the City of DeRidder is as follows:

Fiscal Year	Revenue Bonds	Certificate of Indebtedness	Capital lease	Total
2003	\$ 162,130	\$ 235,475	\$ 29,017	\$ 426,622
2004	---	230,800	---	230,800
2005	---	230,850	---	230,850
2006	---	235,350	---	235,350
2007	---	174,075	---	174,075
Total	\$ 162,130	\$ 1,106,550	\$ 29,017	\$ 1,297,697

The primary government is legally restricted from incurring long-term bonded debt secured by sales and use taxes in excess of 75 percent of the avails of the tax. The municipality was within this 75 percent limitation when the sales tax bonds were issued.

CITY OF DERIDDER

NOTES TO FINANCIAL STATEMENTS

11. DUE FROM/TO OTHER FUNDS

Individual fund balances due from/to other funds at September 30, 2002, are as follows:

<u>Fund</u>	<u>Due from other funds</u>	<u>Due to other funds</u>
General fund	\$ 3,395	\$ 70,584
Special revenue funds	2,325	1,761
Debt service funds	27,301	27,301
Capital projects funds	---	5
Enterprise fund	70,589	3,959
Totals	<u>\$ 103,610</u>	<u>\$ 103,610</u>

12. RESTRICTED ASSETS – PROPRIETARY FUND TYPES

Restricted assets were applicable to the following at September 30, 2002:

Replacement, extension and contingency accounts	\$ 1,399,292
Customers' deposits	157,729
State contract funds	<u>24,253</u>
Total	<u>\$ 1,581,274</u>

13. RESERVED RETAINED EARNINGS/FUND BALANCES

Proprietary Funds – The utility fund had reserved retained earnings available as follows:

Restricted assets:	
Replacement, extension and contingency accounts	\$ 1,399,292
Customers' deposits	157,729
State contract funds	<u>24,253</u>
Total	<u>\$ 1,581,274</u>
Less:	
Liabilities payable from restricted assets:	
Customers' deposits	\$ 130,788
State contract payable	<u>20,900</u>
Total	<u>\$ 151,688</u>
Reserved retained earnings	<u>\$ 1,429,586</u>
Reserved for sewer assessment	<u>\$ (132,753)</u>
Total	<u>\$ 1,296,833</u>

SUPPLEMENTAL INFORMATION SCHEDULES

GENERAL FUND

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

GENERAL FUND
BALANCE SHEET

For the Fiscal Year Ended September 30, 2002

ASSETS

Cash	\$ 682,572
Accounts receivable	86,317
Intergovernmental receivable	23,306
Prepaid insurance	44,707
Due from other funds	3,395
	<hr/>
Total assets	<u>\$ 840,297</u>

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable	\$ 35,725
Employee benefits payable	53,077
Due to other funds	70,584
	<hr/>
Total liabilities	<u>\$ 159,386</u>

Fund balance:

<i>Reserved for perpetual care -</i>	
Cemetaries	\$ 173,512
Industiral park	44,028
City hall building fund	30,547
Mausoleum	15,242
Museum	10,157
Community facilities building	463
Police and fire departments capital improvements	72,307
Drug task force	7,333
Contingency fund	91,762
FEMA grant	5,755
Unreserved-Undesignated	229,805
	<hr/>
Total fund balance	<u>\$ 680,911</u>
	<hr/>
Total liabilities and fund balance	<u>\$ 840,297</u>

GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 For the Fiscal Year Ended September 30, 2002

Revenues:		
Taxes	\$	836,806
Licenses and permits		408,457
Intergovernmental		137,332
Fees, charges and commissions for services		- 22,854
Use of money and property		43,860
Miscellaneous		94,905
Total revenues	\$	<u>1,544,214</u>
Expenditures:		
General government	\$	495,017
Public safety		1,898,855
Culture and recreation		72,300
Debt service:		
Principal payments		27,344
Interest payments		1,673
Total expenditures	\$	<u>2,495,189</u>
Excess (deficiency) of revenues over expenditures	\$	<u>(950,975)</u>
Other financing sources (uses):		
Transfers in	\$	1,298,456
Transfers out		(239,392)
Museum donations		1,049
Gain on sale of assets		5,162
Total other financing sources (uses)	\$	<u>1,065,275</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$	114,300
Fund balances at beginning of year		566,611
Fund balances at end of year	\$	<u>680,911</u>

GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES -BUDGET (GAAP BASIS) AND ACTUAL
 For the Fiscal Year Ended September 30, 2002

	Budget	Actual	Variance - Favorable (Unfavorable)
<u>Revenues:</u>			
<u>Taxes:</u>			
Ad valorem	\$ 431,000	\$ 431,239	\$ 239
Franchise taxes	405,000	396,087	(8,913)
Chain store taxes	11,000	9,480	(1,520)
Total taxes	<u>\$ 847,000</u>	<u>\$ 836,806</u>	<u>\$ (10,194)</u>
<u>Licenses and permits:</u>			
Building permits	\$ 15,000	\$ 15,012	\$ 12
Plumbing permits	5,000	4,373	(627)
Electrical permits	5,000	4,518	(482)
AC/Heat fees	5,000	3,162	(1,838)
Occupational licenses	380,000	381,392	1,392
Total licenses and permits	<u>\$ 410,000</u>	<u>\$ 408,457</u>	<u>\$ (1,543)</u>
<u>Intergovernmental:</u>			
Federal funds	\$ 3,000	\$ 8,042	\$ 5,042
State funds	35,000	30,123	(4,877)
Local funds	75,000	77,216	2,216
Fire insurance rebate	21,900	21,951	51
Total intergovernmental	<u>\$ 134,900</u>	<u>\$ 137,332</u>	<u>\$ 2,432</u>
<u>Fees, charges and commissions for services:</u>			
Accident report fees	\$ 5,000	\$ 3,660	\$ (1,340)
Dog pound charges	4,000	3,907	(93)
Lot clearing charges	1,000	1,700	700
Cemetary and mausoleum charges	15,500	12,741	(2,759)
Museum revenues	1,000	846	(154)
Total charges for services	<u>\$ 26,500</u>	<u>\$ 22,854</u>	<u>\$ (3,646)</u>

(Continued)

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2002

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable <u>(Unfavorable)</u>
Use of money and property:			
Office rent	\$ 20,400	\$ 20,400	\$ -
Other rent	10,800	10,900	100
Interest income	18,000	12,560	(5,440)
Total use of money and property	<u>\$ 49,200</u>	<u>\$ 43,860</u>	<u>\$ (5,340)</u>
Miscellaneous:			
Miscellaneous	\$ 20,000	\$ 3,758	\$ (16,242)
Refund of unemployment taxes	91,000	91,147	147
Total miscellaneous	<u>\$ 111,000</u>	<u>\$ 94,905</u>	<u>\$ (16,095)</u>
Total revenues	<u>\$ 1,578,600</u>	<u>\$ 1,544,214</u>	<u>\$ (34,386)</u>
<u>Expenditures:</u>			
General government:			
Salaries and related benefits	\$ 260,000	\$ 258,918	\$ 1,082
Office supplies	6,000	6,929	(929)
Operating supplies	25,000	22,128	2,872
Building maintenance	12,000	13,443	(1,443)
Equipment maintenance	3,000	202	2,798
Veteran contribution	216	216	-
Insurance	19,500	20,002	(502)
Museum purchases	300	856	(556)
Community facilities			
building maintenance	7,100	5,651	1,449
Industrial building maintenance	3,000	3,395	(395)
Museum maintenance	6,500	6,277	223
Cemetery maintenance	20,500	19,879	621
Freight and postage	2,500	2,372	128
Legal and professional	13,400	14,100	(700)
Training	3,000	2,844	156
Election expense	9,000	5,018	3,982
Police/Fire improvements	3,000	3,499	(499)

(Continued)

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES -BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2002

	Budget	Actual	Variance - Favorable (Unfavorable)
Auto expense	\$ 2,000	\$ 1,259	\$ 741
Advertising	12,000	11,449	551
Uniforms	800	472	328
Telephone	15,000	14,521	479
Travel	18,000	17,821	179
Dues and subscriptions	5,000	5,067	(67)
Collections fees	16,300	16,996	(696)
Utilities	35,000	28,714	6,286
Miscellaneous	11,000	10,544	456
Data processing	4,000	2,445	1,555
Total general government	<u>\$ 513,116</u>	<u>\$ 495,017</u>	<u>\$ 18,099</u>
Public safety:			
Police:			
Salaries and related benefits	\$ 963,000	\$ 953,116	\$ 9,884
Office supplies	3,800	14,059	(10,259)
Auto maintenance	40,000	40,359	(359)
Operating supplies	48,000	39,571	8,429
Equipment maintenance	4,500	3,355	1,145
Training	6,100	8,061	(1,961)
Prisoner expense	1,000	1,117	(117)
Travel	5,500	3,746	1,754
Insurance	30,400	27,218	3,182
Freight and postage	350	307	43
Telephone	8,000	9,575	(1,575)
Uniforms and accessories	18,000	14,573	3,427
Dues and subscriptions	800	983	(183)
Drug task force	30,000	30,720	(720)
Miscellaneous	300	178	122
Capital outlay	49,983	41,592	8,391
Total police	<u>\$ 1,209,733</u>	<u>\$ 1,188,530</u>	<u>\$ 21,203</u>

(Continued)

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Fire:			
Salaries and related benefits	\$ 578,700	\$ 576,231	\$ 2,469
Auto maintenance	15,500	14,120	1,380
Operating supplies	26,000	28,414	(2,414)
Office supplies	400	6,702	(6,302)
Building maintenance	4,000	2,331	1,669
Equipment maintenance	7,000	7,710	(710)
Travel	2,500	2,408	92
Insurance	12,000	8,534	3,466
Freight and postage	150	117	33
Telephone	800	1,020	(220)
Uniforms and accessories	7,200	11,365	(4,165)
Utilities	9,700	7,275	2,425
Volunteer fireman	6,000	5,200	800
Training	5,000	3,563	1,437
Miscellaneous	100	1,146	(1,046)
Capital outlay	46,200	34,189	12,011
Total fire	<u>\$ 721,250</u>	<u>\$ 710,325</u>	<u>\$ 10,925</u>
Total public safety	<u>\$ 1,930,983</u>	<u>\$ 1,898,855</u>	<u>\$ 32,128</u>

(Continued)

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2002

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable <u>(Unfavorable)</u>
Culture and recreation:			
Salaries and related benefits	\$ 21,600	\$ 23,011	\$ (1,411)
Operating supplies	27,000	32,590	(5,590)
Telephone	580	584	(4)
Utilities	9,500	10,017	(517)
Capital outlay	6,000	6,098	(98)
Total culture and recreation	<u>\$ 64,680</u>	<u>\$ 72,300</u>	<u>\$ (7,620)</u>
Debt service:			
Principal payment	\$ 27,344	\$ 27,344	\$ -
Interest payment	1,673	1,673	-
Total debt service	<u>\$ 29,017</u>	<u>\$ 29,017</u>	<u>\$ -</u>
Total expenditures	<u>\$ 2,537,796</u>	<u>\$ 2,495,189</u>	<u>\$ 42,607</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (959,196)</u>	<u>\$ (950,975)</u>	<u>\$ 8,221</u>
Other financing sources (uses):			
Transfer in from sales tax fund	\$ 1,305,000	\$ 1,298,456	\$ (6,544)
Transfer out to debt service	(231,700)	(229,392)	2,308
Transfer out to sales tax fund	(10,000)	(10,000)	-
Gain on sale of assets	6,000	5,162	(838)
Museum donations	1,000	1,049	49
Total other financing sources (uses)	<u>\$ 1,070,300</u>	<u>\$ 1,065,275</u>	<u>\$ (5,025)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ 111,104</u>	<u>\$ 114,300</u>	<u>\$ 3,196</u>
Fund balances at beginning of year	<u>\$ 566,611</u>	<u>\$ 566,611</u>	<u>\$ -</u>
Fund balances at end of year	<u>\$ 677,715</u>	<u>\$ 680,911</u>	<u>\$ 3,196</u>

(Concluded)

SPECIAL REVENUE FUNDS

Sales Tax Fund - to account for the collection of the 2% sales and use tax which is to be used for retirement of special bonded debt and for other dedicated purposes.

Economic Development - to account for the revenues and expenditures of the economic development program as required by federal regulations.

Section - 8 Existing Housing - to account for the revenue and expenditures of the federal Section - 8 Housing programs as required by federal regulations.

SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
September 30, 2002

<u>ASSETS</u>	<u>Sales Tax</u>	<u>Economic Development</u>	<u>Section - 8 Existing Housing</u>	<u>Totals</u>
Cash	\$ 1,473,939	\$ -	\$ 75,810	\$ 1,549,749
Accounts receivable	-	-	1,864	1,864
Prepaid insurance	35,675	-	-	35,675
Due from economic development project	-	151,286	-	151,286
Due from utility fund	2,325	-	-	2,325
Total assets	<u>\$ 1,511,939</u>	<u>\$ 151,286</u>	<u>\$ 77,674</u>	<u>\$ 1,740,899</u>
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Accounts payable	\$ 65,133	\$ -	\$ 431	\$ 65,564
Employee benefits payable	24,133	-	-	24,133
Due to general fund	-	1,761	-	1,761
Total liabilities	<u>\$ 89,266</u>	<u>\$ 1,761</u>	<u>431</u>	<u>\$ 91,458</u>
Fund balance:				
Unreserved-undesignated	\$ 1,222,673	\$ 149,525	\$ 77,243	\$ 1,449,441
Designated for subsequent year expenditures	200,000	-	-	200,000
Total fund balance	<u>\$ 1,422,673</u>	<u>\$ 149,525</u>	<u>\$ 77,243</u>	<u>\$ 1,649,441</u>
Total liabilities and fund balance	<u>\$ 1,511,939</u>	<u>\$ 151,286</u>	<u>\$ 77,674</u>	<u>\$ 1,740,899</u>

SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES
 For the Fiscal Year Ended September 30, 2002

	Sales Tax	Economic Development	Section - 8 Existing Housing	Totals
<u>Revenues:</u>				
Taxes	\$ 3,842,331	\$ -	\$ -	\$ 3,842,331
Intergovernmental	12,408	-	141,001	153,409
Interest	28,522	-	-	28,522
Miscellaneous	651	-	-	651
Total revenues	<u>\$ 3,883,912</u>	<u>\$ -</u>	<u>\$ 141,001</u>	<u>\$ 4,024,913</u>
<u>Expenditures:</u>				
General Government	\$ 248,090	\$ -	\$ 134,263	\$ 382,353
Public Works	1,272,127	-	-	1,272,127
Total expenditures	<u>\$ 1,520,217</u>	<u>\$ -</u>	<u>\$ 134,263</u>	<u>\$ 1,654,480</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 2,363,695</u>	<u>\$ -</u>	<u>\$ 6,738</u>	<u>\$ 2,370,433</u>
<u>Other financing sources (uses):</u>				
Transfers in	\$ 10,000	\$ -	\$ -	\$ 10,000
Transfers out	(2,090,904)	-	-	(2,090,904)
Gain on sale of asset	1,495	-	-	1,495
Total other financing sources (uses)	<u>\$ (2,079,409)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,079,409)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ 284,286</u>	<u>\$ -</u>	<u>\$ 6,738</u>	<u>\$ 291,024</u>
Fund balances at beginning of year	<u>1,138,387</u>	<u>149,525</u>	<u>70,505</u>	<u>1,358,417</u>
Fund balances at end of year	<u>\$ 1,422,673</u>	<u>\$ 149,525</u>	<u>\$ 77,243</u>	<u>\$ 1,649,441</u>

CITY OF DERIDDER

SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2002

	Sales Tax		
	Budget	Actual	Variance - Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes:			
Current	\$ 3,740,000	\$ 3,842,331	\$ 102,331
Intergovernmental	12,408	12,408	-
Interest	30,000	28,522	(1,478)
Miscellaneous	-	651	651
Total revenues	<u>\$ 3,782,408</u>	<u>\$ 3,883,912</u>	<u>\$ 101,504</u>
<u>Expenditures:</u>			
General government:			
Salaries and related benefits	\$ 128,650	\$ 125,491	\$ 3,159
Supplies	3,100	4,686	(1,586)
Other services and charges	112,500	116,463	(3,963)
Capital outlay	5,000	1,450	3,550
Total general government	<u>\$ 249,250</u>	<u>\$ 248,090</u>	<u>\$ 1,160</u>
Public works:			
Highways and streets:			
Salaries and related benefits	\$ 491,200	\$ 463,152	\$ 28,048
Supplies	65,000	68,888	(3,888)
Other services and charges	301,900	289,956	11,944
Capital outlay	50,000	41,973	8,027
Total highways and streets	<u>\$ 908,100</u>	<u>\$ 863,969</u>	<u>\$ 44,131</u>
Sanitation	<u>\$ 410,000</u>	<u>\$ 408,158</u>	<u>\$ 1,842</u>
Total public works	<u>\$ 1,318,100</u>	<u>\$ 1,272,127</u>	<u>\$ 45,973</u>
Total expenditures	<u>\$ 1,567,350</u>	<u>\$ 1,520,217</u>	<u>\$ 47,133</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 2,215,058</u>	<u>\$ 2,363,695</u>	<u>\$ 148,637</u>

Economic Development		
Budget	Actual	Variance - Favorable (Unfavorable)
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -
-	-	-
-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -
-	-	-
-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

CITY OF DERIDDER

SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL

For the Fiscal Year Ended September 30, 2002

	Sales Tax		Variance - Favorable (Unfavorable)
	Budget	Actual	
Other financing sources (uses):			
Transfers in			
General fund	\$ 10,000	\$ 10,000	\$ -
Transfers out			
Debt service fund	(330,000)	(331,826)	(1,826)
General fund	(1,296,500)	(1,298,456)	(1,956)
Capital projects funds	(250,000)	(250,000)	-
Utility fund	(205,500)	(210,622)	(5,122)
Gain on sale of assets	2,000	1,495	(505)
Total other financing sources (uses)	<u>\$ (2,070,000)</u>	<u>\$ (2,079,409)</u>	<u>\$ (9,409)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ 145,058	\$ 284,286	\$ 139,228
Fund balance at beginning of year	<u>1,138,387</u>	<u>1,138,387</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,283,445</u>	<u>\$ 1,422,673</u>	<u>\$ 139,228</u>

Economic Development		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	-	-
-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -
<u>149,525</u>	<u>149,525</u>	<u>-</u>
<u>\$ 149,525</u>	<u>\$ 149,525</u>	<u>\$ -</u>

(Continued)

CITY OF DERIDDER

SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2002

Section - 8 Existing Housing

	Budget	Actual	Variance - Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes:			
Current	\$ -	\$ -	\$ -
Intergovernmental	139,137	141,001	1,864
Interest	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>\$ 139,137</u>	<u>\$ 141,001</u>	<u>\$ 1,864</u>
<u>Expenditures:</u>			
General government:			
Salaries and related benefits	\$ 5,167	\$ 5,167	\$ -
Supplies	-	-	-
Other services and charges	133,970	129,096	4,874
Capital outlay	-	-	-
Total general government	<u>\$ 139,137</u>	<u>\$ 134,263</u>	<u>\$ 4,874</u>
Public works:			
Highways and streets:			
Salaries and related benefits	\$ -	\$ -	\$ -
Supplies	-	-	-
Other services and charges	-	-	-
Capital outlay	-	-	-
Total highways and streets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Sanitation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total public works	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total expenditures	<u>\$ 139,137</u>	<u>\$ 134,263</u>	<u>\$ 4,874</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ 6,738</u>	<u>\$ 6,738</u>

Totals		
Budget	Actual	Variance - Favorable (Unfavorable)
\$ 3,740,000	\$ 3,842,331	\$ 102,331
151,545	153,409	1,864
30,000	28,522	(1,478)
-	651	651
<u>\$ 3,921,545</u>	<u>\$ 4,024,913</u>	<u>\$ 103,368</u>
\$ 133,817	\$ 130,658	\$ 3,159
3,100	4,686	(1,586)
246,470	245,559	911
5,000	1,450	3,550
<u>\$ 388,387</u>	<u>\$ 382,353</u>	<u>\$ 6,034</u>
\$ 491,200	\$ 463,152	\$ 28,048
65,000	68,888	(3,888)
301,900	289,956	11,944
50,000	41,973	8,027
<u>\$ 908,100</u>	<u>\$ 863,969</u>	<u>\$ 44,131</u>
<u>\$ 410,000</u>	<u>\$ 408,158</u>	<u>\$ 1,842</u>
<u>\$ 1,318,100</u>	<u>\$ 1,272,127</u>	<u>\$ 45,973</u>
<u>\$ 1,706,487</u>	<u>\$ 1,654,480</u>	<u>\$ 52,007</u>
<u>\$ 2,215,058</u>	<u>\$ 2,370,433</u>	<u>\$ 155,375</u>

(Continued)

CITY OF DERIDDER

SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL

For the Fiscal Year Ended September 30, 2002

Section - 8 Existing Housing

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Other financing sources (uses):			
Transfers in			
General fund	\$ -	\$ -	\$ -
Transfers out			
Debt service fund	-	-	-
General fund	-	-	-
Capital projects funds	-	-	-
Utility fund	-	-	-
Gain on sale of assets	-	-	-
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ -	\$ 6,738	\$ 6,738
Fund balance at beginning of year	<u>70,505</u>	<u>70,505</u>	<u>-</u>
Fund balance at end of year	<u>\$ 70,505</u>	<u>\$ 77,243</u>	<u>\$ 6,738</u>

Totals		
Budget	Actual	Variance - Favorable (Unfavorable)
\$ 10,000	\$ 10,000	\$ -
(330,000)	(331,826)	(1,826)
(1,296,500)	(1,298,456)	(1,956)
(250,000)	(250,000)	-
(205,500)	(210,622)	(5,122)
2,000	1,495	(505)
<u>\$ (2,070,000)</u>	<u>\$ (2,079,409)</u>	<u>\$ (9,409)</u>
\$ 145,058	\$ 291,024	\$ 145,966
<u>1,358,417</u>	<u>1,358,417</u>	<u>-</u>
<u>\$ 1,503,475</u>	<u>\$ 1,649,441</u>	<u>\$ 145,966</u>
		(Concluded)

DEBT SERVICE FUNDS

Street Improvement Assessment Funds (Phase 5 Street Improvements; Phase 6 & 7 Street Improvements; Contingency Fund for Street Improvements) - to account for the costs of paving streets in certain areas (districts) within the City.

Public Improvement Refunding Bonds, Series ST-1998 - to accumulate monies for the payment of principal and interest falling due on the ST 1998 \$1,570,000 bond issue with interest cost of 4.60%.

Certificates of Indebtedness, Series 1997 and 2001 - to accumulate monies for payment of the 1997, \$1,320,000 and the 2001, \$250,000 certificates of indebtedness respectively at an interest rate of 5.50% and 4.50% respectively.

CITY OF DERIDDER

DEBT SERVICE FUNDS
 COMBINING BALANCE SHEET
 For the Fiscal Year Ended September 30, 2002

<u>ASSETS</u>	Phase 5 Street Improvement	Phase 6 & 7 Street Improvement	Contingency Fund
Cash	\$ 2,798	\$ 5,003	\$ 224
Special assessment receivable -			
Delinquent	14,122	7,735	-
Accrued interest	11,177	9,613	-
Due from other funds	-	-	27,301
Total assets	<u>\$ 28,097</u>	<u>\$ 22,351</u>	<u>\$ 27,525</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Due to other funds	<u>\$ 5,438</u>	<u>\$ 21,863</u>	<u>\$ -</u>
Fund balances:			
Reserved for debt service	<u>\$ 22,659</u>	<u>\$ 488</u>	<u>\$ 27,525</u>
Total liabilities and fund balances	<u>\$ 28,097</u>	<u>\$ 22,351</u>	<u>\$ 27,525</u>

<u>Public Improvement Refunding Bonds</u>	<u>Certificates of Indebtedness</u>	
Series	Series	Totals
ST - 1998	1997 & 2001	
\$ 164,678	\$ 42,706	\$ 215,409
-	-	21,857
-	-	20,790
-	-	27,301
<u>\$ 164,678</u>	<u>\$ 42,706</u>	<u>\$ 285,357</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,301</u>
<u>\$ 164,678</u>	<u>\$ 42,706</u>	<u>\$ 258,056</u>
<u><u>\$ 164,678</u></u>	<u><u>\$ 42,706</u></u>	<u><u>\$ 285,357</u></u>

CITY OF DERIDDER

DEBT SERVICE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 For the Fiscal Year Ended September 30, 2002

	Phase 5 Street Improvement	Phase 6 & 7 Street Improvement	Contingency Fund
<u>Revenues:</u>			
Interest	\$ 73	\$ 112	\$ 6
<u>Expenditures:</u>			
Principal retirement	\$ -	\$ -	\$ -
Interest and fiscal charges	-	-	-
Bad debt	-	734	-
Total expenditures	\$ -	\$ 734	\$ -
Excess (deficiency) of revenues over expenditures	\$ 73	\$ (622)	\$ 6
<u>Other financing sources:</u>			
Transfers in	\$ -	\$ -	\$ -
Excess (deficiency) of revenues and other sources over expenditures	\$ 73	\$ (622)	\$ 6
Fund balances at beginning of year	22,586	1,110	27,519
Fund balances at end of year	\$ 22,659	\$ 488	\$ 27,525

Public Improvement Refunding Bonds Series ST - 1998	Certificate of Indebtedness Series 1997	Totals
\$ 4,721	\$ 2,043	\$ -
\$ 415,000	\$ 170,000	\$ -
26,821	59,375	-
-	-	734
<u>\$ 441,821</u>	<u>\$ 229,375</u>	<u>\$ -</u>
\$ (437,100)	\$ (227,332)	\$ -
<u>\$ 331,826</u>	<u>\$ 229,392</u>	<u>\$ 561,218</u>
\$ (105,274)	\$ 2,060	\$ -
<u>269,952</u>	<u>40,646</u>	<u>-</u>
<u>\$ 164,678</u>	<u>\$ 42,706</u>	<u>\$ -</u>

CAPITAL PROJECTS FUNDS

Street Construction - to account for the construction and further improvements of certain streets within the City limits for general purpose use.

Historical Enhancement Fund - to account for funds used in the development and maintenance of the historic district in downtown DeRidder.

2001 LCDBG Sewer Project - to account for funds provided by LCDBG (Louisiana Community Development Block Grant) for upgrades to the City's sewer system.

CAPITAL PROJECTS FUNDS
 COMBINING BALANCE SHEET
 For the Fiscal Year Ended September 30, 2002

	Street Construction	Historical Enhancement Fund	2001 LCDBG Sewer Project	Totals
<u>ASSETS</u>				
Cash	\$ 860,379	\$ 5,747	\$ 5	\$ 866,131
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Due to other funds	\$ -	\$ -	\$ 5	\$ 5
Fund balances:				
Unreserved/undesignated	\$ 860,379	\$ 5,747	\$ -	\$ 866,126
Total liabilities and fund balances	<u>\$ 860,379</u>	<u>\$ 5,747</u>	<u>\$ 5</u>	<u>\$ 866,131</u>

CAPITAL PROJECTS FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 For the Fiscal Year Ended September 30, 2002

	Street Construction	Historical Enhancement Fund	2001 LCDBG Sewer Project	Totals
<u>Revenues:</u>				
Interest	\$ 19,577	\$ -	\$ -	\$ 19,577
<u>Expenditures:</u>				
Engineering and other	\$ -	\$ -	\$ 21,859	\$ 21,859
Construction contracts	-	-	-	-
Total expenditures	\$ -	\$ -	\$ 21,859	\$ 21,859
Excess (deficiency) of revenues over expenditures	\$ 19,577	\$ -	\$ (21,859)	\$ (2,282)
<u>Other financing sources:</u>				
Transfers in	\$ 250,000	\$ -	\$ 21,859	\$ 271,859
Excess (deficiency) of revenues and other sources over expenditures	\$ 269,577	\$ -	\$ -	\$ 269,577
Fund balances at beginning of year	\$ 590,802	\$ 5,747	\$ -	\$ 596,549
Fund balances at end of year	\$ 860,379	\$ 5,747	\$ -	\$ 866,126

PROPRIETARY FUNDS

ENTERPRISE FUND

Water and Sewer Fund - to account for the provisions of water and sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations maintenance, financing and related debt service, and billing and collection.

INTERNAL SERVICE FUND

Self Insurance Fund - to account for money charged to and collected from other funds for the cost of insurance premiums, deductibles, and claims not covered by the City's insurance carrier.

WATER AND SEWER - ENTERPRISE FUND
BALANCE SHEET
For the Fiscal Year Ended September 30, 2002

ASSETS

Current assets:

Cash	\$ 551,822
Accounts receivable	139,989
Assessments receivable	83,524
Accrued interest receivable	1,403
Prepaid insurance	75,627
Due from general fund	70,584
Due from capital projects fund	5
Total current assets	<u>\$ 922,954</u>

Restricted assets, cash:

Customer deposits	\$ 157,729
Capital additions and contingency account	286,948
Depreciation and contingency account	673,158
State reimbursement contract	24,253
Sewer contingency account	439,186
Total restricted assets	<u>\$ 1,581,274</u>

Property, plant and equipment

Land	\$ 57,221
Plant and equipment, at cost, net of accumulated depreciation (\$11,174,060)	18,399,098
Total property, plant and equipment	<u>\$ 18,456,319</u>
Total assets	<u>\$ 20,960,547</u>

(Continued)

WATER AND SEWER - ENTERPRISE FUND
BALANCE SHEET
For the Fiscal Year Ended September 30, 2002

LIABILITIES AND FUND EQUITY

Liabilities:

Current liabilities (payable from
current assets):

Accounts payable	\$ 45,722
Employees benefits payable	35,372
Due to general fund	1,634
Due to sales tax fund	2,325
Current portion of bonds payable	18,236
Accrued interest on bonds payable	6,042
Total current liabilities (payable from current assets)	<u>\$ 109,331</u>

Current liabilities (payable from
restricted assets):

Customer deposits	\$ 130,788
Contracts payable	20,900
Total current liabilities (payable from restricted assets)	<u>\$ 151,688</u>

Long-term liabilities:

Compensated absences payable	\$ 179,727
Deferred revenues	82,537
Sewerage certificates payable	127,654
Total long-term liabilities	<u>\$ 389,918</u>
Total liabilities	<u>\$ 650,937</u>

Fund equity:

Contributed capital	<u>\$ 23,164,433</u>
Retained earnings:	
Reserved	\$ 1,296,833
Unreserved	(4,151,656)
Total retained earnings	<u>\$ (2,854,823)</u>
Total fund equity	<u>\$ 20,309,610</u>
Total liabilities and fund equity	<u>\$ 20,960,547</u>

(Concluded)

WATER AND SEWER - ENTERPRISE FUND
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
 For the Fiscal Year Ended September 30, 2002

Operating revenues:	
Charges for services:	
Water sales and service fees	\$ 830,792
Sewer service charges	755,334
Delinquent charges	30,034
Sales tax fees	29,553
Total operating revenues	<u>\$ 1,645,713</u>
Operating expenses:	
Water department expenses	\$ 528,701
Sewer department expenses	711,252
Sewer plant expenses	521,747
Water plant expenses	219,556
General and administrative expenses	296,699
Total operating expenses	<u>\$ 2,277,955</u>
Operating income (loss)	<u>\$ (632,242)</u>
Non operating revenues (expenses):	
Sewer assessments	\$ 31,549
Interest income	32,017
Transfers from sales tax fund	210,622
Transfer out	(21,859)
Miscellaneous	1,111
Gain on sale of assets	5,775
Total non-operating revenues (expenses)	<u>\$ 259,215</u>
Net income (loss)	<u>\$ (373,027)</u>
Retained earnings at beginning of year	<u>\$ (2,481,796)</u>
Retained earnings at end of year	<u>\$ (2,854,823)</u>

WATER AND SEWER - ENTERPRISE FUND
 STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE
 For the Fiscal Year Ended September 30, 2002

	Enterprise
Cash flows from operating activities:	
Cash received from customers	\$ 1,661,338
Cash payments to suppliers for goods and services	(709,025)
Cash payments for employee services and employee related fringe benefits	(795,143)
Net cash provided by operating activities	\$ 157,170
Cash flows from noncapital financing activities:	
Transfers from other funds	\$ 210,622
Transfers out to other funds	(21,859)
Miscellaneous	1,111
Due from other funds	(10)
Net cash provided from noncapital financing activities	\$ 189,864
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	\$ (253,559)
Retirement of assets	49,033
Sewer assessments	31,549
Interest on sewer assessments	9,827
Gain on sale of assets	5,775
Principal paid on certificates	(18,236)
Contributed capital received	22,000
Net cash used for capital and related financing activities	\$ (153,611)
Cash flows from investing activities:	
Interest on cash management activities	\$ 24,186
Net increase in cash and cash equivalents	\$ 217,609
Cash and cash equivalents, beginning of year	\$ 1,915,487
Cash and cash equivalents, end of year	\$ 2,133,096

(Continued)

WATER AND SEWER - ENTERPRISE FUND
 STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE
 For the Fiscal Year Ended September 30, 2002

RECONCILIATION OF OPERATING
 LOSS TO NET CASH PROVIDED BY
 OPERATING ACTIVITIES

	<u>Enterprise</u>
Operating loss	\$ (632,242)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	\$ 770,120
Decrease in accounts receivable	13,317
Increase in accounts payable	3,232
Increase in employee benefits payable	5,652
Increase in contracts payable	1,200
Increase in customer deposits	2,308
Increase in compensated absences	17,782
Increase in prepaid insurance	(23,442)
Decrease in accrued interest payable	(757)
Total adjustments	<u>\$ 789,412</u>
Net cash provided by operating activities	<u>\$ 157,170</u>
	(Concluded)

WATER AND SEWER - ENTERPRISE FUND
 STATEMENT OF OPERATING EXPENSES BY DEPARTMENT
 For the Fiscal Year Ended September 30, 2002

Water Maintenance:	
Salaries and related benefits	\$ 280,723
Auto and truck maintenance	15,992
Operating supplies	70,475
Equipment maintenance	195
Insurance	24,830
Miscellaneous	220
Telephone	850
Depreciation	128,526
Training	1,111
Travel	651
Uniforms	4,566
Safety wear	562
	<u>\$ 528,701</u>
Sewer Maintenance:	
Salaries and related benefits	\$ 131,350
Auto and truck maintenance	9,532
Operating supplies	44,844
Equipment maintenance	11,258
Miscellaneous	280
Insurance	16,897
Utilities	50,527
Telephone	1,467
Uniforms	953
Safety wear	262
Depreciation	430,821
Interest	7,860
Training	549
Travel	897
Equipment rental	3,755
	<u>\$ 711,252</u>

(Continued)

WATER AND SEWER - ENTERPRISE FUND
 STATEMENT OF OPERATING EXPENSES BY DEPARTMENT
 For the Fiscal Year Ended September 30, 2002

Sewer Plant:		
Salaries and related benefits	\$	116,862
Auto and truck maintenance		4,200
Operating supplies		54,265
Equipment maintenance		41,072
Testing fees		17,291
Insurance		20,001
Utilities		60,098
Telephone		3,193
Uniforms		2,611
Fees/Permits		1,140
Safety wear		472
Lab expense		5,094
Depreciation		194,105
Travel		731
Training		505
Dues		25
Miscellaneous		82
	\$	<u>521,747</u>
Water Plant:		
Salaries and related benefits	\$	79,027
Auto and truck maintenance		1,081
Operating supplies		15,588
Equipment maintenance		8,342
Testing fees		12,076
Treatment		24,587
Telephone		163
Utilities		48,516
Travel		104
Insurance		16,327
Training		225
Depreciation		13,530
	\$	<u>219,566</u>
		(Continued)

WATER AND SEWER - ENTERPRISE FUND
 STATEMENT OF OPERATING EXPENSES BY DEPARTMENT
 For the Fiscal Year Ended September 30, 2002

General and Administrative:	
Salaries and related benefits	\$ 210,615
Office supplies	4,418
Operating supplies	3,326
Telephone	317
Computer service	2,499
Insurance	5,044
Legal and professional	10,000
Postage	12,435
Office rent	14,400
Depreciation	3,138
State sales tax	29,295
State reimbursement contract	1,200
Miscellaneous	12
	<u>\$ 296,699</u>
Total operating expenses	<u>\$ 2,277,965</u>
	(Concluded)

INTERNAL SERVICE FUND - SELF INSURANCE FUND
BALANCE SHEET

For the Fiscal Year Ended September 30, 2002

	<u>Self Insurance Fund</u>
<u>ASSETS</u>	
Cash	<u>\$ 165,337</u>
<u>LIABILITIES AND FUND EQUITY</u>	
Liabilities:	
Accounts payable	<u>\$ 3,341</u>
Fund Equity:	
Contributed capital	\$ 131,563
Unreserved retained earnings	30,433
Total fund equity	<u>\$ 161,996</u>
Total liabilities and fund equity	<u>\$ 165,337</u>

INTERNAL SERVICE FUND - SELF INSURANCE FUND
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
 For the Fiscal Year Ended September 30, 2002

	Self Insurance Fund
Operating revenues	<u>\$ 21,274</u>
Operating expenses:	
Claims and cost	<u>\$ 31,356</u>
Operating income (loss)	\$ (10,082)
Non-operating revenues:	
Interest income	<u>\$ 8,061</u>
Net income (loss)	\$ (2,021)
Retained earnings at beginning of year	<u>\$ 32,454</u>
Retained earnings at end of year	<u>\$ 30,433</u>

INTERNAL SERVICE FUND
 STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE
 For the Fiscal Year Ended September 30, 2002

	<u>Self Insurance Fund</u>
Cash flows from operating activities:	
Charges for services	\$ 21,274
Claims and cost	(28,015)
Net cash used by operating activities:	<u>\$ (6,741)</u>
Cash flows from investing activities:	
Interest income	<u>\$ 8,061</u>
Net increase in cash and cash equivalents	\$ 1,320
Cash and cash equivalents, beginning of year	164,017
Cash and cash equivalents, end of year	<u>\$ 165,337</u>
 RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating loss	<u>\$ (10,082)</u>
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Increase in accounts payable	<u>\$ 3,341</u>
Net cash used by operating activities	<u>\$ (6,741)</u>

CITY OF DERIDDER

WATER AND SEWER - ENTERPRISE FUND
 SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS -
 RESTRICTED ACCOUNTS REQUIRED BY REVENUE BOND ORDINANCE
 For the Fiscal Year Ended September 30, 2002

	<u>Construction Contingency</u>	<u>Reimbursement Contract</u>	<u>Sewer Contingency Fund</u>
Cash and investments at beginning of year	\$ 210,645	\$ 22,915	\$ 248,439
Cash receipts:			
Transfers in	\$ 75,000	\$ 1,200	\$ 210,622
Interest received	1,303	138	1,984
State grant received	-	-	-
Deposits collected	-	-	-
Total cash receipts	<u>\$ 76,303</u>	<u>\$ 1,338</u>	<u>\$ 212,606</u>
Total cash and investments available	<u>\$ 286,948</u>	<u>\$ 24,253</u>	<u>\$ 461,045</u>
Cash disbursements:			
Supplies	\$ -	\$ -	\$ -
Repairs	-	-	-
Capital expenditures	-	-	-
Interest/paying agent fees	-	-	-
Principal payments	-	-	-
Deposits refunded	-	-	-
Transfers out	-	-	21,859
Total cash disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,859</u>
Cash and investments at end of year	<u>\$ 286,948</u>	<u>\$ 24,253</u>	<u>\$ 439,186</u>

<u>Depreciation and Contingency</u>	<u>Customer Deposits</u>	<u>Total</u>
<u>\$ 662,120</u>	<u>\$ 153,206</u>	<u>\$ 1,297,325</u>
	\$ -	\$ 286,822
11,038	2,776	17,239
-	-	-
-	30,092	30,092
<u>\$ 11,038</u>	<u>\$ 32,868</u>	<u>\$ 334,153</u>
<u>\$ 673,158</u>	<u>\$ 186,074</u>	<u>\$ 1,631,478</u>
\$ -	\$ 52	\$ 52
-	-	-
-	-	-
-	-	-
-	-	-
-	28,293	28,293
-	-	21,859
<u>\$ -</u>	<u>\$ 28,345</u>	<u>\$ 50,204</u>
<u>\$ 673,158</u>	<u>\$ 157,729</u>	<u>\$ 1,581,274</u>

SCHEDULE OF COMPENSATION OF BOARD MEMBERS
For the Fiscal Year Ended September 30, 2002

Vincent Labue (President)	\$	7,200
Estella Scott (Vice President)		7,200
Hayward Steele		7,200
Johnnie Mango		7,200
Kerry Anderson		7,200
Collowyn Hodnett		7,200
Gordon Jenkins		7,200
		<hr/>
	\$	50,400

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John A. Windham, CPA

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

The Honorable Gerald Johnson, Mayor
and the Members of the City Council
City of DeRidder, Louisiana

I have audited the general purpose financial statements of the City of DeRidder, Louisiana, as of and for the year ended September 30, 2002, and have issued my report thereon dated February 5, 2003. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in GOVERNMENT AUDITING STANDARDS, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City of DeRidder, Louisiana's general purpose financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under GOVERNMENT AUDITING STANDARDS.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the City of DeRidder, Louisiana's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a

The Honorable Gerald Johnson, Mayor
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relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of management, others within the organization, City Council, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "John U. Windham, CPA". The signature is written in a cursive style with a large initial "J".

DeRidder, Louisiana
February 5, 2003