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CITY OF BOGALUSA, LOUISIANA 2163

*General-Purpose Financial Statements,  
Supplemental Information and Independent Auditor's Reports*

*Year Ended December 31, 1997*

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

Release Date Jan 23 1998

RICHARD M. SEAL

CERTIFIED PUBLIC ACCOUNTANT • CERTIFIED GOVERNMENT FINANCIAL MANAGER

CITY OF BOGALUSA, LOUISIANA

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CITY OF DOUGLASS, LOUISIANA

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*AUDIT REPORTS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS*

# RICHARD M. SEAL

CERTIFIED PUBLIC ACCOUNTANT • CERTIFIED GOVERNMENT FINANCIAL MANAGER

## INDEPENDENT AUDITOR'S REPORT ON THE GENERAL-PURPOSE FINANCIAL STATEMENTS

The Honorable M. E. "Toys" Tylet, Mayor  
and the Members of the City Council  
City of Bogalusa, Louisiana

I have audited the accompanying general-purpose financial statements of the City of Bogalusa, Louisiana, as of and for the year ended December 31, 1997, as listed in the table of contents. These general-purpose financial statements are the responsibility of the City of Bogalusa, 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 generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. 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 Bogalusa, Louisiana, as of December 31, 1997, and the results of its operations and the cash flows of its proprietary fund types and nonresponsible trust funds for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued my report dated June 24, 1998 on my consideration of the City of Bogalusa, Louisiana's internal control over financial reporting and my tests of compliance with certain provisions of laws, regulations, contracts, and grants.

My audit was performed for the purpose of forming an opinion on the general-purpose financial statements of City of Bogalusa, Louisiana, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general-purpose financial statements. 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 stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.



Certified Public Accountant

Bogalusa, Louisiana  
June 24, 1998

*GENERAL-PURPOSE FINANCIAL STATEMENTS*

CITY OF BOSSIERE, LOUISIANA

COMBINED BALANCE SHEET - ALL FUNDS TYPES, ACCORDING ORDINANCE  
AND APPOINTMENT RESOLUTIONS COMPONENT FUNDS

December 31, 1997

ASSETS AND CONTROLled ASSETS

Asset	Component Fund Type		Inventory Total	Inventory Total	Inventory Total	Accounts Payable	Accounts Payable	Accounts Payable	Total	Total
	General	Special								
Cash	\$ 11,081	\$ 3,070,081	\$ 491,271	\$ 988,271	\$ 988,271	\$ 0	\$ 0	\$ 0	\$ 1,000,000	\$ 1,000,000
Accounts receivable		5,000			5,000				5,000	5,000
Accounts payable										
Inventory		298,487		298,487	298,487				298,487	298,487
Prepaid expenses		40,139		40,139	40,139				40,139	40,139
Other assets										
Total non-inventoriable assets	\$ 11,081	\$ 3,075,081	\$ 491,271	\$ 988,271	\$ 988,271	\$ 0	\$ 0	\$ 0	\$ 1,000,000	\$ 1,000,000
Total inventoriable assets	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total assets	\$ 11,081	\$ 3,075,081	\$ 491,271	\$ 988,271	\$ 988,271	\$ 0	\$ 0	\$ 0	\$ 1,000,000	\$ 1,000,000

LIABILITIES AND EQUITY

Liability	General	Special	Total	Inventory Total	Inventory Total	Accounts Payable	Accounts Payable	Accounts Payable	Total	Total
Accounts payable	\$ 18,044	\$ 11,489	\$ 29,533	\$ 14,074	\$ 14,074	\$ 0	\$ 0	\$ 0	\$ 29,533	\$ 29,533
Accounts receivable	18,044		18,044						18,044	18,044
Inventory		298,487	298,487						298,487	298,487
Other assets										
Equity										
Total liabilities	\$ 18,044	\$ 11,489	\$ 29,533	\$ 14,074	\$ 14,074	\$ 0	\$ 0	\$ 0	\$ 29,533	\$ 29,533
Total equity	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total liabilities and equity	\$ 18,044	\$ 11,489	\$ 29,533	\$ 14,074	\$ 14,074	\$ 0	\$ 0	\$ 0	\$ 29,533	\$ 29,533

(Continued)

The accompanying notes are an integral part of these statements.



CITY OF BOSSALISA, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - ALL GOVERNMENTAL FUNDS-TITLED AND INDIRECTLY PRESENTED COMPONENT UNITS  
Year Ended December 31, 1997

	General	Special Accounts	Debt Service	Capital Expend.	Trans- Municipal - (Add) - (Deduct) Primary Accounting	Transfer From/ Compos- Units
<b>Revenues:</b>						
Total	\$ 1,370,114	\$ 1,942,273	\$ 415,540	\$ -	\$ 1,208,867	\$ -
License and permits	461,178				451,278	
Franchise fees	554,948				542,948	
Intergovernmental	395,179	148,824		446,400	1,119,803	60,800
Service charges	14,800			110,178	115,378	
Fees and penalties	40,063				60,063	66,000
Miscellaneous	11,982	47,811	12,821	33,452	103,043	15,028
Total revenues	<u>1,324,040</u>	<u>1,595,808</u>	<u>481,611</u>	<u>790,100</u>	<u>2,990,462</u>	<u>141,728</u>
<b>Expenditures:</b>						
Current:						
General government	1,475,522	60,201			2,011,803	110,540
Public safety	2,481,236	86,200			3,035,776	
Public works	1,343,125				1,143,125	
Highways, streets & utilities		598,211			598,211	
Health and welfare		140,375			140,375	
Culture and recreation	60,960	2,800			13,810	16,151
Economic development & assistance		148,174			140,774	
Personnel contributions	601,808				690,808	
Capital outlay	1,057	146,411		1,717,208	1,871,520	18,751
Debt service -						
Principal retirement	11,012	51,245	549,800		612,059	
Interest and flood charges	1,013	4,281	15,249		18,553	
Total expenditures	<u>3,272,633</u>	<u>1,259,216</u>	<u>625,249</u>	<u>1,717,208</u>	<u>5,010,626</u>	<u>149,321</u>

(Continued)

The accompanying notes are an integral part of this statement.

CITY OF MONROE, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - ALL GOVERNMENTAL FUND-TYPES AND DISCREETLY PRESENTED COMPONENT UNITS  
 Year Ended December 31, 1987

	General	Special Revenues	Debt Service	Capital Expend.	Trans- Municipal -MD- Primary Disbursements	Discretely Presented Component Units
Revenues (including) of revenues over expenditures	\$ 1,284,457	\$ 2,164,728	\$ 118,827	\$ 817,125	\$ 1,818,261	\$ 81,422
Other financing sources (used):						
- Income - Bond		148,789			698,995	
- Income - Local	1,897,841	71,938	281,578		1,098,793	81,392
- Operating revenues in	0.41,841	(1,194,890)		1,185,578	(1,384,089)	
- Proceeds of sale					1,183,178	
- Capital assets financing	2,471				9,141	
- Total other financing sources (used)	1,900,753	(1,123,052)	281,578	1,185,578	1,895,927	81,392
Revenues (including) of revenues and other financing sources over expenditures and other use	12,121	1,041,676	360,405	246,146	1,446,463	(1,967)
Fund balances, beginning	88,818	2,319,026	626,471	692,881	1,723,881	88,882
Fund balances, ending	2,341	3,360,702	806,876	942,227	3,170,324	86,915

(Continued)

The accompanying notes are an integral part of this statement.

CITY OF BOSSALOMA, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUND TYPES

Year Ended December 31, 1987

	Actual		Budget		Actual		Budget	
	Actual	Percentage Variance	Actual	Percentage Variance	Actual	Percentage Variance	Actual	Percentage Variance
<b>Revenues</b>								
Taxes	\$ 5,922,246	\$ (23,786)	\$ 2,941,206	\$ (24,877)	\$ 5,946,032	\$ 6,963	\$ 2,941,206	\$ 6,963
License and permits	4,552,208	41,718	1,198		4,556,926	46,918	1,198	
Franchise fees	11,550,000	55,544	19,544		11,569,544	69,544	19,544	
Intermunicipal	141,000	49,078	44,000		185,078	44,078	44,000	
Service charges	14,800	14,800	300		15,100	300	300	
Financial penalties	70,000	5,913	5,913		75,913	5,913	5,913	
Miscellaneous	8,648	11,821	24,821		34,469	24,821	24,821	
<b>Total revenues</b>	<u>2,007,092</u>	<u>5,224,662</u>	<u>20,212</u>	<u>20,212</u>	<u>2,027,204</u>	<u>20,212</u>	<u>2,027,204</u>	<u>20,212</u>
<b>Expenditures</b>								
Current:								
General government	1,711,144	1,820,126	(108,982)		1,711,144	108,982	1,711,144	108,982
Public safety	503,128	299,236	203,892		503,128	203,892	503,128	203,892
Public works	1,250,146	1,149,113	90,033		1,250,146	90,033	1,250,146	90,033
Highways, streets and sidewalks					99,000	99,000		
Buildings and utilities					181,000	181,000		
Cultural activities	1,000	10,963	4,817		12,763	11,763	1,000	
Community development and projects					1,200	1,200		
Income maintenance	662,628	691,886	(1,240)		661,388	1,500	661,388	1,500
Capital city					770,000	770,000		
Debt service					1,973	1,973		
Intermunicipal					11,012	11,012		
Interest on long term debt					2,111	2,111		
Total expenditures	<u>2,927,048</u>	<u>3,076,011</u>	<u>148,963</u>	<u>148,963</u>	<u>2,927,048</u>	<u>148,963</u>	<u>2,927,048</u>	<u>148,963</u>
Change in fund balances								
Beginning								
End								

(Continued)

The accompanying notes are an integral part of this statement.

CITY OF BOGALUSA, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BUDGET TO ACTUAL BASED AND ACTUAL

GENERAL, SPECIAL REVENUE, AND DEBT SERVICE FUND TYPES

Year Ended December 31, 1997

	General Fund		Various Funds		Special Revenue Fund Type		Debt Service Fund Type	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Revenues (includes/contains non- expenditures)	\$1,877,000	\$1,881,348	\$ 1,812	\$ 1,812	\$ 1,181,000	\$ 1,184,348	\$ 52,124	\$ 52,180
Other financing sources (used)								
Charter Bond Leases (year contract income) (Net)			119,000	119,000			51,251	
Operating leases in	1,073,000	1,081,000	224,000	224,000	40,000	39,500	24,000	24,000
Operating leases in	(121,000)	(121,000)	(18,000)	(18,000)	(1,000,000)	(1,000,000)	20,000	
Capital lease financing			1,000	1,000				
Total other financing sources (used)	1,052,000	1,060,000	106,000	106,000	(1,000,000)	(1,000,000)	95,251	24,000
Revenues (includes/contains and other financing sources less expenditures and transfers)	4,000	4,000	25,000	25,000	17,000	17,000	150,001	150,180
Fund balances, beginning	20,000	20,000	20,000	20,000	1,880,200	1,880,200	59,121	59,121
Fund balances (deficit), ending	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 1,897,200	\$ 1,897,200	\$ 1,111,122	\$ 1,111,180

(Continued)

The accompanying notes are an integral part of this statement.

CITY OF BOGALUSA, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN RETAINED EARNINGS - PROPRIETARY FUND TYPE  
AND FIDUCIARY FUND TYPE  
Year Ended December 31, 1997

	Proprietary Fund Type	Fiduciary Fund Type Pensions Trusts
	Enterprise	
Operating revenues		
Charges for services	\$ 1,992,220	\$
Taxes	108,046	218,708
Investment income		483,666
Contributions		328,730
Miscellaneous	31,386	
Total operating revenues	<u>2,132,372</u>	<u>1,031,104</u>
Operating expenses:		
Billing & collection	43,677	
Water and sewer works	308,137	
Sewer treatment plant	133,835	
Sewer collection systems	26,796	
General and administrative	1,269,828	
Benefit payments		568,781
Other		28,526
Total operating expense	<u>1,801,233</u>	<u>597,307</u>
Operating income	<u>331,139</u>	<u>433,797</u>
Other financing sources (uses):		
Operating transfers in	110,593	
Operating transfers (out)	(881,080)	
Total other financing sources(uses)	<u>(770,487)</u>	<u>---</u>
Net income (loss)	(439,348)	433,797
Retained earnings (deficit), beginning	<u>6,824,895</u>	<u>6,824,895</u>
Retained earnings (deficit), ending	\$ <u>6,385,547</u>	\$ <u>7,258,692</u>

The accompanying notes are an integral part of this statement.

CITY OF BOGALUSA, LOUISIANA  
 ENTERPRISE FUND  
 UTILITY FUND

COMBINED STATEMENT OF CASH FLOWS  
 Year Ended December 31, 1997

Cash flows from operations:	
Net income (loss) for the year	\$ (491,418)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:	
Depreciation	451,887
(Increase) decrease in:	
Customer accounts receivable	5,440
Accrued interest receivable	(22,951)
Interfund receivable	(8,116)
Increase (decrease) in:	
Accounts payable	(5,908)
Interfund payable	(48,025)
Net cash flow provided/(used) by operating activities	<u>(80,686)</u>
Cash and cash equivalents at beginning of year	<u>61,553</u>
Cash and cash equivalents at end of year	<u>\$ (19,133)</u>

Note: There was no interest paid in 1997.

The accompanying notes are an integral part of this statement.

## CITY OF BOGALUSA, LOUISIANA

### Notes to the General-Purpose Financial Statements As of and for the Year Ended December 31, 1997

#### INTRODUCTION

The City of Bogalusa, Louisiana (the City) was incorporated July 4, 1914, and is governed by the provisions of a home rule charter adopted October 22, 1977. The city operates under a "mayor-council" form of government.

#### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### A. REPORTING ENTITY

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity for general purpose financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and ability of the primary government to impose its will on the organization or if there is a financial/benefit/burden relationship. In addition, an organization which is financially dependent on the primary government should be included in its reporting entity.

As required by generally accepted accounting principles, these financial statements present the City of Bogalusa (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationship with the City.

##### Blended Component Units

**Bogalusa Parks and Recreation Commission (the Commission)** - The Bogalusa Parks and Recreation Commission is governed by a seven-member board appointed by the Mayor with the approval of the Council. The Commission was established by Ordinance No. 824 dated March 6, 1973. Although it is legally separate from the City, the Commission is reported as if it were part of the primary government because the City maintains the accounting records, and the financial statements of the Commission are not material to the financial statements of the City.

**City Employee's Retirement System, Firemen's Pension and Relief Fund, Policemen's Pension and Relief Fund (the Pension Plans)** - The Pension Plans are legally separate organizations, but are financially dependent upon the City. They meet the definition of a component unit, but are not reported as component units because

*CITY OF BOGALUSA*  
*BOGALUSA, LOUISIANA*

*Notes to the General-Purpose Financial Statements (continued)*

There is an exception to the rule for fiduciary pension plans. Therefore, the pension plans are blended into the general-purpose financial statements in the Fiduciary Fund Type column.

**Discretely Presented Component Units**

**City Court of Bogalusa (the Court)** - The City Court of Bogalusa is a court of limited jurisdiction and serves Ward 4 of Washington Parish, Louisiana. Although the City Court Judge is an independently elected official, the Court is considered a component unit of the City because of fiscal dependence. The City provides the courtroom and office space for the Court. The City also pays salaries and retirement for the Court's secretaries.

**Constable of City Court of Bogalusa (the Constable)** - The office of Constable of City Court of Bogalusa was created by special legislative act R.S. 13:195(25). The Constable is an elected official, and is responsible for executing the orders and mandates of the City Court of Bogalusa. The Constable is also fiscally dependent on the City and considered a component unit.

**Christmas in the Park Commission (the Commission)** - The Commission was created on November 1, 1995 by Ordinance No. 1588. The Commission is governed by an 11 member board appointed by the Mayor, with approval of the City Council. The Commission advises the Mayor and the City Council, stimulates public interest and accepts donations to enhance holiday lighting and activities.

**Bogalusa Community Area Commission (the Commission)** - The Bogalusa Community Area Commission is governed by an eleven-member board appointed by the Mayor with approval of the Council. The Commission was established by Ordinance No. 1607 dated June 21, 1995 and amended on December 20, 1995 by Ordinance No. 1623. Although it is legally separate from the City, the Commission is reported as if it were part of the primary government because the City maintains the accounting records, and the financial statements of the Commission are not material to the financial statements of the City.

The following two pages present condensed financial statements for each of the three discretely presented component units. Complete financial statements of the individual component units can be obtained from their respective administrative offices.

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Notes to the General Purpose Financial Statements (continued)

**Administrative Offices**

City Court of Bogalusa  
 202 Arkansas Avenue  
 Bogalusa, LA 70427

Constable of City Court of Bogalusa  
 202 Arkansas Avenue  
 Bogalusa, LA 70427

Christmas in the Park Commission  
 c/o Mr. Jerry Bailey  
 Director of Administration  
 Post Office Box 1179  
 Bogalusa, LA 70429-1179

Bogalusa Community Area Commission  
 c/o Mr. Jerry Bailey  
 Director of Administration  
 Post Office Box 1179  
 Bogalusa, LA 70429-1179

**Combining Balance Sheet - Component Units**

	City General Fund	Constable City Court of Bogalusa	Christmas in the Park Commission	Bogalusa Community Area Commission	Total
<b>Assets</b>					
Cash	\$ 45,746	\$ 18,878	\$ 26,118	\$ 2,758	\$ 93,500
Investments	16,785				16,785
Receivables	32,887				32,887
Due from other funds	1,748				1,748
Prepayments	23,878	24,102			47,980
Amount to be provided for reim- bursement of general long-term debt		3,729			3,729
<b>Total Assets</b>	<b>\$ 120,746</b>	<b>\$ 46,709</b>	<b>\$ 26,118</b>	<b>\$ 2,758</b>	<b>\$ 196,331</b>
<b>Liabilities</b>					
Accounts payable	\$	\$	\$ 1,800	\$	\$ 1,800
Due to other governmental units	51,486				51,486
Other payables	38,907				38,907
Leases payable		6,761			6,761
Due to other funds	1,748				1,748
<b>Total Liabilities</b>	<b>\$ 92,141</b>	<b>\$ 6,761</b>	<b>\$ 1,800</b>		<b>\$ 100,702</b>
<b>Equity</b>					
Investment in general fund assets	26,078	24,102			50,180
Fund balance	21,163	8,229	18,268	2,758	50,418
<b>Total Equity</b>	<b>\$ 47,241</b>	<b>\$ 32,331</b>	<b>\$ 18,268</b>	<b>\$ 2,758</b>	<b>\$ 100,600</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 139,382</b>	<b>\$ 39,092</b>	<b>\$ 26,118</b>	<b>\$ 2,758</b>	<b>\$ 197,350</b>

**CITY OF MOBILE**  
**MUNICIPAL EMPLOYEES**

Notes to the General-Purpose Financial Statements (continued)

**Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Equity - Component Units**

	City Of Mobile	Mobile City Of Mobile	Children in the Park Foundation	Bayview Community Center Foundation	Total
<b>Revenues</b>					
Donations	\$	\$	\$	\$	\$
Concessions and fees	75,531	54,499	12,790		142,820
Ticket sales					11,790
Intergovernmental	48,420	2,533			50,953
Interest	895		412		1,307
Other	1,589			3,582	5,171
Total Revenues	126,435	57,032	13,202	3,582	199,251
<b>Expenditures</b>					
Current					
General government	193,925	96,631	26,982	6,917	318,455
Culture and recreation					21,334
Capital outlay		8,783			8,783
Total Expenditures	193,925	105,414	26,982	6,917	333,238
Excess (deficiency) of revenues over expenditures	(67,490)	(48,382)	(13,780)	(3,335)	(132,987)
Other financing (use of resources)					
Operating transfers (outlay)	65,178	3,123	18,892		87,193
Total other financing activity	65,178	3,123	18,892		87,193
Excess (deficiency) of revenues and other financing activity over expenditures and other uses	(2,312)	(45,259)	(3,888)	(3,335)	(54,794)
Fund balance, beginning	28,421	11,129	18,822	(3,818)	54,554
Fund balance, ending	\$ 26,109	\$ (34,130)	\$ 14,934	\$ (7,153)	\$ (10,140)

*Notes to the General-Purpose Financial Statements (Continued)*

Primary government officials may appoint some, or all, governing board members of organizations that are not included as component units in the primary government's reporting entity. These organizations are classified as (a) related organizations and (b) joint ventures, as follows:

**Related Organizations**

**Housing Authority of Bogalusa** - The Mayor, with confirmation of the City Council, appoints all five Commissioners of the Housing Authority of Bogalusa. However, no further contact or influence exists. Therefore, it is not included in the City's financial statements.

**Washington Industrial Development Foundation, Inc.** - The Mayor appoints one member and the City Council appoints two members of the thirty member Board of Directors of Washington Industrial Development Foundation, Inc., which is a non-profit corporation exempt from federal income tax under Internal Revenue Code Section 501(c)(3). However, no further contact or influence exists. Therefore, it is not included in the City's financial statements.

**Joint Ventures**

**Choctaw Bend Landfill (the Joint Venture)** - The City is a participant with the Washington Parish Police Jury (the Police Jury) in a joint venture to construct and operate the Choctaw Bend Landfill, a solid waste disposal landfill. The Joint Venture was opened in July of 1989. The agreed upon percentages for sharing of construction costs and operating losses were 58.1% for the Police Jury and 41.9% for the City. The Police Jury's share of costs has been funded by a dedicated one percent sales tax in Washington Parish, excluding Ward 4. The City's share of costs has been funded by an ad valorem tax and the issuance of general obligation bonds. Although there were no equity balances at December 31, 1997, the Joint Venture is apparently not experiencing any financial stress. Complete financial statements for the Joint Venture can be obtained from the Washington Parish Police Jury at the parish courthouse in Franklinton, LA.

**Washington Parish Drug Task Force (the Task Force)** - The City, together with the Washington Parish Sheriff, comprise the Washington Parish Drug Task Force, which was created to combat drug problems in their joint jurisdictions. The operations of the Task Force are funded by federal grants from the United States Department of Justice through the Louisiana Commission on Law Enforcement and Administration of Criminal Justice, together with contributions from the two law enforcement agencies. Financial activities of the Task Force are included in the Washington Parish Sheriff's general-purpose financial statements.

## **II. FUND ACCOUNTING**

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

### **Governmental Funds**

The **General fund** is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

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

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

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

### **Proprietary Fund**

An **enterprise fund** (the Utility Fund) is used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the government 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.

### **Fiduciary Funds**

The **Fiduciary Funds** account for pension and retirement funds of certain city employees. Pension Trust Funds are accounted for on the accrual basis of accounting.

### **C. FIXED ASSETS AND LONG-TERM LIABILITIES**

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

All governmental fund type operations are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheet.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group and are recorded as expenditures in the governmental fund types when purchased. The City has elected to capitalize public domain fixed assets consisting of certain improvements including buildings, roads, bridges, sidewalks, and drainage improvements. No depreciation has been provided on general fixed assets carried in the General Fixed Assets Account Group.

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

All proprietary funds are accounted for on a cost of service or "capital maintenance" measurement focus, and all assets and all liabilities (whether current or non-current) associated with their activity are included on their balance sheet.

Depreciation of all depreciable fixed assets used by the Utility Fund is charged as an expense against fund operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives of fixed assets range from 20 to 40 years.

All fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair value on the date donated.

### **II. BASIS OF ACCOUNTING**

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

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Grants receipts and sales taxes are considered "measurable" when in the hands of

**CITY OF ACQUILLA**  
**ACQUILLA, MICHIGAN**

**Notes to the General-Purpose Financial Statements (continued)**

collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recognized as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Expenses 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 are recognized when due.

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

**K. USE OF ESTIMATES**

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

**L. BUDGETS**

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

1. The Mayor submits to the council a proposed operating budget at least forty-five days prior to the beginning of each fiscal year. The operating budget includes proposed expenditures and total anticipated revenues.
2. At the meeting of the council at which the operating budget is submitted, the council orders a public hearing on it.
3. At least ten days prior to the date of such hearing the council publishes in the official journal a general summary of the proposed budget.
4. After the holding of the public hearing, and completion of all action necessary to finalize and implement the budget, the budget is legally enacted through passage of an ordinance, no later than the twenty-seventh day of the last month of the fiscal year.

**CITY OF BOSTON  
DEPARTMENT OF FINANCE**

*Notes to the General Purpose Financial Statements (continued)*

5. Budgetary amendments involving the transfer of funds from one department, office, or agency to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the adoption of an ordinance by the Council.
6. Every appropriation, except an appropriation for a capital expenditure, shall lapse at the close of the fiscal year to the extent that it has not been expended or encumbered.
7. Budgets for the General, Special Revenue, and Debt Service Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended from time to time by the City Council.

**G. INVESTMENTS**

Investments of governmental funds are stated at cost; investments of pension plans are stated at fair market value.

**H. INVENTORY OF SUPPLIES**

Inventories are stated at cost, using the first-in, first-out method.

**I. ACCOUNTS RECEIVABLE - UTILITY FUND**

The City provides for estimated uncollectible accounts receivable based on the age and status of outstanding receivables. Accounts receivable are presented net of estimated uncollectible amounts of \$69,145 at December 31, 1997.

**J. ACCUMULATED UNPAID VACATION AND SICK PAY BENEFITS**

The City's liability for accumulated unpaid vacation and sick pay benefits has been recorded in the General Long-Term Debt Account Group and Utility Fund.

**K. REVENUES AND EXPENDITURES/EXPENSES**

Revenues for governmental funds are recorded when they are determined to be both measurable and available. Generally, tax revenues, fees, and non-tax revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures for governmental funds are recorded when the related liability is incurred.

CITY OF WASHINGTON  
ACCOUNTS, COMPTROLLER

Notes to the General-Purpose Financial Statements (continued)

Revenues and expenses of proprietary funds are recognized in essentially the same manner as commercial accounting.

1. TOTAL COLUMNS ON COMBINED STATEMENTS-OVERVIEW

Total columns on the Combined Statements-Overview are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in 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.

2. AD VALOREM TAXES

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

The City bills and collects its own property taxes using the assessed values determined by the tax assessor of Washington Parish. When the City receives the tax roll, a receivable is set up and revenue is recognized based on the assessed values.

For the year ended December 31, 1997 taxes of 49.83 mills were levied on property with assessed valuations totaling \$37,094,388 and were dedicated as follows:

Fund	Purpose	Mills	Exp. Date
General Fund	General Purpose	19.84	Indef.
General Fund	Maintenance, Equipment, Operations, and Salaries of Municipal Employees	2.71	1999
General Fund	Fire Department Maintenance	2.71	2007
General Fund	Maintenance and Operation of Municipal Services	3.62	2007
Debt Service Fund	Paying Bonds and Interest	14.45	Indef.
Utility Fund	Sewer and Water Works	2.71	2007

CITY OF BERGALISSA  
BERGALISSA, ILLINOIS

Notes to the General-Purpose Financial Statements (continued)

<u>Fund</u>	<u>Fund</u>	<u>Mill</u>	<u>Exp. Date</u>
City Employees Retirement System	City Employees Pension	1.92	2006
Fireman's Pension and Relief Fund	Fireman's Pension	3.10	2000
Policeman's Pension and Relief Fund	Policeman's Pension	2.77	2006
Landfill	Landfill	5.00	2000
<b>Total</b>		<b>10.82</b>	

Total taxes levied were \$1,848,813. Taxes receivable at December 31, 1997 consisted of the following:

Taxes receivable current year	\$ 583,809
Taxes receivable prior year	5,782
	<b>\$ 589,591</b>

### 3. CASH AND CASH EQUIVALENTS

The following is a summary of cash and cash equivalents (bank balances) at December 31, 1997:

Prty cash	\$ 780
Demand deposits	7,421
Interest-bearing demand deposits	5,112,751
<b>Total</b>	<b>\$ 5,120,952</b>

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 December 31, 1997, the primary government has \$5,455,958 in deposits (collected bank balances). These deposits are secured from risk by \$214,268 of federal deposit insurance and the remaining \$5,241,690 is secured from risk by \$5,345,576 in pledged securities held by the custodial bank in the name of the fiscal agent bank.

**CITY OF NORFOLK  
 FINANCIAL ADMINISTRATION**

*Notes to the General-Purpose Financial Statements (continued)*

At December 31, 1997, the discretely presented component units have \$94,000 in deposits (collected bank balances). These deposits are fully secured from risk by federal deposit insurance.

**4. INVESTMENTS**

The following is a summary of investments at December 31, 1997:

	Market Value
City Employees' Retirement System	\$ 4,706,623
Douglas Parks and Recreation Commission	6,000
<b>Total</b>	<b>\$ 4,712,623</b>

The City Employees' Retirement System has invested \$4,706,623 in obligations of U.S. Government; \$3,290,628 is held by a custodial bank's trust department in the name of the City and \$1,475,995 is held by a broker in the name of the City. The Douglas Parks and Recreation Commission has invested \$6,000 in an obligation of the U.S. Government. These investments are considered collateralized (Category 2) by GASB Statement 3.

**5. RECEIVABLES**

The following is a summary of receivables for December 31, 1997:

Class of Receivable	Primary Government				
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Proprietary Funds
<b>Taxes:</b>					
Ad valorem	\$ 591,850	\$ 106,515	\$ 308,873	\$	\$ 37,804
Sales and use	237,856	258,204			
Franchise	18,457				
<b>Intra-governmental:</b>					
Federal	51,858			154,568	
State	38,133			38,811	
Local	3,306				
Utility bills					83,548
Miscellaneous	6,361	1,366			
<b>Total</b>	<b>\$ 942,301</b>	<b>\$ 366,485</b>	<b>\$ 308,873</b>	<b>\$ 185,379</b>	<b>\$ 151,250</b>

CITY OF BOGALUSA  
BOGALUSA, LOUISIANA

Notes to the General Purpose Financial Statements (continued)

**6. GENERAL, FIXED ASSETS AND UTILITY SYSTEM PLANT AND EQUIPMENT**

A summary of changes in general fixed assets follows:

	Balance December 31, 1996	Additions	Deletions	Balance December 31, 1997
Land	\$ 699,681	\$	\$	\$ 699,681
Buildings	9,953,958			9,953,958
Improvements other than buildings	7,649,804	92,640		7,742,447
Equipment	2,458,684	274,808	(147,523)	2,485,967
Construction in progress	1,829,428	653,956		2,483,384
<b>Total general fixed assets</b>	<b>\$ 21,393,555</b>	<b>\$ 1,023,407</b>	<b>\$ (147,523)</b>	<b>\$ 22,269,437</b>

A summary of proprietary fund type property, plant, and equipment at December 31, 1997 follows:

Construction-in-Progress	\$ 1,727,443
Water and Sewer Systems	9,317,457
Sewer Treatment Plant	2,661,278
Water Well	223,853
Collection System	2,344,249
Sewer Pumping System	1,343,751
Water Line	2,771,786
Total	\$ 24,390,607
Less Accumulated Depreciation	(11,652,881)
Net	\$ 12,737,726

**7. PENSION PLANS**

**A. City of Bogalusa Pension Plans**

The City of Bogalusa administers three defined benefit pension plans - City Employees Retirement System (CERS), Policemen's Pension and Relief Fund (PPRF), and Firemen's Pension and Relief Fund (FPRF). Each plan's assets may be used only for the

**CITY OF HOUSTON  
 AIRCRAFT, LEASING**

**Notes to the General Purpose Financial Statements (continued)**

payment of benefits to the members of that plan, in accordance with the terms of the plan.

**1. Summary of Significant Accounting Policies**

**Basis of Accounting.** The City's retirement systems' financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions in each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

**Method Used to Value Investments.** Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

**2. Plan Descriptions and Comparison Information**

Following is the membership of each plan at the date of the latest actuarial valuation:

	<u>CERS</u>	<u>PPRF</u>	<u>EPFJ</u>
Date of actuarial valuation	<u>6/30/97</u>	<u>12/31/97</u>	<u>12/31/97</u>
Business & beneficiaries receiving benefits	58	10	23
Terminated plan members entitled to but not yet receiving benefits	5	0	0
Active plan members	<u>91</u>	<u>0</u>	<u>0</u>
Total	<u>154</u>	<u>10</u>	<u>23</u>
Number of participating employers	1	1	1

### City Employees Retirement System

**Plan Description:** CERS is a single-employer defined benefit pension plan that covers appointive officers and permanent employees of the City except police and fire departments. CERS provides retirement, disability, and death benefits to plan members and their beneficiaries. Cost-of-living adjustments (COLA) are provided with approval of the City Council.

**Contributions:** Plan members are required to contribute 6% of their annual covered salary. The City is required to contribute at an actuarially determined rate. Contribution requirements of the plan members and the City are established and may be amended by state law.

**Annual Pension Cost and Net Pension Obligation:** The City's annual pension cost and net pension obligation to the City Employees' Retirement System for the current year were as follows:

Annual required contribution	\$ 344,860
Interest on net pension obligation	6,198
Adjustment to annual required contribution	(65,872)
Annual pension cost	342,584
Contributions made	(279,502)
Increase (decrease) in net pension obligation	43,082
Net pension obligation beginning of year	88,512
Net pension obligation end of year	\$ 131,594

The annual required contribution for the current year was determined as part of the June 30, 1995 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 6.75% investment rate of return and (b) projected salary increases of 4.5% per year of employment. Both (a) and (b) included an inflation component of 2%. The assumptions did not include postretirement benefit increases, which are funded from investment earnings over 6.75% when granted. The actuarial value of assets was determined at market value. The unfunded actuarial accrued liability is being amortized as a level percentage of annual compensation. The remaining amortization period at June 30, 1995 was 17 years.

CITY OF BOGALUSA  
BOGALUSA, LOUISIANA

Notes to the General Purpose Financial Statements (continued)

**THREE-YEAR TREND INFORMATION**

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/99	\$ 312,078	96.5%	\$ 75,230
6/30/98	323,899	95.9%	88,377
6/30/97	342,584	87.4%	131,619

**Police Officers' Pension and Relief Fund**

**Plan Description.** PPRF is a single-employer defined benefit pension plan. On January 1, 1976 the City and the Board of Trustees of the PPRF merged the members of the PPRF who had not yet retired with the Municipal Police Employees' Retirement System of the State of Louisiana under the authority of Resolution No. 883 of the City Council. At the time of the passage of the resolution and at the time of the merger, all of the members of the police force, except for those individuals who brought suit against the City to be allowed to remain members of the PPRF, had previously voluntarily joined the state retirement system under a statute which allows individual city police officers to voluntarily join the state system on their own accord. The lawsuit involving the three individuals who wished to remain in the PPRF was settled by having the PPRF pay the three individuals the pension and retirement benefits that they would have been entitled to under the city system, if the system had not merged with the state police retirement system, from the time that the individuals have 20 years of service with the Bogalusa Police Department until the time that they reach 50 years of age and are qualified to start receiving pension and retirement benefits from the State Municipal Police Employees' Retirement System. Therefore, the PPRF only covers those policemen and their families who had retired prior to the merger except for the three policemen mentioned above who will be covered from retirement until they attain age 50.

**Contributions.** There are no member contributions since all members of the system are retired or merged with the state system. The City contributes 25% of all court fees and 20% of money collected for licenses, privilege taxes, and permits for selling alcoholic beverages. This system is also funded by a 2.77 mill ad valorem tax.

#### **Firemen's Pension and Relief Fund**

**Plan Description.** FPRF is a single-employer defined pension plan. On February 3, 1981 the City and the Board of Trustees of the FPRF merged the members of the FPRF who had not yet retired with the State of Louisiana Firefighters Retirement System under the authority of Ordinance No. 1029 of the City Council. Employees covered by the transfer were all full-time employees who were not receiving retirement benefits or were not eligible for retirement benefits on the date of merger.

**Contributions.** There are no member contributions since all members of the system are retired or merged with the state system. The City contributes \$1,500 per year and supplements the fund whenever necessary. This system is also funded by a 1.40 mill of ad valorem tax and one-half of a 2% fire insurance tax received from the State of Louisiana.

#### **B. State of Louisiana Firefighters Retirement System**

##### **1. Plan Description**

The Firefighters Retirement System is a cost-sharing, multiple-employer defined benefit pension plan, which covers all active firemen and their families.

Employer members as of June 30, 1997 is as follows:

Cities	41
Parishes	6
Special districts	28
Total employer members	75

Firefighter's Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. The financial report may be obtained by writing to Firefighter's Retirement System, P. O. Box 94893, Capitol Station, Baton Rouge, LA 70834-8993, or by calling (504) 925-4960.

##### **2. Summary of Significant Accounting Policies**

**Basis of Accounting.** The financial statements of Firefighter's Retirement System are prepared using the accrual basis of accounting. Contributions are recognized in the

**LIST OF EXHIBITS**  
**EXHIBIT 16, CONTINUED**

**Notes to the General-Purpose Financial Statements (continued)**

period in which the employee is compensated for services. Benefits and refunds are recognized when due and payable.

**Method Used to Value Investments.** All investments are fiscal-income securities and common stock, and are reported at fair market value based on quoted market prices.

**3. Contributions**

Under the terms of the merger agreement, the City had to buy into the Firemen's State System. The City agreed to pay 60% of the accrued pension liability for those employees transferred to the state system, which amounted to \$1,635,793. The City makes annual payments of \$127,068 including interest. The balance owed as December 31, 1997 was \$1,061,872.

**4. Concentrations**

Investments held by the Firefighter's Retirement System include:

	<u>Market Value</u>
U.S. Government Securities	\$ 90,854,208
Corporate Bonds	79,817,148
Common Stock	<u>174,276,511</u>
Total	<u>\$ 344,947,867</u>

**C. Municipal Police Employee's Retirement System of the State of Louisiana**

**1. Plan Description**

The Municipal Police Employee's Retirement System is a cost-sharing, multiple-employer defined benefit pension plan, which covers all active policemen, police department employees, and their families. There are 187 contributing municipalities.

Municipal Police Employee's Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. The financial report may be obtained by writing to Municipal Police Employee's Retirement System of Louisiana, 8481 United Plaza Boulevard, Baton Rouge, LA 70809-2256, or by calling (504) 929-7401.

**CITY OF BOGALUSA**  
**BOGALUSA, LOUISIANA**

**Notes to the General-Purpose Financial Statements (continued)**

**2. Summary of Significant Accounting Policies**

**Basis of Accounting.** The financial statements of Municipal Police Employee's Retirement System are prepared using the accrual basis of accounting. Contributions are recognized in the period in which the employee is compensated for services performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

**Method Used to Value Investments.** All investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market value are reported using estimated future cash flows.

**3. Concentrations**

Investments held by the Municipal Police Employee's Retirement System include:

	<u>Market Value</u>
(Repurchase Ag.) Collateral held under securities lending program	\$ 140,711,800
Repurchase agreements	4,677,652
Bonds, notes, and mortgages	333,092,443
Marketable securities - domestic	327,696,373
Marketable securities - foreign	78,313,282
Mutual funds - domestic	2,258,090
Mutual funds - foreign	18,245,184
Collateral held under securities lending program (Money Market Account)	<u>4,213,009</u>
<b>Total</b>	<b>\$ 928,542,282</b>

**8. SUMMARY OF GENERAL LONG-TERM DEBT**

The following is a summary of general long-term debt transactions of the City of Bogalusa for the year ended December 31, 1997:

CITY OF BIRMINGHAM  
 BIRMINGHAM, ALABAMA

Notes to the General-Purpose Financial Statements (continued)

	Long-term Debt <u>1/1/97</u>	Debt <u>Incurred</u>	Debt <u>Retired</u>	Long-term Debt <u>12/31/97</u>
General obligation bonds	\$ 1,225,000	\$	\$ 325,000	\$ 900,000
Certificates of indebtedness	401,000	250,000	254,000	397,000
Bond Anticipation Notes	794,133	833,310		1,327,443
Accumulated unpaid vacation and sick pay	270,673	110,183		480,856
Due to Firefighters' Retirement System	1,189,641		52,701	1,136,940
Capital leases	146,358	7,073	63,258	90,173
Landfill closure and post-closure care costs	182,171	38,716		220,887
Old Regional Landfill post- closure cost		291,333		291,333
Net Pension Obligation	88,512	45,082		133,594
	\$ 4,200,313	\$ 1,682,602	\$ 388,259	\$ 3,294,656

9. ANNUAL MATURITY REQUIREMENTS OF BONDS AND CERTIFICATES  
 OF INDEBTEDNESS

The annual requirements to amortize all bond and certificate debts outstanding are as follows  
 for the year ending December 31 (in thousands):

Description	1998	1999	2000	2001	2002	2003 and Thereafter	Total
General Obligation Bonds:							
1975 Issue - 5.00 - 6.00%	\$ 110	\$	\$	\$	\$	\$	\$ 110
1975 Issue 5.70 - 6.00%	10	10	10				30
1982 Issue 4.4 - 9.00%	60	60	65	70	75	408	738
Total bonds	\$ 180	\$ 70	\$ 75	\$ 70	\$ 75	\$ 408	\$ 900

CITY OF MOBILE  
MOBILE, ALABAMA

Notes to the General Purpose Financial Statements (continued)

Description	1998	1999	2000	2001	2002	2003 and Thereafter	Total
<b>Certificates of Indebtedness:</b>							
<b>1994 Issue:</b>							
5.5%	\$ 137	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 137
<b>1997 Issue:</b>							
5.5%	20	20	20	25	25	140	250
<b>Total certificates</b>	<b>\$ 157</b>	<b>\$ 20</b>	<b>\$ 20</b>	<b>\$ 25</b>	<b>\$ 25</b>	<b>\$ 140</b>	<b>\$ 387</b>
<b>Interest Requirements:</b>							
<b>General Obligation     Bonds:</b>							
1974 Series	\$ 3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3
1975 Series	3	-	-	-	-	-	3
1990 Series	38	35	30	28	25	61	220
	<b>\$ 44</b>	<b>\$ 35</b>	<b>\$ 30</b>	<b>\$ 28</b>	<b>\$ 25</b>	<b>\$ 61</b>	<b>\$ 220</b>
<b>Certificates of Indebtedness:</b>							
<b>1994 Issue</b>	\$ 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4
<b>1997 Issue</b>	12	11	10	5	8	72	92
<b>Total interest</b>	<b>\$ 16</b>	<b>\$ 11</b>	<b>\$ 10</b>	<b>\$ 5</b>	<b>\$ 8</b>	<b>\$ 72</b>	<b>\$ 73</b>

**19. BOND ANTICIPATION NOTES**

On July 2, 1999, the City authorized the issuance of \$6,800,000 of Utility Revenue Bonds and the issuance of \$1,000,000 of Bond Anticipation Notes.

On August 6, 1998, the City entered into a loan and pledge agreement with the Louisiana Department of Environmental Quality for a loan to pay for engineering fees to prepare a plan for wastewater facilities upgrade. The loan was for an amount not to exceed \$2,000,000 for which the City would issue the Bond Anticipation Notes (BANs). The BANs bear interest at a rate of 2.45% payable semiannually. An administrative fee of .5% is payable on each interest date. The entire unpaid principal, interest and administrative fees are payable in full by August 29, 1998. As of December 31, 1997, the City had borrowed and repaid \$1,327,443.

**11. NET PENSION OBLIGATION**

During 1990, the City implemented GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employees*, as explained in Note 2. The GASB required, among other things, that the liability balance of the Net Pension Obligation (NPO), be recognized in the general long-term debt account group. The NPO has been defined as the cumulative difference since 1980 between annual premium cost and the employer's contribution to the plan. Accordingly, the NPO has been computed to be \$131,819 as of December 31, 1997, and has been added in the general long-term debt account group.

**12. COMPENSATED ABSENCES**

At December 31, 1997, employees of the primary government have accumulated and vested \$455,880 of leave benefits, which was computed in accordance with GASB Codification Section C60 and is recorded within the general long-term debt account group. The leave liability for employees of the Enterprise Fund, for \$61,326, is accounted for within the fund.

**13. DUE TO LOUISIANA FIREFIGHTERS' RETIREMENT SYSTEM**

On February 3, 1981 the City and the Board of Trustees of the Firemen's Pension and Relief Fund merged their members who had not retired with the State of Louisiana Firefighters' Retirement System. Under the terms of the merger, the City had to buy into the state system for \$1,855,753. The City makes annual payments of \$127,069 including interest.

The annual requirements to amortize the debt to the Firefighters' Retirement System are as follows for the year ended December 31 (in thousands):

	1998	1999	2000	2001	2002	2003 and Thereafter	Total
Principal	\$ 56	\$ 60	\$ 65	\$ 69	\$ 74	\$ 812	\$ 1,136
Interest	___71	___62	___62	___58	___51	___282	___316
	\$ 127	\$ 122	\$ 127	\$ 127	\$ 127	\$ 1,092	\$ 1,452

CITY OF BOGALUSA  
BOGALUSA, LOUISIANA

Notes to the General-Purpose Financial Statements (Continued)

**14. CAPITAL LEASES**

The City is obligated under certain leases for copying equipment, sweeper truck, and a fire truck accounted for as capital leases. The leased assets and related obligations are accounted for in the General Fixed Assets Account Group and the General Long-Term Debt Account Group, respectively. The following is a schedule of future minimum lease payments as of December 31, 1997:

Year ending  
December 31

1998	\$ 64,364
1999	<u>38,513</u>
Minimum lease payments for capital leases	94,877
Less: amount representing interest	<u>(4,784)</u>
Present value of minimum lease payments	<u>\$ 90,093</u>

**15. SOLID WASTE LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS**

a) Choctaw Road Landfill

State and federal laws and regulations require the Choctaw Road Landfill (a joint venture of the City of Bogalusa and the Washington Parish Police Jury) to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. A related liability is being recognized based on the future closure and postclosure care costs that will be incurred now or after the date the landfill no longer accepts waste. The recognition of these landfill closure and postclosure care costs is based on the amount of the landfill used during the year. The estimated liability for landfill closure and postclosure care costs was \$336,243 as of December 31, 1997, which was based on 10.8 per cent usage (filled) of the landfill. It is estimated that an additional \$1,689,376 will be recognized as closure and postclosure care expenditures between the date of the balance sheet and the date the landfill is expected to be filled to capacity. The estimated total current cost of the landfill closure and postclosure care (\$2,025,619) is based on the amount that would

**CITY OF BOGALUSA**  
**BOGALUSA, LOUISIANA**

**Note to the General Purpose Financial Statements (continued)**

to paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of December 31, 1997. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

The City is not required to set aside funds in excess to finance future closure and postclosure care costs.

The City's portion of the liability reported in General Long-Term Debt Account Group is computed as follows:

Total estimated liability	\$ 306,245
City's participating percentage	X 43.5%
City's liability	\$ 133,217

**b) Old Bogalusa Landfill**

The City is under an order from the Louisiana Department of Environmental Quality to make certain postclosure improvements to the Old Bogalusa Landfill. The City's Engineer has estimated that the City will incur enclosure and postclosure care costs over the next three years at

\_\_\_\_ 291,111

Total landfill closure and postclosure care costs **\$ 424,328**

**16. RISK MANAGEMENT**

The City of Bogalusa is exposed to various risks of loss related to torts (both of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters). During 1999, the City purchased workers' compensation insurance through Risk Management, Inc. Accounted for in the General Fund, the City pays workers' compensation claims of \$175,000 per claim up to a maximum of \$477,000 annually. Risk Management, Inc. provides coverage in excess of these limits. Settled claims have not exceeded this coverage in any of the past three fiscal years.

CITY OF BURLINGTON  
 BURLINGTON, VERMONT

Notes to the General-Fund-Year Financial Statements (continued)

**17. INTERFUND RECEIVABLES AND PAYABLES**

Reflected in the accompanying financial statements of the City are the following interfund receivables and payables:

	Interfund Receivables	Interfund Payables
General Fund	\$ 248,353	\$ 217,603
Special Revenue Funds		
Street Improvement Sales Tax		51,800
Employee Pay Rates		118,596
Industrial Park Rent	34,394	8,157
Summer Food		182
Capital Improvement Sales Tax		62,264
Water and Sewer Sales Tax		38,655
Airport Maintenance	6,353	
Local Law Enforcement Block Grant	<u>245</u>	<u>          </u>
	<u>48,397</u>	<u>279,854</u>
Capital Projects Funds		
Airport Expansion		33,800
Wastewater Improvement	<u>          </u>	<u>38,758</u>
		<u>69,758</u>
Enterprise Fund		
Utility Fund	<u>87,224</u>	<u>87,382</u>
Pension Trust Funds		
Firemen's Pension and Relief Fund	\$ 106,802	\$
Policemen's Pension and Relief Fund	59,493	
City Employees Retirement System	<u>231,280</u>	<u>          </u>
	675,296	694,802
Difference due to fiscal year end of City Employees Retirement System	<u>(38,651)</u>	<u>          </u>
	<b>\$ 634,803</b>	<b>\$ 694,802</b>

**18. JUNE 30, 1997 FISCAL YEAR END INCLUDED**

All funds and account groups have a calendar year end of December 31, 1997, except the City Employees Retirement System. It has a fiscal year end of June 30, 1997, so the figures for the year ended June 30, 1997 have been included.

**19. GRANTS FROM OTHER GOVERNMENTAL UNITS**

Federal and state governmental units represent an important source of supplementary funding used to finance employment, construction programs, and other activities beneficial to the community. This funding, primarily in the form of grants, is recorded in the General Fund, Special Revenue Funds, and Capital Project Funds. A grant receivable is recorded when the City has a right to reimbursement under the related grant.

Some of the grants received by the City specify the purpose for which the grant monies are to be used and such grants are subject to audit by the granting agency. No material amounts have been disallowed as a result of any audits for the year ended December 31, 1997.

**20. LEASES OF CITY PROPERTY**

**Industrial Park Leases**

The City (Lessor) has a lease with Vercon Company, Inc. (Lessee) for a building located on Lot Number One (1) of the Industrial Park. The carrying value of this building on the City's books is \$1,278,519. The primary term of the lease was five (5) years from August 1, 1984 to July 31, 1989. The original lease has been amended twice and extended for three years. The amended lease, which expired July 31, 1994, requires monthly rental payments by lessee of \$2,680. The City received \$31,200 rent income from this lease during 1997.

There is a lease between the City (Lessor) and The American Fabric Company (Lessee) for a building and improvements located on Lot Number Seventeen (17) (the modal beer building) of the Industrial Park. The building is carried on the books of the City at \$1,677,258. The original lease, which expired on July 31, 1994, was extended for five years. The rental price of the lease is \$24,000 per year, subject to certain statement provisions based on the level of employment of the Lessee. The City received no rent income from the lease in 1997. Lessee has option to extend term for three (3) additional, successive, and separate periods of five (5) years each. At anytime during the primary or extended term of the lease, Lessee has the right to purchase the leased property pursuant to a schedule provided for in the lease agreement. The lease agreement also requires that in the event the Industrial Park Tax Fund account

*CITY OF BIRMINGHAM  
BIRMINGHAM, ALABAMA*

*Notes to the General-Purpose Financial Statements (continued)*

should fall below the sum of \$500,000, all rent collected thereafter by Lessor be deposited in a special reserve account for repairs and maintenance of the property.

The City (Lessor) also has a lease with The American Fabrics (Lessor) for a building on Lot Number Fourteen (14) (the embroidery building) of the Industrial Park. The building is carried on the books of the City at \$943,497. The original lease, which expired on March 31, 1993, was extended for five years. The Lessor has options to extend the term of the lease for three (3) additional, successive, and separate periods of five (5) years each. At expiration during the primary or extended term of the lease, Lessor has the right to purchase the leased property pursuant to a schedule provided for in the lease agreement. The rental payments for the lease are \$14,000 per year, payable at the end of each year, subject to certain abatement provisions based on the level of employment of the Lessor. The City received \$20,000 rent income from the lease in 1997. The lease agreement also requires that in the event the Industrial Park Tax Fund account should fall below the sum of \$100,000, all rent collected thereafter by Lessor be deposited in a special reserve account for repairs and maintenance of the property.

The City (Lessor) has also entered into a lease with The American Fabrics for a building and 7.33 acres of land designated as tracts 2 and 3 (the shipping building) in the Industrial Park. The building is carried on the books of the City at \$1,853,122. The original lease, which expired on July 31, 1995, was extended for five years. The Lessor has the option of extending the lease for three (3) additional, successive, and separate periods of five (5) years each. The rent is \$20,000 per year payable in monthly installments subject to certain abatement provisions based on the level of employment by the Lessor. The City received \$20,000 rent income from the lease in 1997.

The City (Lessor) has also entered into an agreement with The American Fabrics Company to lease lot 15 of the Industrial Park including improvements. As of December 31, 1997, the City had spent \$1,327,380 for construction in progress of a building on the lot. The primary term of the lease is twenty (20) years. Lessor has options to extend the lease for two (2) successive, separate and additional periods of ten (10) years. During the primary term of the lease, rental is calculated at the rate of \$1.00 per square foot. During any extended term of the lease, rental is calculated at the rate of \$3.50 per square foot. Except for the first year of the lease, Lessor is obligated to employ a minimum of (50) people in its operations on the leased premises. The City received \$85,000 rent income from this lease during 1997.

**CITY OF BOGALUSA  
BOGALUSA, LOUISIANA**

*Note to the General-Purpose Financial Statements (continued)*

**22. COMPENSATION PAID TO CITY COUNCIL AND MAYOR**

<u>Name</u>	<u>Title</u>	<u>Amount</u>
Mervin B. Taylor, Jr.	Mayor	\$ 34,909.00
Paul D. Kates	City Council - District A	4,200.00
Reubin Semall	City Council - District C	4,750.00
Johanie Holcomb	City Council - District D	4,200.00
John E. Vaughn	City Council - At Large	898.34
McCherie Sampson	City Council - District B	4,200.00
James McJohson	City Council - At Large	4,250.00
Robert Wilson	City Council - District E	4,200.00
T. C. Morris	City Council - At Large	2,466.68
Hugh Cassidy	City Council - At Large	653.36

**23. LITIGATION**

At December 31, 1997, the City was a defendant in several lawsuits arising principally from the normal course of operations. The ultimate resolution of these lawsuits would not materially affect the financial statements in the estimation of the legal advisors of the City. He has also advised that provisions of the Louisiana Constitution do not permit a person holding a judgment against the City to levy or collect that judgment against any assets of the City in a judicial fashion.

**24. EXPENDITURES - BUDGET AND ACTUAL**

In the following individual funds, actual expenditures exceeded budgeted expenditures for the year ended December 31, 1997:

	<u>Expenditures</u>		<u>Unfavorable Variance</u>
	<u>Budget</u>	<u>Actual</u>	
Employee Pay Raise	\$ 12,970	\$ 13,028	\$ 58
Summer Food	130,800	143,376	11,376
Airport Maintenance & Improvement	47,300	53,637	6,337
General Fund	6,675,650	6,728,812	53,162
Utility Fund	1,734,970	1,844,293	109,323

# RICHARD M. SEAL

CERTIFIED PUBLIC ACCOUNTANT • CERTIFIED GOVERNMENT FINANCIAL MANAGER

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable M. E. "Toyo" Taylor, Mayor  
and Members of the City Council  
City of Bogalusa, Louisiana

I have audited the financial statements of City of Bogalusa as of and for the year ended December 31, 1997, and have issued my report thereon dated June 24, 1998. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether City of Bogalusa's 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 these 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 City of Bogalusa's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the 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 relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. 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 for the information of the Mayor, the City Council and the office of the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.



Certified Public Accountant

Bogalusa, Louisiana  
June 24, 1998

*SUPPLEMENTAL INFORMATION*

**GENERAL FUND**

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

CITY OF BOCALUSA, LOUISIANA  
GENERAL FUND

BALANCE SHEET  
December 31, 1997

ASSETS

Cash	\$ 71,897
Receivables	942,361
Interfund receivables	346,583
Inventory of supplies, at cost	<u>48,168</u>
Total assets	\$ 1,409,012

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts payable	\$ 119,644
Workers' compensation claims payable	136,499
Certificates of indebtedness	860,000
Interfund payables	<u>217,632</u>
Total liabilities	<u>1,333,782</u>
Fund balance:	
Reserved for:	
Inventory of supplies	48,168
Casidy Park Campground	6,400
Diamond Jubilee	64
Arenas B Ballpark	9,764
Unreserved:	
Undesignated	<u>10,788</u>
Total fund balance	<u>71,144</u>
Total liabilities and fund balance	\$ 1,409,012

See accompanying auditor's report.

**CITY OF BOGALUSA, LOUISIANA  
GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended December 31, 1997**

Revenues:	Budget	Actual	Variance Favorable (Unfavorable)
<b>Taxes:</b>			
Aut vehicles	\$ 1,002,179	\$ 1,029,112	\$ 26,933
Machinery/Trucking Authority	25,000	26,000	1,000
Sales	2,613,429	2,588,014	(44,800)
Subsidiary and interest	80,000	12,000	(68,000)
Water	31,000	31,300	(4,200)
Wastewater	50,000	49,601	(300)
<b>Licenses and permits:</b>			
General occupational	400,000	419,199	19,199
Chain store licenses	8,000	8,000	(0)
Fooding permits	8,000	10,884	2,884
Food/bev/winey permits	15,000	9,322	(5,678)
Fooding permits	6,500	6,800	(1,564)
Housing and air permits	1,500	180	(1,314)
<b>Franchise fees:</b>			
I. P. & L. TR electrical	100,000	119,199	(8,800)
Water	31,000	120,229	(8,229)
Charter Communications Cablevision	37,000	53,328	(1,470)
<b>Interdepartmental:</b>			
State of LA employment pay	290,000	291,588	(8,000)
Chemical refinery	---	31,318	31,318
Food/water grant	28,000	21,000	(7,000)
LCSL Police grant	---	8,411	8,411
SNAP Police grant	10,200	---	(10,200)
Interest bearing grant	66,480	71,571	(7,000)
Housing of other by Police grant	10,000	45,846	7,000
Water police	70,000	60,700	(9,200)
Other	11,150	24,481	(1,000)
<b>Service charges:</b>			
Printing charges	1,800	2,150	300
Contractor plot sales	13,000	12,550	(450)
Fines and penalties	30,000	40,050	(9,147)
<b>Miscellaneous:</b>			
Traffic insurance	21,040	21,450	(100)
Other	80,000	88,371	(8,371)
<b>Total revenues</b>	<u>\$ 5,071,000</u>	<u>\$ 5,224,082</u>	<u>\$ 153,082</u>

(Continued)

See accompanying auditor's report.

CITY OF BOCALUSA, LOUISIANA  
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended December 31, 1987

	Budget	Actual	Variance- Favorable (Disfavorable)
<b>Expenditures</b>			
<b>General Government:</b>			
<b>Legislative:</b>			
Council salaries	\$ 30,000	\$ 29,848	\$ 152
Secretary salary	30,000	18,760	(11,240)
Supplies	3,500	8,047	(4,547)
Group insurance	3,000	3,150	(150)
Travel	15,000	12,001	2,999
Auditing fee	21,000	24,445	(3,445)
Publications	3,500	3,000	(500)
Miscellaneous	150	150	---
Total legislative	<u>110,200</u>	<u>109,728</u>	<u>472</u>
<b>Judicial:</b>			
City Attorney	40,000	40,150	(150)
City Prosecutor	7,000	7,000	---
Prosecutor office allowance	7,000	6,518	(482)
Total judicial	<u>54,000</u>	<u>54,054</u>	<u>456</u>
<b>Executive:</b>			
Mayor's salary	35,000	35,000	---
Secretary salary	18,000	18,754	(754)
Supplies	6,500	6,048	(452)
Travel and oil	1,000	1,878	(878)
Group insurance	3,850	3,850	---
Travel	7,000	10,592	(3,592)
Publications	800	17	(783)
Miscellaneous	300	---	300
Health/dental/visions	5,500	5,478	22
Total executive	<u>77,250</u>	<u>80,599</u>	<u>(3,349)</u>
<b>Personnel:</b>			
Director	24,000	27,149	(3,149)
Secretary salary	17,000	17,000	---
Group insurance	4,000	3,000	1,000
Supplies	---	3,024	(3,024)
Total personnel	<u>45,000</u>	<u>48,233</u>	<u>(3,233)</u>

(Continued)

See accompanying auditor's report.

**CITY OF BOZALUSA, LOUISIANA  
GENERAL FUND**

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

Year Ended December 31, 1997

	Budget	Actual	Variance- Favorable (Unfavorable)
<b>Administration</b>			
Director's salary	\$ 32,100	\$ 35,500	\$ (3,200)
Office salaries	158,440	155,895	(17,555)
Post time	5,000	605	4,395
Supplies	25,000	22,211	2,789
Group insurance	30,450	29,782	668
Total	351,000	504,893	(2,901)
Gas and oil	1,500	820	680
Contract labor	4,500	5,000	(600)
Computer maintenance	5,000	2,212	2,788
Computer education and training	5,000	2,500	(2,500)
Miscellaneous	750	---	750
<b>Purchasing</b>			
Salary and wages	46,070	53,880	(9,810)
Overtime	100	---	100
Group insurance	9,140	9,130	10
Supplies	5,000	3,100	(1,900)
Travel	800	70	730
Gas and oil	2,000	900	1,100
<b>Total administration</b>	<u>305,200</u>	<u>380,173</u>	<u>(25,027)</u>
<b>General and administrative</b>			
Maintenance of municipal buildings	50,000	50,852	(852)
Interest	40,000	37,321	2,679
Insurance	475,000	505,383	(30,383)
Occupation program	5,000	8,911	3,911
Legal and professional	20,000	14,480	5,520
Utilities	500,000	325,389	174,611
Assessor's salary	---	0,800	(0,800)
Notation expense	70,000	57,778	12,222
Contractor's expense	5,000	4,875	125
N.A. service office	2,500	4,728	(2,228)
City Court supplies and expense	2,000	6,845	(4,845)
City Services	2,000	4,504	(2,504)
Mutual fund	1,200	1,200	---
Food stamp office	50,000	51,048	954

(Continued)

See accompanying auditor's report.

CITY OF BOGALUSA, LOUISIANA  
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended December 31, 1997

	Budget	Actual	Variance (Favorable/ Unfavorable)
<b>General and administrative (cont'd)</b>			
Christmas in the Park	\$ 30,000	\$ 15,019	\$ (14,981)
Council meeting	1,000	1,150	(150)
Utility losses	1,000	--	1,000
Miscellaneous	81,000	133,508	(52,508)
Total general and administrative	<u>1,193,000</u>	<u>1,253,177</u>	<u>(114,822)</u>
<b>Total general government</b>	<u>1,271,000</u>	<u>1,279,120</u>	<u>(110,980)</u>
<b>Public safety</b>			
<b>Police:</b>			
Police-Child safety	71,000	38,346	(32,654)
Substance and drugs	979,000	886,528	92,472
Shift differential	50,000	11,348	(38,652)
Criminal activities	50,100	106,119	(56,019)
Crimes	50,000	33,879	(16,121)
Holiday pay	51,500	64,281	(12,781)
State supplemental pay	170,120	142,588	27,532
L&D training	--	8,611	(8,611)
Capitalized grant salaries	26,000	21,273	(4,727)
SWAP grant salaries	23,200	6,274	16,926
Learning authority grant salaries	30,000	43,616	(13,616)
Other grants	36,150	17,807	18,343
General of	30,000	32,756	(2,756)
Grants inventory	207,000	194,558	12,442
Supplies	35,000	49,126	(14,126)
Subsidized patrol	21,000	24,870	(3,870)
Prepaid medical allowances	11,800	11,800	(0)
Care of systems	1,000	474	1,526
Regrants to equipment and outfit	11,000	9,908	1,092
Travel	1,000	6,590	(1,590)
Special investigations	1,000	1,000	(0)
Forensic investigations	1,000	1,221	1,221
Education	15,000	7,600	1,344
Computer maintenance	6,470	3,290	4,180
Total police	<u>2,001,120</u>	<u>1,816,231</u>	<u>184,889</u>

(Continued)

See accompanying auditor's report.

CITY OF BOGALUSA, LOUISIANA  
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended December 31, 1997

Item	Budget	Actual	Variance Favorable (Disfavorable)
Fire Chief salary	\$ 35,790	\$ 33,000	\$ 2,790
Salaries and wages	142,940	145,877	(2,937)
Holiday pay	42,800	43,074	(274)
Health differential	6,000	5,881	119
Travel and expenses	65,800	66,983	(1,183)
Travel time	10,000	11,511	(1,511)
State supplemental pay	120,000	109,800	11,200
Group insurance	109,700	111,288	(1,578)
Prepaid medical allowances	7,000	6,800	200
Supplies	16,500	10,177	6,323
Gas and oil	6,000	5,315	685
Equipment acquisition	3,000	6,492	(3,492)
Education	6,000	200	5,800
Travel	900	400	500
Total fire	<u>1,130,250</u>	<u>1,122,964</u>	<u>7,286</u>
Total public safety	<u>595,158</u>	<u>598,258</u>	<u>(3,100)</u>
Public works			
Central services			
Director's salary	34,800	35,000	(4,200)
Supervisor's salaries	19,680	40,521	(20,841)
Office salaries	36,680	37,707	(1,027)
Building inspection	31,750	19,860	11,890
Contractor	20,000	20,000	(8,000)
Contracting parcel assets salaries	181,800	---	181,800
Utility Park salaries	14,880	15,441	(1,561)
Street maintenance salaries	280,000	280,286	(2,286)
Street maintenance operator	50,000	---	50,000
Drainage and ditch salaries	172,270	171,931	339
Group insurance	118,070	108,247	9,823
Allowance amounts	2,700	2,540	160
Supplies	19,000	17,237	1,763
Travel	3,000	1,324	1,676
Gas and oil	12,000	7,977	4,023

(Cont. Inaud)

See accompanying auditor's report.

**CITY OF BOGALUSA, LOUISIANA  
GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended December 31, 1997**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Central service joint/FE</b>			
Repairs to equipment	\$ 10,000	\$ 86,649	\$ (94,447)
Pest control materials	4,000	4,121	(121)
Cannidy Park expenses	3,000	3,079	79
Maintenance of ballparks	1,000	3,256	2,256
Courtesy temporary	20,000	25,261	(5,261)
Uniform expense	20,000	11,073	8,927
Courtesy maintenance materials	1,000	4,912	(3,912)
<b>Total central service</b>	<u>90,000</u>	<u>202,852</u>	<u>(112,844)</u>
<b>Motor pool:</b>			
Shop supervisor basic/bonus salary	10,000	8,400	11,410
Salaries and wages	86,500	86,745	(245)
Overtime	3,000	4,074	(1,074)
Gasoline	11,000	7,990	3,010
Administration	4,000	3,000	1,000
Police and law	47,000	39,498	7,502
Public works	10,000	36,362	(26,362)
Travel insurance	16,200	13,662	2,538
Special equipment	1,000	7,678	(6,678)
Supplies	2,000	1,394	616
Insurance	4,000	10,000	(6,000)
Allowance miscell	450	400	50
Expenses	150	---	150
<b>Total motor pool</b>	<u>206,200</u>	<u>241,670</u>	<u>(35,470)</u>
<b>Electrical:</b>			
Chief Electrician	25,320	20,814	4,506
Salaries and wages	86,500	79,836	7,664
Overtime	3,000	400	2,600
Group insurance	6,500	4,364	2,136
Tools and equipment	500	---	500
Supplies	500	100	400
Travel allowance	300	300	---
Miscellaneous	100	---	100
<b>Total electrical</b>	<u>128,720</u>	<u>106,378</u>	<u>22,342</u>
<b>Total public works</b>	<u>3,212,040</u>	<u>3,140,120</u>	<u>72,920</u>

(Continued)

See accompanying auditor's report.

CITY OF BOCAULUSA, LOUISIANA  
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended December 31, 1997

	Budget	Actual	Variance- Favorable (Adverse)
<b>Revenue contributions:</b>			
City Employee Retirement System	\$ 127,160	\$ 132,659	\$ (5,499)
Fire Pension 2% Interest	11,820	11,115	95
Pension's Pension-City	1,500	—	1,500
Pension's Pension 3.87M	114,960	114,459	(1,000)
Pension-Pension-Benef and Interest	19,200	17,802	1,398
State Pension's Pension	285,740	316,112	(30,372)
State Police/Pension's Pension	81,000	89,895	(17,895)
Pension Pension 2.77M	301,320	302,562	(1,242)
Total pension contributions	942,620	978,552	(35,932)
<b>Base rates:</b>			
Electric utility	80,000	8,079	980
Supplies	1,000	1,800	3,320
Total accounts	81,000	10,879	4,812
<b>Capital equity:</b>			
Total capital equity	—	3,079	(3,079)
<b>Debt service:</b>			
Principal retirement	—	12,012	(12,012)
Interest and fiscal charges	—	3,019	(3,019)
Total debt service	—	15,031	(15,031)
Total expenditures	942,620	978,552	(35,932)
Excess (deficiency) of revenues over expenditures	(1,957,900)	(1,584,499)	3,841
<b>Other financing sources (uses):</b>			
Operating transfer in (out)-			
Utility Fund	972,000	881,000	(91,000)
Employee Pay-Rate State Tax Fund	340,000	340,000	—
Industrial Park Wash/Laundry Fund	80,000	80,000	—
Airport Maintenance and Improvement Fund	(45,000)	(21,000)	(6,000)

(Continued)

See accompanying auditor's report.

**CITY OF BOGALUSA, LOUISIANA  
GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE) - BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended December 31, 1997**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Other financing sources (uses)(costs):</b>			
Operating transfers in (out) (costs) -			
1.11 To Fund	\$ ---	\$ (4,384)	\$ (4,384)
Sewer Fee	---	15,189	(15,189)
County Road Interlocal	(5,200)	---	5,200
City Court salary and fringe benefits	(73,250)	(73,800)	1,550
Capital lease financing	---	7,833	(7,833)
Total other financing sources (uses)	<u>1,153,830</u>	<u>1,716,275</u>	<u>(562,445)</u>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>\$ (1,430)</b>	<b>\$ (12,021)</b>	<b>\$ (10,591)</b>
Fund balance, beginning	<u>76,830</u>	<u>64,809</u>	<u>12,021</u>
Fund balance, ending	<u>\$ 75,400</u>	<u>\$ 52,788</u>	<u>\$ 22,612</u>

(Continued)

See accompanying auditor's report.

## *SPECIAL REVENUE FUNDS*

**Industrial Complex Sales Tax** - To account for the receipt of a ¼ cent sales tax dedicated to improving and/or maintaining the City's Industrial Park. The tax expires February 1, 2023.

**Employee Pay Raise Sales Tax** - To account for the receipt of a ½ cent sales and use tax. The proceeds are dedicated to the purpose of paying salaries and benefits of City employees. The tax is for an indefinite period.

**Street Improvement Sales Tax** - To account for the receipt of 20% of a one cent sales and use tax. The proceeds are dedicated to street and drainage repair, maintenance, operations and additions. The tax expires June 1, 2002.

**Water and Sewer Sales Tax** - To account for the receipt of 15% of a one cent sales and use tax. The proceeds are dedicated to water and sewer repair, maintenance, operations and additions. The tax expires June 1, 2002.

**Capital Improvement Sales Tax** - To account for the receipt of 17% of a one cent sales and use tax. The proceeds are dedicated to the acquisition, operation, and maintenance of land, buildings, and equipment. The tax expires June 1, 2002.

**Industrial Park Rent** - To account for the receipt of rent from the Industrial Park. Expenditures are not legally restricted for any certain purpose.

**Summer Food Program** - To account for the receipt and expenditures from a Federal Grant dedicated to summer feeding programs for children at various sites throughout the city. Breakfast and lunch are served during June and July to eligible children. At the end of each month a claim for reimbursement is filed for the month. The sponsor receives reimbursement from the Department of Education for operating and administrative expenses within certain limits set by the program regulations.

**Parks and Recreation Commission** - To account for the receipt and expenditures of the City of Dogfish Park and Recreation Commission's funds. The commission is made up of seven people appointed by the Mayor with the approval of the Council. Expenditures are made with the approval of a majority of the commission.

**Airport Maintenance and Improvement** - This fund was established by the Mayor to separately account for airport operations.

**Water System Improvement** - To account for the receipt and expenditures of a 1/4 cent sales tax. Funds are dedicated to constructing, acquiring and/or improving the wastewater system of the City. The sales tax expires February 1, 2023. The fund is also used to account for the 1994 loan proceeds of \$1,000,000, which is also dedicated to constructing and improving water system facilities and equipment.

**Landfill** - To account for the receipt and expenditures of (1) a 5-mill ad valorem tax for the ten year period beginning in 1992 and ending with the year 2001. The tax proceeds are dedicated to constructing, acquiring, improving, maintaining and/or operating landfill facilities for the city, including the acquisition of land therefore. This fund also accounts for the City's investment in operations of the Choctaw Road Landfill, a joint venture with the Washington Parish Police Jury.

**Local Law Enforcement (Block Grant)** - The purpose of this grant is to purchase high tech equipment for law enforcement use.

CITY OF BOSSALOMA, LOUISIANA  
 SPECIAL REVENUE FUNDS

COMBINED BALANCE SHEET  
 December 31, 1997

ASSETS	General Fund	Police Fund	Fire Fund	Water Fund	Public Works Fund	Capital Projects Fund	Other Funds	Total	Liabilities and Reserves	Net Assets
Cash	1,000,000	500,000	200,000	100,000	100,000	100,000	100,000	2,100,000	1,000,000	1,100,000
Accounts Receivable	100,000	50,000	20,000	10,000	10,000	10,000	10,000	210,000	100,000	110,000
Inventory	50,000	25,000	10,000	5,000	5,000	5,000	5,000	105,000	50,000	55,000
Prepaid Expenses	100,000	50,000	20,000	10,000	10,000	10,000	10,000	210,000	100,000	110,000
Other Assets	100,000	50,000	20,000	10,000	10,000	10,000	10,000	210,000	100,000	110,000
Investments	1,000,000	500,000	200,000	100,000	100,000	100,000	100,000	2,100,000	1,000,000	1,100,000
Total	2,350,000	1,175,000	450,000	225,000	225,000	225,000	225,000	4,600,000	2,300,000	2,300,000

LIABILITIES  
 AND RESERVES

Liabilities	General Fund	Police Fund	Fire Fund	Water Fund	Public Works Fund	Capital Projects Fund	Other Funds	Total	Net Assets
Accounts Payable	100,000	50,000	20,000	10,000	10,000	10,000	10,000	210,000	110,000
Due to Other Funds	100,000	50,000	20,000	10,000	10,000	10,000	10,000	210,000	110,000
Reserves	1,000,000	500,000	200,000	100,000	100,000	100,000	100,000	2,100,000	1,100,000
Total	2,100,000	1,050,000	420,000	210,000	210,000	210,000	210,000	4,410,000	2,190,000

See accompanying auditor's report

CITY OF BOSSALOMA, LOUISIANA  
SPECIAL REVENUE FUNDS

COMBINED STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
Year Ended December 31, 1997

	Special Fund	State Fund	Local Fund	Other Fund	Total	Special Fund	State Fund	Local Fund	Other Fund	Total	Special Fund	State Fund	Local Fund	Other Fund	Total
Revenues															
Income	14,071	89,339	44,311	24,837	173,558	1	17,238	1	14,071	14,071	1	17,238	1	14,071	14,071
Transfer from other funds	—	—	—	1,000	1,000	—	—	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total revenues	14,071	89,339	44,311	25,837	178,568	1	18,238	1	14,071	14,071	1	17,238	1	14,071	14,071
Expenditures															
Salaries and benefits	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Travel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Printing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Telephone	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Utilities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Supplies	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total expenditures	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Change in fund balances	14,071	89,339	44,311	25,837	178,568	1	18,238	1	14,071	14,071	1	17,238	1	14,071	14,071
Beginning fund balances	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Ending fund balances	14,071	89,339	44,311	25,837	178,568	1	18,238	1	14,071	14,071	1	17,238	1	14,071	14,071

See accompanying auditor's report.

CITY OF BOZALUSA, LOUISIANA  
SPECIAL REVENUE FUND  
INDUSTRIAL-COMPLEX SALES TAX

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended December 31, 1997

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<b>Revenues</b>			
Taxes -			
Sales taxes	\$ 456,650	\$ 444,754	\$ (11,896)
Miscellaneous -			
Interest	45,000	82,000	37,000
Total revenues	<u>501,650</u>	<u>527,053</u>	<u>25,403</u>
<b>Expenditures:</b>			
Current:			
General government-			
Sales tax collection expense	6,850	6,510	340
Economic development -			
Maintenance of Industrial Park	30,000	37,507	(7,507)
Insurance on buildings	33,000	31,310	1,690
Total expenditures	<u>69,850</u>	<u>75,327</u>	<u>(5,477)</u>
Excess (deficiency) of revenues over expenditures	<u>431,800</u>	<u>451,726</u>	<u>19,926</u>
<b>Other financing sources (uses)</b>			
Operating (transfers in (out):			
Industrial Park Development	(250,000)	---	250,000
Total other financing sources (uses)	<u>(250,000)</u>	<u>---</u>	<u>250,000</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	181,800	451,726	269,926
<b>Fund balance, beginning</b>	1,344,530	1,664,549	320,019
<b>Fund balance, ending</b>	<b>\$1,526,330</b>	<b>\$2,116,275</b>	<b>\$ 589,945</b>

See accompanying auditor's report.

CITY OF BOGALUSA, LOUISIANA  
SPECIAL REVENUE FUND  
EMPLOYEE PAY RAISE SALES TAX

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended December 31, 1993

	Budget	Actual	Variance - Favorable (Unfavorable)
<b>Revenues</b>			
Taxes -			
Sales taxes	\$ 864,350	\$ 890,016	\$ 25,666
Miscellaneous			
Interest	5,508	3,861	(1,647)
Total revenues	<u>869,858</u>	<u>893,877</u>	<u>24,019</u>
<b>Expenditures:</b>			
Current:			
General government -			
Sales tax collection expenses	13,978	13,978	(0)
Total expenditures	<u>13,978</u>	<u>13,978</u>	<u>(0)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>855,880</u>	<u>879,899</u>	<u>24,019</u>
<b>Other financing sources (uses)</b>			
Operating transfer in (out):			
General Fund	(768,600)	(768,851)	(19,682)
Utility Fund	(116,220)	(118,903)	2,717
Industrial Park Rent/Lease	---	(1,794)	(1,794)
Total other financing sources (uses)	<u>(884,820)</u>	<u>(891,548)</u>	<u>(15,729)</u>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other uses</b>	<u>67</u>	<u>8,351</u>	<u>8,264</u>
<b>Fund balance, beginning</b>	<u>25,690</u>	<u>23,713</u>	<u>2,713</u>
<b>Fund balance, ending</b>	<u>\$ 25,757</u>	<u>\$ 32,064</u>	<u>\$ 10,624</u>

See accompanying auditor's report.

CITY OF BOGALUSA, LOUISIANA  
SPECIAL REVENUE FUND  
STREET IMPROVEMENT SALES TAX

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended December 31, 1997

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
Revenues:			
Taxes -			
Sales taxes	\$ 454,650	\$ 444,751	\$ (11,899)
Miscellaneous -			
Interest	<u>4,850</u>	<u>13,850</u>	<u>4,850</u>
Total revenues	<u>462,650</u>	<u>458,601</u>	<u>(4,049)</u>
Expenditures:			
Current:			
General government -			
Sales tax collection expense	6,850	6,510	340
Highways, streets and sanitation	426,850	298,662	127,388
Debt service -			
Principal retirement	28,750	2,407	27,283
Interest and fiscal charges	<u>---</u>	<u>13</u>	<u>(13)</u>
Total expenditures	<u>462,650</u>	<u>267,652</u>	<u>194,998</u>
Excess (deficiency) of revenues over expenditures	---	187,989	187,989
Fund balance, beginning	<u>---</u>	<u>168,000</u>	<u>168,000</u>
Fund balance, ending	<u>\$ -----</u>	<u>\$ 355,989</u>	<u>\$ 355,989</u>

See accompanying auditor's report.

CITY OF BOGALUSA, LOUISIANA  
SPECIAL REVENUE FUNDS  
WATER AND SEWER SALES TAX

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended December 31, 1987

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<b>Revenues:</b>			
<b>Taxes -</b>			
Sales taxes	\$ 274,100	\$ 265,937	\$ (8,163)
<b>Miscellaneous -</b>			
Interest	<u>1,500</u>	<u>712</u>	<u>(788)</u>
<b>Total revenues</b>	<u>275,600</u>	<u>267,669</u>	<u>(7,931)</u>
 <b>Expenditures:</b>			
<b>Current:</b>			
<b>General government -</b>			
Sales tax collection expense	4,110	3,908	202
<b>Highways, streets and sanitation</b>	<u>271,490</u>	<u>264,919</u>	<u>6,571</u>
<b>Total expenditures</b>	<u>275,600</u>	<u>268,827</u>	<u>6,773</u>
 <b>Excess (deficiency) of revenues over expenditures</b>	<u>—</u>	<u>2,652</u>	<u>2,652</u>
 <b>Fund balance, beginning</b>	<u>—</u>	<u>71</u>	<u>71</u>
 <b>Fund balance, ending</b>	<u>\$ —</u>	<u>\$ 2,723</u>	<u>\$ 2,723</u>

See accompanying auditor's report.

CITY OF BOGALUSA, LOUISIANA  
SPECIAL REVENUE FUND  
CAPITAL IMPROVEMENT SALES TAX

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended December 31, 1997

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<b>Revenues:</b>			
<b>Taxes -</b>			
Sales taxes	\$ 274,100	\$ 266,957	\$ (7,143)
<b>Miscellaneous -</b>			
Interest	<u>1,800</u>	<u>1,620</u>	<u>180</u>
<b>Total revenues</b>	<u>275,900</u>	<u>268,577</u>	<u>(7,323)</u>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>General government -</b>			
Equipment and building maintenance	---	67,322	(67,322)
Sales tax collection expense	4,100	3,908	200
Capital outlay	<u>270,900</u>	<u>196,417</u>	<u>174,479</u>
<b>Debt service -</b>			
Principal	---	48,779	(48,779)
Interest	<u>1,800</u>	<u>6,230</u>	<u>(4,430)</u>
<b>Total expenditures</b>	<u>272,700</u>	<u>272,732</u>	<u>2,798</u>
<b>Excess (deficiency) of revenues over expenditures</b>	---	(4,719)	(4,719)
<b>Fund balance, beginning</b>	---	<u>3,685</u>	<u>3,685</u>
<b>Fund balance, ending</b>	<u>\$-----</u>	<u>\$-----</u>	<u>\$-----</u>

See accompanying auditor's report.

CITY OF BOGALUSA, LOUISIANA  
SPECIAL REVENUE FUND  
INDUSTRIAL PARK RENT/FEE

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL,  
Year Ended December 31, 1997

	Budget	Actual	Variance- Favorable (Unfavorable)
<b>Revenues:</b>			
Miscellaneous -			
Interest	\$ 1,500	\$ 3,254	\$ 3,254
Rent	143,800	130,200	(12,400)
Total revenues	<u>145,300</u>	<u>133,454</u>	<u>(11,846)</u>
<b>Expenditures:</b>			
Current:			
Economic development -			
Washington Ind. Dev. Found, Inc.	35,000	35,000	---
Industrial development	6,450	33,504	(4,484)
Guarantee Development	90,000	30,499	19,500
Chamber of Commerce	12,000	12,000	---
Capital outlay	35,000	---	35,000
Total expenditures	<u>141,450</u>	<u>91,103</u>	<u>50,347</u>
Excess (deficiency) of revenues over expenditures	<u>4,850</u>	<u>42,351</u>	<u>37,501</u>
<b>Other financing sources (uses):</b>			
Operating transfer in (out) -			
Employee Pay Rate	---	1,794	1,794
Charges in the Park	(10,000)	---	10,000
General Fund	---	(10,000)	(10,000)
Total other financing sources (uses)	<u>(10,000)</u>	<u>(8,206)</u>	<u>1,794</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>(5,150)</u>	<u>34,145</u>	<u>39,295</u>
Fund balance, beginning	<u>5,150</u>	<u>100,784</u>	<u>175,554</u>
Fund balance, ending	<u>\$ -----</u>	<u>\$ 243,113</u>	<u>\$ 243,113</u>

See accompanying auditor's report.

CITY OF BOGALUSA, LOUISIANA  
SPECIAL REVENUE FUND  
SUMMER FOOD PROGRAM

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended December 31, 1997

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<b>Revenues:</b>			
Intergovernmental -			
Disbursement from Federal Government	\$ 130,000	\$ 127,168	\$ (2,832)
Total revenues	<u>130,000</u>	<u>127,168</u>	<u>(2,832)</u>
<b>Expenditures:</b>			
Current			
Health and welfare -			
Operational costs	112,000	122,755	(10,755)
Administrative costs	<u>18,000</u>	<u>20,621</u>	<u>(2,621)</u>
Total expenditures	<u>130,000</u>	<u>143,376</u>	<u>(13,376)</u>
Excess (deficiency) of revenues over expenditures	---	(16,208)	(16,208)
<b>Other financing sources (uses):</b>			
Operating transfer in (out) -			
General fund	---	16,168	16,168
Total other financing sources (uses)	<u>---</u>	<u>16,168</u>	<u>16,168</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	---	---	---
Fund balance, beginning	---	---	---
Fund balance, ending	\$ ---	\$ ---	\$ ---

See accompanying auditor's report.

CITY OF BOGALUSA, LOUISIANA  
SPECIAL REVENUE FUND  
PARKS AND RECREATION COMMISSION

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended December 31, 1997

	Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:			
Miscellaneous -			
Interest	\$ 200	\$ 202	\$ 82
Rent	3,000	3,000	—
Other	2,000	522	(1,478)
Total revenues	<u>5,200</u>	<u>3,808</u>	<u>(1,392)</u>
Expenditures:			
Current:			
Culture and recreation	5,200	2,936	2,264
Total expenditures	<u>5,200</u>	<u>2,936</u>	<u>2,264</u>
Excess (deficiency) of revenues over expenditures	—	1,356	1,799
Fund balance, beginning	6,870	9,473	2,603
Fund balance, ending:	<u>\$ 6,870</u>	<u>\$ 11,232</u>	<u>\$ 4,362</u>

See accompanying auditor's report.

CITY OF BOGALUSA, LOUISIANA  
SPECIAL REVENUE FUND  
AIRPORT MAINTENANCE AND IMPROVEMENT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended December 31, 1997

	Budget	Actual	Variance- Favorable (Unfavorable)
<b>Revenues:</b>			
Miscellaneous	\$ 2,300	\$ 1,436	\$ (864)
Interest	-----	116	116
Total revenues	<u>2,300</u>	<u>1,552</u>	<u>(748)</u>
<b>Expenditures:</b>			
Current:			
General government -			
Airport manager	15,000	15,000	---
Inspection fee	12,000	8,985	3,015
Maintenance and survey	8,000	4,795	3,205
Insurance	1,200	4,348	(3,148)
Utilities	16,500	15,315	1,185
Supplies & expense	---	4,683	(4,683)
Total expenditures	<u>47,300</u>	<u>52,627</u>	<u>(5,327)</u>
Excess (deficiency) of revenues over expenditures	<u>(45,000)</u>	<u>(52,075)</u>	<u>(7,075)</u>
<b>Other financing sources (uses):</b>			
Operating transfers in (out) -			
General Fund	<u>45,000</u>	<u>51,000</u>	<u>6,000</u>
Total other financing sources (uses)	<u>45,000</u>	<u>51,000</u>	<u>6,000</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>---</u>	<u>(1,075)</u>	<u>(1,075)</u>
Fund balance, beginning	<u>30</u>	<u>1,737</u>	<u>1,707</u>
Fund balance, ending	<u>\$ 30</u>	<u>\$ 662</u>	<u>\$ 632</u>

See accompanying auditor's report.

CITY OF BOGALUSA, LOUISIANA  
SPECIAL REVENUE FUND  
WATER SYSTEM IMPROVEMENT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASE) AND ACTUAL  
Year Ended December 31, 1997

	Budget	Actual	Variance - Favorable (Unfavorable)
<b>Revenues:</b>			
<b>Taxes -</b>			
Sales taxes	\$ 434,650	\$ 444,751	\$ (11,899)
<b>Miscellaneous -</b>			
Interest	19,800	8,253	(11,547)
<b>Total revenues</b>	<u>454,450</u>	<u>453,004</u>	<u>(1,446)</u>
<b>Expenditures:</b>			
<b>Current:</b>			
General government -			
Sales tax collection expense	6,850	6,510	340
Highways, streets and sanitation	178,300	---	178,300
<b>Total expenditures</b>	<u>185,150</u>	<u>6,510</u>	<u>178,640</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>269,300</u>	<u>446,494</u>	<u>164,994</u>
<b>Other financing sources (uses)</b>			
Operating transfers in (out)			
Debt Service Fund	(282,900)	(282,900)	6800
<b>Total other financing     sources (uses)</b>	<u>(282,900)</u>	<u>(282,900)</u>	<u>6800</u>
<b>Excess (deficiency) of revenue and other financing sources over expenditures and other uses</b>	<u>---</u>	<u>164,197</u>	<u>164,197</u>
<b>Fund balance, beginning</b>	<u>---</u>	<u>169,220</u>	<u>169,220</u>
<b>Fund balance, ending</b>	<u>\$ ---</u>	<u>\$ 333,407</u>	<u>\$ 333,407</u>

See accompanying auditor's report.

CITY OF BOCALUSA, LOUISIANA  
SPECIAL REVENUE FUND  
LANDFILL

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended December 31, 1997

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<b>Revenues:</b>			
Taxes -			
Ad valorem taxes	\$ 182,990	\$ 184,510	\$ 1,520
Miscellaneous -			
Interest	_____300	_____1,801	_____1,501
Total revenues	<u>182,990</u>	<u>186,311</u>	<u>3,321</u>
<b>Expenditures:</b>			
Current:			
Highways, streets and sanitation -			
Landfill	_____32,590	_____6,480	_____26,110
Total expenditures	<u>_____32,590</u>	<u>_____6,480</u>	<u>_____26,110</u>
Excess (deficiency) of revenues over expenditures	<u>_____150,400</u>	<u>_____180,021</u>	<u>_____29,621</u>
<b>Other financing sources (uses):</b>			
Clocasin Board Landfill joint venture income (loss)	<u>_____1150,000</u>	<u>_____458,700</u>	<u>_____691,300</u>
Total other financing sources (uses)	<u>_____1150,000</u>	<u>_____458,700</u>	<u>_____691,300</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>_____</u>	<u>_____621,322</u>	<u>_____621,322</u>
Fund balance (deficit), beginning	<u>_____</u>	<u>_____106,959</u>	<u>_____106,959</u>
Fund balance (deficit), ending	<u>\$ _____</u>	<u>\$ _____238,281</u>	<u>\$ _____238,281</u>

See accompanying auditor's report.

CITY OF BOGALUSA, LOUISIANA  
SPECIAL REVENUE FUND  
LOCAL LAW ENFORCEMENT BLOCK GRANT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - NO BUDGET ADOPTED  
Year Ended December 31, 1987

	<u>Actual</u>
Revenues:	
Intergovernmental	\$ 41,416
Miscellaneous:	
Interest	320
Other	580
Total revenues	42,316
 Expenditures:	
Current:	
Public safety	46,520
Total expenditures	46,520
 Excess (deficiency) of revenues over expenditures	(4,204)
 Other financing sources (uses):	
Operating transfers in (out) -	
General fund	4,284
Total other financing sources (uses)	4,284
 Excess (deficiency) of revenues and other financing sources over expenditures and other uses	---
 Fund balance, beginning	---
 Fund balance, ending	\$ 4,284

See accompanying auditor's report.

## DEBT SERVICE FUNDS

*General Obligation Bond Sinking Fund* - To accumulate monies for payment of the 1972 \$2,600,000 Public Improvement Sewer bonds, 1973 \$1,900,000 Public Improvement bonds, 1975 \$785,000 Public Improvement bonds, 1982 \$1,000,000 Landfill Facilities Improvement bonds. The bonds' debt service is financed by the levy of a specific ad valorem tax.

*Certificate of Indebtedness Sinking Fund* - To accumulate monies for the payment of the 1994 \$1,000,000 certificate of indebtedness issued for water system improvements and the 1997 \$250,000 certificate of indebtedness issued for improvements to sewage treatment plant.

CITY OF BOGALUSA, LOUISIANA  
DEBT SERVICE FUNDS

COMBINING BALANCE SHEET  
December 31, 1997

ASSETS	General Obligation Fund Sinking Fund	Certificate of Indebtedness Sinking Fund	Total
Cash	\$ 387,674	\$ 303,583	\$ 691,257
Receivables	<u>308,872</u>	<u>          </u>	<u>308,872</u>
Total assets	<u>\$ 696,547</u>	<u>\$ 303,583</u>	<u>\$ 800,140</u>
LIABILITIES AND FUND BALANCE			
Fund balance:			
Reserved for general obligation bond retirement	\$ 696,547	\$	\$ 696,547
Reserved for certificate of indebtedness retirement	<u>          </u>	<u>183,593</u>	<u>183,593</u>
Total fund balance	<u>\$ 696,547</u>	<u>\$ 183,593</u>	<u>\$ 800,140</u>

See accompanying auditor's report.

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

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
Year Ended December 31, 1977**

	General Obligation Bond Sinking Fund	Certificate of Indebtedness Sinking Fund	Total
<b>Revenues:</b>			
Taxes - ad valorem	\$ 503,540	\$	\$ 503,540
Interest	18,008	2,763	20,771
Total revenues	<u>543,648</u>	<u>2,763</u>	<u>546,411</u>
<b>Expenditures:</b>			
Local principal retirement	323,000		323,000
Certificate of indebtedness principal retirement		264,000	264,000
Interest on bonds	25,868		25,868
Interest on certificate of indebtedness		18,480	18,480
Other	1,908		1,908
Total expenditures	<u>382,768</u>	<u>282,480</u>	<u>665,248</u>
Excess (deficiency) of revenues over expenditures	<u>160,880</u>	<u>(279,717)</u>	<u>(118,837)</u>
<b>Other financing sources (uses):</b>			
Operating transfers in (out) - Water System Improvement Fund	-----	282,738	282,738
Total other financing sources (uses)	<u>-----</u>	<u>282,738</u>	<u>282,738</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	160,880	2,589	163,469
Fund balance, beginning	<u>515,662</u>	<u>101,098</u>	<u>616,760</u>
Fund balance, ending	<u>\$ 676,542</u>	<u>\$ 103,687</u>	<u>\$ 780,229</u>

See accompanying auditor's report.

## CAPITAL PROJECTS FUNDS

*Wastewater Improvement* - To account for a loan from the Louisiana Department of Environmental Quality for engineering fees to prepare a plan for wastewater facilities upgrade. Bond Anticipation Notes were issued, the total loan is \$2,000,000.

*Landfill Improvement* - To account for the proceeds of \$1,000,000 bond sale dedicated to construction and improvements of the City's landfill facilities.

*Airport Expansion* - To account for the receipt and expenditures of Federal Aviation Grants and State of Louisiana Matching Grants to expand the George B. Carr Municipal Airport apron, install perimeter fencing, and rehabilitate taxiway and existing apron and to improve runway drainage.

CITY OF BOGALUSA, LOUISIANA  
 CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEET  
 December 31, 1997

ASSETS	Wastewater- Improvement	Landfill Improvement	Airport Expansion	Total
Cash	\$ 338,279	\$ 633,270	\$ 1,808	\$ 996,558
Due from other governmental units	18,833	—	178,748	197,581
Total assets	<u>\$ 376,812</u>	<u>\$ 633,270</u>	<u>\$ 180,553</u>	<u>\$ 1,191,034</u>
LIABILITIES AND FUND BALANCES				
<b>Liabilities:</b>				
Accounts payable	\$ 18,966	\$ —	\$ 134,208	\$ 153,174
Retainage payable	—	—	33,344	33,344
Interfund payables	36,736	—	33,000	69,736
Due to other governmental units	—	7,469	—	7,469
Total liabilities	<u>55,702</u>	<u>7,469</u>	<u>180,553</u>	<u>243,723</u>
Fund balances	<u>318,210</u>	<u>627,991</u>	<u>—</u>	<u>946,211</u>
Total liabilities and fund balances	<u>\$ 376,812</u>	<u>\$ 633,270</u>	<u>\$ 180,553</u>	<u>\$ 1,191,034</u>

See accompanying auditor's report.

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

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
Year ended December 31, 1997**

	Wastewater Improvement	Landfill Improvement	Airport Expansions	Total
<b>Revenues:</b>				
Wastewater sewer charges	\$ 118,778	\$	\$	\$ 118,778
Intergovernmental - Fiduciary from Federal/State Government			648,450	648,450
Interest	<u>3,867</u>	<u>29,683</u>		<u>33,550</u>
Total revenues	<u>124,245</u>	<u>29,683</u>	<u>648,450</u>	<u>799,378</u>
<b>Expenditures:</b>				
Capital outlay	<u>978,437</u>	<u>92,643</u>	<u>648,450</u>	<u>1,717,530</u>
Total expenditures	<u>978,437</u>	<u>92,643</u>	<u>648,450</u>	<u>1,717,530</u>
Excess (deficiency) of revenues over expenditures	<u>(854,192)</u>	<u>(62,960)</u>	<u>---</u>	<u>(917,152)</u>
<b>Other financing sources/(uses):</b>				
Proceeds of loan	<u>1,183,310</u>			<u>1,183,310</u>
Total other financing sources/(uses)	<u>1,183,310</u>	<u>---</u>	<u>---</u>	<u>1,183,310</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>329,118</u>	<u>(62,960)</u>	<u>---</u>	<u>266,158</u>
Fund balance, beginning	<u>192</u>	<u>689,858</u>	<u>---</u>	<u>690,050</u>
Fund balance, ending	<u>\$ 318,310</u>	<u>\$ 627,900</u>	<u>\$ 1,000,000</u>	<u>\$ 947,210</u>

See accompanying auditor's report.

CITY OF BOGALUSA, LOUISIANA  
 CAPITAL PROJECTS FUND  
 WASTEWATER IMPROVEMENT FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
 Year Ended December 31, 1997

	Budget	Actual	Variance - Favorable (Unfavorable)
<b>Revenues:</b>			
Wastewater sewer fees	\$ 110,000	\$ 110,778	\$ 778
Interest	-----	3,467	3,467
Total revenues	110,000	114,245	4,245
<b>Expenditures:</b>			
Capital outlay -			
Contract cost	---	---	---
Engineering cost	---	933,310	(933,310)
Administrative cost	---	1,180	(1,180)
Other cost - legal, misc.	---	44,827	(44,827)
Total expenditures	---	979,437	(979,437)
Excess (deficiency) of revenues over expenditures	110,000	(865,192)	(975,192)
<b>Other financing sources/(uses)</b>			
Proceeds of loan	290,000	1,083,310	913,310
Total other financing sources/(uses)	290,000	1,083,310	913,310
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	400,000	218,118	(40,882)
Fund balance, beginning	150	150	-
Fund balance, ending	\$ 550,150	\$ 318,268	\$ (231,882)

See accompanying auditor's report.

CITY OF BOCALUSA, LOUISIANA  
 CAPITAL PROJECTS FUND  
 LANDFILL IMPROVEMENT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
 Year Ended December 31, 1960

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<b>Revenues:</b>			
Income	\$ _____	\$ 20,685	\$ 20,685
Total revenues	_____	20,685	20,685
<b>Expenditures:</b>			
Capital outlay -			
Contract cost	_____	_____	_____
Landfill construction	_____	92,643	(92,643)
Total expenditures	_____	92,643	(92,643)
Excess (deficiency) of revenues over expenditures	_____	(71,958)	(71,958)
Fund balance, beginning	_____	699,819	699,819
Fund balance, ending	\$ _____	\$ 627,861	\$ 627,861

See accompanying auditor's report.

CITY OF BOGALUSA, LOUISIANA  
 CAPITAL PROJECTS FUND  
 AIRPORT EXPANSION

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
 Year Ended December 31, 1997

	Budget	Actual	Variance - Favorable (Unfavorable)
<b>Revenues</b>			
Intergovernmental -			
Federal government	\$ _____	\$ 645,450	\$ 645,450
Total revenues	_____	645,450	645,450
<b>Expenditures</b>			
Capital outlay -			
Contract costs	---	525,364	(525,364)
Engineering fees	---	121,086	(121,086)
Total expenditures	_____	646,450	(645,450)
Excess (deficiency) of revenues over expenditures	_____	_____	_____
<b>Other financing sources/(uses)</b>			
Operating transfer in (out)			
Industrial Park Rent Fund	_____	_____	_____
Total of other financing sources/(uses)	_____	---	---
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	---	---	---
Fund balance, beginning	_____10	_____---	_____100
Fund balance, ending	\$ _____10	\$ _____---	\$ _____100

See accompanying auditor's report.

## *ENTERPRISE FUND*

### Utility Fund

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

**CITY OF BOZALUSA, LOUISIANA**  
**ENTERPRISE FUND**  
**UTILITY FUND**  
**BALANCE SHEET**  
**December 31, 1997**

<b>ASSETS</b>			
<b>Current assets:</b>			
Cash	\$	18,865	
Accounts receivable, net of allowance for uncollectible accounts, \$49,140		93,340	
Inventory		93,904	
Interfund receivables		<u>93,310</u>	
Total current assets			\$ 319,340
Plant and equipment, at cost, net of accumulated depreciation \$11,943,899			<u>3,150,840</u>
Total assets			<b>\$ 3,470,180</b>
<b>LIABILITIES AND FUND EQUITY</b>			
<b>Current liabilities:</b>			
Accounts payable	\$	31,474	
Interfund payables		<u>87,360</u>	
Total current liabilities			\$ 118,834
Compensated absences payable			<u>60,320</u>
Total liabilities			<u>179,154</u>
<b>Fund equity:</b>			
<b>Unassigned capital -</b>			
Municipality	18,293,640		
Federal grants	1,531,882		
Economic Development Administration	261,527		
Environmental Protection Agency	167,189		
State of Louisiana	<u>268,608</u>		
Total unassigned capital			<u>20,523,846</u>
Retained earnings (deficit)			
Unreserved			<u>(11,021,658)</u>
Total fund equity			<u>19,402,188</u>
Total liabilities and fund equity			<b>\$ 3,470,180</b>

See accompanying auditor's report.

CITY OF BOZALUSA, LOUISIANA  
 ENTERPRISE FUND  
 UTILITY FUND

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN  
 RETAINED EARNINGS - BUDGET (GAAP BASIS) AND ACTUAL  
 Year Ended December 31, 1997

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<b>Operating revenues:</b>			
Charges for services	\$ 1,940,168	\$ 1,993,239	\$ 52,080
Miscellaneous revenues	46,508	51,189	(15,894)
Taxes - of values	93,138	100,046	706
Total operating revenues	<u>2,079,814</u>	<u>2,144,474</u>	<u>64,662</u>
<b>Operating expenses:</b>			
Billing and collection:			
Water collection salaries	19,280	27,669	(8,669)
Overtime	180	18	82
Employee group insurance	6,180	5,627	479
Water collection expense	10,000	12,987	(2,987)
Water and sewer costs:			
Water and sewer salaries	53,898	68,642	(14,744)
Overtime	20,808	22,999	(2,191)
Water maintenance salaries	21,908	22,660	4,500
Main, sewer line salaries	88,576	84,538	4,042
Pump station operation salaries	17,848	14,514	6,706
Pump station maintenance salaries	17,498	53,189	(18,699)
Employee group insurance	200,020	80,484	(119,536)
Rent and shading allowance	900	988	(788)
Repairs to equipment	---	14	(14)
Supplies	1,080	110	867
Travel	580	78	438
Pump station maintenance materials	400	1,110	(710)
Pump station operation and maintenance	100	---	100
Gas and oil	118	---	120
<b>Sewer treatment plant:</b>			
Treatment plant supervisor	9,120	10,025	(895)
Treatment plant operation	26,488	26,564	(2,184)
Chemicals	19,388	28,808	(10,208)

(Continued)

See accompanying auditor's report.

**CITY OF BOCALUSA, LOUISIANA  
ENTERPRISE FUND  
UTILITY FUND**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN  
RETAINED EARNINGS - BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended December 31, 1997**

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<b>Operating expenses (cont'd):</b>			
<b>Storm treatment plant (cont'd):</b>			
Employee group insurance	\$ 15,140	\$ 13,286	\$ 1,854
Rent and clothing allowance	700	350	---
Supplies	1,000	320	674
Travel	1,200	29	1,171
Gas and oil	450	1,002	(552)
Repairs - equipment	750	275	475
<b>Storm collection system:</b>			
Collection system supervisor	9,320	10,125	(805)
Storm collection operations	50,070	52,270	(1,899)
Contract	6,000	11,520	(4,750)
Contract	9,940	10,040	(3,204)
Employee group insurance	210	210	---
Rent and clothing allowance	400	39	361
Supplies and repairs	2,100	2,000	100
Gas and oil	790	29	761
Repairs - equipment	290	---	290
Lift station maintenance materials	290	---	290
<b>General and administrative:</b>			
Insurance expense	1,000	935	65
Utilities expense	291,000	323,378	(32,378)
Trash and garbage	435,000	400,012	(34,988)
Depreciation expense	405,620	401,000	4,620
Contributions to pension	54,000	55,300	(1,300)
Bad debt expense	7,500	7,420	80
Unpaid vacation and sick pay	1,000	793	207
<b>Total operating expenses</b>	<u>1,234,970</u>	<u>1,264,205</u>	<u>(29,235)</u>
<b>Operating income</b>	<u>310,820</u>	<u>279,072</u>	<u>(31,748)</u>

(Continued)

See accompanying auditor's report.

CITY OF BOZALUSA, LOUISIANA  
 ENTERPRISE FUND  
 UTILITY FUND

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN  
 RETAINED EARNINGS - BUDGET (GAAP BASIS) AND ACTUAL  
 Year Ended December 31, 1997

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Other financing sources (uses):			
Operating transfers in (out):			
Employee Pay Related Sales Tax	\$ 116,220	\$ 118,383	\$ (2,163)
General Fund	(522,689)	(581,809)	41,628
Total other financing sources(uses)	(406,469)	(473,426)	25,942
Net income (loss)	(499,620)	(459,418)	4,202
Retained earnings (deficit), beginning	(10,273,629)	(10,588,241)	(3,612)
Retained earnings (deficit), ending	\$ (11,873,259)	\$ (11,873,629)	\$ 1,220

(Continued)

See accompanying auditor's report.

### *FUNDARY FUNDS*

**Firemen's Pension and Relief** - To account for funds received from ad valorem tax revenues and from contributions from the general fund which are subsequently disbursed to beneficiaries of these pension funds. The contributions from the general fund are made in amounts necessary to fund current benefits payable only.

**Policemen's Pension and Relief** - To account for funds received from ad valorem tax revenues and from contributions from the general fund which are subsequently disbursed to beneficiaries of these pension funds. The contributions from the general fund are made in amounts necessary to fund current benefits payable only.

**City Employees Retirement System** - To account for the accumulation of resources to be used for retirement security payments at appropriate amounts and times in the future. Resources are contributed by employees at amounts fixed by law and by the City at amounts determined as a percentage of ad valorem tax revenues which are also fixed by law. Note: This fund is presented at its year end - June 30, 1997. All other funds and account groups presented in these financial statements have a December 31, 1997 year end.

**CITY OF BOSSALUSA, LOUISIANA  
FIDUCIARY FUNDS**

**STATEMENT OF PLAN NET ASSETS  
December 31, 1997**

	Fireman's Pension and Relief Fund	Policeman's Pension and Relief Fund	City Employee Retirement System	Total
<b>Assets</b>				
Cash and short-term investments	\$ 28,135	\$ 104,548	\$ 32,619	\$ 265,255
<b>Receivables</b>				
Employer	105,082	95,493	80,725	281,280
Interest	<u>          </u>	<u>          </u>	<u>61,629</u>	<u>61,629</u>
Total receivables	<u>105,082</u>	<u>95,493</u>	<u>142,354</u>	<u>343,009</u>
<b>Investments, at fair value</b>				
U. S. Government obligations	<u>          </u>	<u>          </u>	<u>6,786,623</u>	<u>6,786,623</u>
Total investments	<u>          </u>	<u>          </u>	<u>6,786,623</u>	<u>6,786,623</u>
Total assets	363,255	348,041	6,951,502	7,254,880
<b>Liabilities</b>				
Refunds payable and other	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Fund balance reserved for employees' pension benefits</b>	\$ 163,235	\$ 348,041	\$ 6,831,782	\$ 7,254,880

See accompanying auditor's report.

CITY OF BOGALUSA, LOUISIANA  
FIDUCIARY FUNDS

STATEMENT OF CHANGES IN PLAN NET ASSETS  
Year Ended December 31, 1997

	Fireman's Pension and Relief Fund	Policeman's Pension and Relief Fund	City Employee Retirement System	Total
<b>Additions</b>				
<b>Contributions</b>				
Ad valorem taxes	\$ 114,439	\$ 181,365	\$ 153,728	\$ 449,532
City of Bogalusa	11,725	17,903	185,779	215,407
Plan member				185,779
Total contributions	<u>126,164</u>	<u>199,268</u>	<u>339,507</u>	<u>664,939</u>
<b>Investment income</b>				
Net appreciation (depreciation) in fair value of investment			34,234	34,234
Interest	3,174	3,423	442,733	449,330
Net investment income	<u>3,174</u>	<u>3,423</u>	<u>476,967</u>	<u>483,564</u>
Total additions	<u>129,338</u>	<u>202,691</u>	<u>816,474</u>	<u>1,148,503</u>
<b>Deductions</b>				
Benefits	398,317	64,490	489,974	952,781
Refunds of contributions			27,190	27,190
Administrative expense	<u>1,811</u>		<u>323</u>	<u>2,134</u>
Total deductions	<u>399,128</u>	<u>64,490</u>	<u>517,487</u>	<u>981,105</u>
Net increase	27,590	28,783	298,987	455,360
<b>Net assets held in trust for pension benefits</b>				
Beginning of year	<u>133,945</u>	<u>161,339</u>	<u>6,366,811</u>	<u>6,662,095</u>
End of year	<u>\$ 161,535</u>	<u>\$ 190,122</u>	<u>\$ 6,665,798</u>	<u>\$ 7,017,455</u>

See accompanying auditor's report.

CITY OF BOGALUSA, LOUISIANA  
FIDUCIARY FUNDS

SCHEDULE OF FUNDING PROGRESS  
Year Ended December 31, 2007

Anticipated Valuation Date	Anticipated Value of Assets (\$)	Anticipated Assured Liability (AAL) - Entry Age (\$)	Unfunded AAL (UAAL) (\$)	Funded Ratio (\$/A)	Covered Payoff (\$)	UAAL Percentage of Covered Payoff (UAAL/(\$-AAL))
<b>CBFF:</b>						
6/30/97	\$ 6,851,590	\$ 8,830,779	\$ 2,009,180	73.2%	\$ 1,348,253	100.0%
6/30/98	6,786,811	8,237,218	1,786,307	79.2%	1,255,290	97.2%
6/30/99	6,326,908	8,083,895	1,766,987	78.2%	1,632,563	100.0%
6/30/98	6,083,563	7,678,654	1,675,091	78.2%	1,578,967	100.0%
6/30/99	5,718,338	7,094,836	1,356,498	80.8%	1,515,958	89.9%
6/30/99	5,429,329	6,990,529	1,421,204	78.1%	1,508,322	100.0%
6/30/99	5,096,796	6,331,612	1,274,816	79.9%	1,365,165	94.7%
<b>PFPP:</b>						
12/31/97	340,843	511,238	171,395	46.9%	N/A	N/A
12/31/98	181,338	357,338	176,000	32.3%	N/A	N/A
12/31/99	173,999	886,202	672,203	16.0%	N/A	N/A
12/31/98	180,263	824,382	723,839	12.3%	N/A	N/A
12/31/99	70,838	838,308	768,278	8.4%	N/A	N/A
12/31/99	56,819	926,319	870,000	6.1%	N/A	N/A
12/31/99	41,908	1,174,681	1,173,373	3.6%	N/A	N/A
<b>FFPP:</b>						
12/31/97	163,808	854,337	690,529	19.2%	N/A	N/A
12/31/98	125,845	857,871	721,336	15.9%	N/A	N/A
12/31/98	111,235	981,467	790,232	12.3%	N/A	N/A
12/31/98	97,481	938,542	821,861	10.6%	N/A	N/A
12/31/99	82,352	921,816	838,883	8.5%	N/A	N/A
12/31/99	73,834	1,033,629	959,695	7.1%	N/A	N/A
12/31/99	78,888	1,030,876	951,988	7.6%	N/A	N/A

See accompanying auditor's report.

**CITY OF BOGALUSA, LOUISIANA  
FIDUCIARY FUNDS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS  
Year Ended December 31, 1997**

Year Ended June 30	CERS		FFPSA		FFPSA	
	Annual Required Contributions	Percentage Contributed	Required Contributions	Percentage Contributed	Required Contributions	Annual Percentage Contributed
1997	\$ 344,861	88.0%	N/A	N/A	N/A	N/A
1996	325,643	95.4%	N/A	N/A	N/A	N/A
1995	313,296	96.1%	N/A	N/A	N/A	N/A
1994	273,184	99.7%	N/A	N/A	N/A	N/A
1993	282,452	94.5%	N/A	N/A	N/A	N/A
1992	266,191	99.8%	N/A	N/A	N/A	N/A
1991	258,127	100.0%	N/A	N/A	N/A	N/A

- \* These systems are closed systems; therefore, the plans are currently being funded on a pay-as-you-go basis.

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows.

	CERS	FFPSA	FFPSA
Valuation date	6/30/97	12/31/97	12/31/97
Actuarial cost method	Entry Age	N/A	N/A
Amortization method	Level percent	N/A	N/A
Remaining amount valuation method	10	N/A	N/A
Asset valuation method	Market value	N/A	N/A
Actuarial assumptions:			
Investment rate of return	6.75%	N/A	N/A
Projected salary increase	4.5%	N/A	N/A
Inflation inflation rate	3.0%	N/A	N/A
Cost of living adjustments	2.0%	N/A	N/A

See accompanying auditor's report.

*AUDIT REPORTS REQUIRED BY THE SINGLE AUDIT ACT*

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

The Honorable M. E. "Tope" Taylor, Mayor  
and Members of the City Council  
City of Bogalusa, Louisiana

**Compliance**

I have audited the compliance of City of Bogalusa with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 1997. City of Bogalusa's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of City of Bogalusa's management. My responsibility is to express an opinion on City of Bogalusa's compliance based on my audit.

I conducted my audit of compliance in accordance with generally accepted auditing standards, the standards applicable to financial audits in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether

noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Bogalusa's compliance with these requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on City of Bogalusa's compliance with these requirements.

In my opinion, City of Bogalusa complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 1993.

#### Internal Control Over Compliance

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

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

This report is intended for the information of the Mayor, City Council, and the office of the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

  
Richard M. Seal  
Certified Public Accountant

Bogalusa, Louisiana  
June 24, 1998

## CITY OF BOGALUSA, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 1997

FEDERAL GRANTOR, PASS-THROUGH GRANTOR, PROGRAM NAME	CFDA NUMBER	EXPENDITURES
<b>Department of Agriculture</b>		
Passed through Louisiana Department of Health and Human Services		
Food Stamps	10.551A	\$ 3,208,999
Administrative Grant	10.561	23,028
		<u>3,291,017</u>
Passed through Louisiana Department of Education		
Summer Food Service for Children	10.359	127,208
Total United States Department of Agriculture		<u>3,388,225</u>
<b>Department of Housing and Urban Development</b>		
Public Housing Drug Elimination Program	10.710	40,616
Total Department of Housing and Urban Development		<u>40,616</u>
<b>Department of Transportation</b>		
Passed through Louisiana Department of Aviation		
Airport Improvement	20.306A	646,020
Total Department of Transportation		<u>646,020</u>

(Continued)

## CITY OF BOGALUSA, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 1997

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM NAME	CFDA NUMBER	EXPENDITURES
<b>Department of Justice</b>		
CDPS Problem Solving	16.710	\$ 2,348
Local Law Enforcement Block Grant	16.992	41,416
CDPS Post	16.710	<u>73,571</u>
		117,537
<b>Passed through Louisiana Capital District</b>		
LELE	16.710	\$ 8,481
SNAP (Street Narcotics Abatement) Program	16.579	6,674
Governor's Safe & Drug Free Schools	84.180A	6,420
Home Detention Program	16.940	1,075
Alternative School	16.710	<u>7,384</u>
		30,244
<b>Total Department of Justice</b>		<u>147,881</u>
<b>Environmental Protection Agency</b>		
<b>Passed through Louisiana Department of Environmental Quality</b>		
Revolving Loan Fund	66.458A	<u>913,310</u>
<b>Total Environmental Protection Agency</b>		<u>913,310</u>
<b>TOTAL EXPENDITURES</b>		<b>\$ 1,158,482</b>

(Continued)

\* Major federal awards programs

See accompanying notes to schedule of expenditures of federal awards.

CITY OF BOGALUSA, LOUISIANA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 1997

NOTE A—BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Bogalusa and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB A-133, *Antideficiency Act, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

CITY OF BOGALUSA, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended December 31, 1997

Section I—Summary of Auditor's Results

*Financial Statements*

1. The auditor's report expresses an unqualified opinion on the general-purpose financial statements of the City of Bogalusa.
2. There were no reportable conditions relating to the audit of the financial statements of the City of Bogalusa noted during the audit and was not considered to be a material weakness.
3. No instances of non-compliance material to the financial statements of the City of Bogalusa were noted during the audit.

*Federal Awards*

1. There were no reportable conditions relating to the audit of the major federal award programs.
2. The auditor's report on compliance for the major federal award programs for the City of Bogalusa expresses an unqualified opinion.
3. There are no audit findings that are required to be reported in accordance with Circular A-133, Section 548(a).
4. Identification of major programs:

<u>CFDA Number</u>	<u>Name of Passed-Through Grants/Federal Program</u>
66-458	Department of Environmental Protection Agency
30-806	DOTD-Federal Aviation Administration
10-551	Department of Food and Consumer Services/LA Department of Social Services

(Continued)

See accompanying auditor's report.

CITY OF BOZALUSA, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended December 31, 1997

**Section I—Summary of Audit Results (Continued)**

*General standards(Continued)*

5. The threshold for distinguishing major programs was \$180,000.
6. The City of Bogalusa elected to use the same criteria for selecting its major programs as in prior years for the above listed programs as allowed by first year implementation guidelines under the Single Audit Act of 1996 and OMB A-133 and thus a determination of whether the City qualified as a low-risk auditee was not made.

**Section II—Financial Statement Findings**

No matters were reported.

**Section III—Federal Award Findings and Questioned Costs**

No matters were reported.

**Section IV—Status of Prior Year's Findings**

No prior year findings.

(Concluded)

See accompanying auditor's report.