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CITY OF NATCHITOCHEs, LOUISIANA

ANNUAL FINANCIAL REPORT

MAY 31, 1996

*This report
supersedes
Report issued on
12/18/96 for
the year ended
5/31/96*

City of Natchitoches, Louisiana
Annual Financial Report
May 31, 1996

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Johnson, Thomas & Cunningham

Certified Public Accountants

Eddie G. Johnson, Jr., C.P.A., A Professional Corporation
Mark D. Thomas, C.P.A., A Professional Corporation
Roger M. Cunningham, C.P.A., A Professional Corporation

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INDEPENDENT AUDITOR'S REPORT

To the City Council of
Natchitoches, Louisiana

We have audited the general purpose financial statements of the City of Natchitoches, Louisiana, as of and for the year ended May 31, 1996, as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

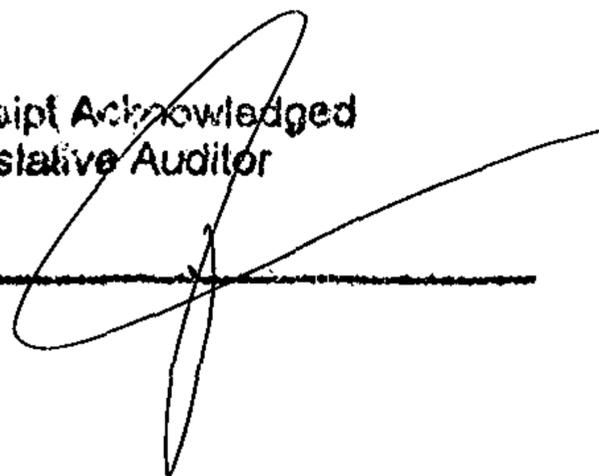
We conducted our audit in accordance with generally accepted auditing standards, the standards for financial and compliance audits contained in Government Auditing Standards, issued by the U.S. General Accounting Office, the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments", and the Louisiana Governmental Audit Guide. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Natchitoches, Louisiana, as of May 31, 1996, and the results of its operations and the cash flows of its proprietary fund for the year then ended, in conformity with generally accepted accounting principles.

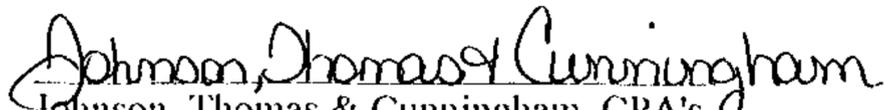
Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed as "Schedules" in the table of contents is presented for the purpose of additional analysis, and is not a required part of the financial statements of the City of Natchitoches, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Receipt Acknowledged
Legislative Auditor

By _____



The financial information for the preceding year, which is included for comparative purposes, was taken from the financial report for that year in which we expressed an unqualified opinion on the general purpose financial statements of the City of Natchitoches, Louisiana.


Johnson, Thomas & Cunningham, CPA's

November 22, 1996
Natchitoches, Louisiana

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED) STATEMENTS - OVERVIEW)

City of Natchitoches, Louisiana
Combined Balance Sheet-All Fund Types and Account Groups
May 31, 1996

	Governmental Fund Types				Proprietary		Fiduciary		Account Groups			Totals	
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Enterprise Fund	Agency Fund	General Fund	Long-Term Debt	General Fixed Assets	General	(Memorandum Only)		
											May 31, 1996	May 31, 1995	
Assets													
Cash & Cash Equivalents	\$ 548,970	\$2,710,512	\$110,060	\$7,491,240	\$ 0	\$20,907	\$ 0	\$ 0	\$ 0	\$10,881,689	\$10,600,621		
Receivables, net	382,470	106,294	0	589,525	2,137,694	9,782	0	0	0	3,225,765	3,213,808		
Due from Other Funds	561,044	0	0	58,686	145,576	0	0	0	0	745,306	725,608		
Due from Other													
Governmental Units	19,680	16,667	0	0	14,000	0	0	0	0	50,347	98,275		
Inventories, at cost	0	0	0	0	691,373	0	0	0	0	691,373	635,077		
Restricted Assets-													
Cash & Cash Equivalents	0	0	0	0	2,780,926	0	0	0	0	2,780,926	2,161,944		
Land	0	0	0	0	0	0	0	164,014	0	164,014	164,014		
Buildings	0	0	0	0	0	0	0	1,339,541	0	1,339,541	1,339,541		
Equipment	0	0	0	0	0	0	0	3,849,633	0	3,849,633	3,194,715		
Utility Plant, net	0	0	0	0	51,155,289	0	0	0	0	51,155,289	48,894,230		
Amount Available in Debt	0	0	0	0	0	0	0	0	(43,275)	(43,275)	(43,563)		
Service Funds	0	0	0	0	0	0	0	0	0	0	0		
Amount to be Provided for													
Payment of Long-Term Debt	0	0	0	0	0	0	0	0	13,183,879	13,183,879	11,048,114		
TOTAL ASSETS	\$1,512,164	\$2,833,473	\$110,060	\$8,119,451	\$56,924,858	\$30,689	\$0	\$5,353,188	\$13,140,604	\$88,024,487	\$82,052,384		
Liabilities													
Cash Overdraft	\$ 0	\$ 15,992	\$ 0	\$ 185,208	\$ 2,050,417	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,251,617	\$ 1,823,485		
Accounts Payable	22,379	11,896	0	626,575	1,347,481	0	0	0	0	2,008,331	1,853,717		
Accrued Expenses	38,165	0	0	0	26,558	0	0	0	0	64,723	38,651		
Due to Other Funds	0	141,812	52,450	0	551,044	0	0	0	0	745,306	725,608		
Payable from Restricted Assets-													
Bond Principal	0	0	0	0	1,028,000	0	0	0	0	1,028,000	986,000		
Customer's Deposits	0	0	0	0	587,208	0	0	0	0	587,208	523,653		

City of Natchitoches, Louisiana
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances-
All Governmental Fund Types
Year Ended May 31, 1996

	Governmental Fund Types				Totals	
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Project Funds	(Memorandum Only) May 31, 1996 May 31, 1995	
REVENUES:						
Taxes	\$ 2,460,028	\$ 752,994	\$ 0	\$ 1,998,302	\$ 5,211,324	\$ 4,865,101
Licenses & Permits	516,903	0	0	0	516,903	501,685
Intergovernmental	629,738	110,548	0	2,092,961	2,833,247	627,399
Charges for Services	1,062,137	0	0	0	1,062,137	1,060,114
Fines & Forfeits	71,617	0	0	0	71,617	74,667
Miscellaneous	147,882	1,516,210	288	272,824	1,937,204	1,626,542
Total Revenues	<u>\$ 4,888,305</u>	<u>\$ 2,379,752</u>	<u>\$ 288</u>	<u>\$ 4,364,087</u>	<u>\$ 11,632,432</u>	<u>\$ 8,755,508</u>
EXPENDITURES:						
Current-						
General Government	\$ 1,285,788	\$ 1,071,045	\$ 0	\$ 119,725	\$ 2,476,558	\$ 2,352,214
Public Safety	2,861,803	298,981	0	0	3,160,784	3,112,501
Streets & Sanitation	1,985,801	372,892	0	70,957	2,429,650	1,882,431
Water, Sewer & Utilities	0	1,029,756	0	2,093,220	3,122,976	2,019,748
Economic Development	65,308	2,660	0	791,280	859,248	95,709
Health & Welfare	95,221	0	0	0	95,221	107,220
Recreation & Culture	256,260	0	0	0	256,260	202,098
Debt Service-						
Principal Retired	0	135,000	332,308	0	467,308	405,008
Interest & Charges	0	104,816	436,063	0	540,879	512,975
Capital Outlay	0	0	0	2,405,730	2,405,730	3,411,229
Total Expenditures	<u>\$ 6,550,181</u>	<u>\$ 3,015,150</u>	<u>\$ 768,371</u>	<u>\$ 5,480,912</u>	<u>\$ 15,814,614</u>	<u>\$ 14,101,133</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$(1,661,876)</u>	<u>\$ (635,398)</u>	<u>\$(768,083)</u>	<u>\$(1,116,825)</u>	<u>\$(4,182,182)</u>	<u>\$(5,345,625)</u>
OTHER FINANCING SOURCES (USES):						
Debt Proceeds	\$ 0	\$ 2,000,000	\$ 0	\$ 0	\$ 2,000,000	\$ 2,356,876
Operating Transfers In	1,580,990	1,497,238	768,371	2,369,228	6,215,827	2,903,399
Operating Transfers Out	(155,159)	(2,875,228)	0	(768,371)	(3,798,758)	(784,339)
Total Other Financing	<u>\$ 1,425,831</u>	<u>\$ 622,010</u>	<u>\$ 768,371</u>	<u>\$ 1,600,857</u>	<u>\$ 4,417,069</u>	<u>\$ 4,475,936</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ (236,045)</u>	<u>\$ (13,388)</u>	<u>\$ 288</u>	<u>\$ 484,032</u>	<u>\$ 234,887</u>	<u>\$ (869,689)</u>
Fund Balances-Beginning of Year	<u>1,687,665</u>	<u>2,677,164</u>	<u>57,322</u>	<u>6,823,636</u>	<u>11,245,787</u>	<u>12,115,476</u>
Fund Balances-End of Year	<u>\$ 1,451,620</u>	<u>\$ 2,663,776</u>	<u>\$ 57,610</u>	<u>\$ 7,307,668</u>	<u>\$ 11,480,674</u>	<u>\$ 11,245,787</u>

See notes to financial statements.

City of Natchitoches, Louisiana
 Combined Statement of Revenues, Expenditures and Changes in Fund Balances-
 Budget (GAAP Basis) and Actual
 General, Special Revenue, Debt Service and Capital Project Fund Types
 Year Ended May 31, 1996

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Variance- Favorable (Unfavorable)
REVENUES:						
Taxes	\$ 2,472,000	\$ 2,460,028	\$ (11,972)	\$ 685,739	\$ 752,994	\$ 67,255
Licenses & Permits	403,800	516,903	13,103	0	0	0
Intergovernmental	460,325	629,738	169,413	120,433	110,548	(9,885)
Charges for Services	975,000	1,062,137	87,137	0	0	0
Fines & Forfeits	51,600	71,617	20,017	0	0	0
Miscellaneous	<u>53,000</u>	<u>147,882</u>	<u>94,882</u>	<u>756,839</u>	<u>1,516,210</u>	<u>759,371</u>
Total Revenues	<u>\$ 4,415,725</u>	<u>\$ 4,888,305</u>	<u>\$ 472,580</u>	<u>\$ 1,563,011</u>	<u>\$ 2,379,752</u>	<u>\$ 816,741</u>
EXPENDITURES:						
Current-						
General Government	\$ 1,418,444	\$ 1,285,788	\$ 132,656	\$ 301,200	\$1,071,045	\$ (769,845)
Public Safety	2,850,095	2,861,803	(11,708)	447,806	298,981	148,825
Streets & Sanitation	2,058,681	1,985,801	72,880	396,213	372,892	23,321
Water, Sewer & Utilities	0	0	0	2,460,000	1,029,756	1,430,244
Economic Development	136,583	65,308	71,275	0	2,660	(2,660)
Health & Welfare	94,090	95,221	(1,131)	0	0	0
Recreation & Culture	257,600	256,260	1,340	0	0	0
Debt Service-						
Principal Retired	0	0	0	135,000	135,000	0
Interest & Charges	0	0	0	104,816	104,816	0
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$ 6,815,493</u>	<u>\$ 6,550,181</u>	<u>\$ 265,312</u>	<u>\$ 3,845,035</u>	<u>\$ 3,015,150</u>	<u>\$ 829,885</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$(2,399,768)</u>	<u>\$(1,661,876)</u>	<u>\$ 737,892</u>	<u>\$(2,282,024)</u>	<u>\$ (635,398)</u>	<u>\$ 1,646,626</u>
OTHER FINANCING SOURCES (USES):						
Debt Proceeds	\$ 0	\$ 0	\$ 0	\$ 2,000,000	\$2,000,000	\$ 0
Operating Transfers In	1,580,990	1,580,990	0	1,385,000	1,497,238	112,238
Operating Transfers Out	<u>0</u>	<u>(155,159)</u>	<u>(155,159)</u>	<u>(2,607,000)</u>	<u>(2,875,228)</u>	<u>(268,228)</u>
Total Other Financing	<u>\$ 1,580,990</u>	<u>\$ 1,425,831</u>	<u>\$(155,159)</u>	<u>\$ 778,000</u>	<u>\$ 622,010</u>	<u>\$(155,990)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expendi- tures and Other Uses	<u>\$ (818,778)</u>	<u>\$ (236,045)</u>	<u>\$ 582,733</u>	<u>\$(1,504,024)</u>	<u>\$ (13,388)</u>	<u>\$ 1,490,636</u>
Fund Balances-Beginning of Year	<u>1,687,665</u>	<u>1,687,665</u>	<u>0</u>	<u>2,677,164</u>	<u>2,677,164</u>	<u>0</u>
Fund Balances-End of Year	<u>\$ 868,887</u>	<u>\$ 1,451,620</u>	<u>\$ 582,733</u>	<u>\$ 1,173,140</u>	<u>\$ 2,663,776</u>	<u>\$ 1,490,636</u>

See notes to financial statements.

<u>Debt Service Funds</u>			<u>Capital Projects Funds</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
\$ 0	\$ 0	\$ 0	\$ 2,060,000	\$ 1,998,302	\$ (61,698)
0	0	0	0	0	0
0	0	0	6,032,060	2,092,961	(3,939,099)
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>288</u>	<u>288</u>	<u>390,350</u>	<u>272,824</u>	<u>(117,526)</u>
<u>\$ 0</u>	<u>\$ 288</u>	<u>\$ 288</u>	<u>\$ 8,482,410</u>	<u>\$ 4,364,087</u>	<u>\$(4,118,323)</u>
\$ 0	\$ 0	\$ 0	\$ 120,000	\$ 119,725	\$ 275
0	0	0	0	0	0
0	0	0	35,000	70,957	(35,957)
0	0	0	3,075,975	2,093,220	982,755
0	0	0	3,835,000	791,280	3,043,720
0	0	0	0	0	0
0	0	0	0	0	0
332,308	332,308	0	0	0	0
387,692	436,063	(48,371)	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>3,452,060</u>	<u>2,405,730</u>	<u>1,046,330</u>
<u>\$ 720,000</u>	<u>\$ 768,371</u>	<u>\$(48,371)</u>	<u>\$ 10,518,035</u>	<u>\$ 5,480,912</u>	<u>\$ 5,037,123</u>
<u>\$(720,000)</u>	<u>\$(768,083)</u>	<u>\$(48,083)</u>	<u>\$(2,035,625)</u>	<u>\$(1,116,825)</u>	<u>\$ 918,800</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
720,000	768,371	48,371	2,000,000	2,369,228	369,228
<u>0</u>	<u>0</u>	<u>0</u>	<u>(720,000)</u>	<u>(768,371)</u>	<u>(48,371)</u>
<u>\$ 720,000</u>	<u>\$ 768,371</u>	<u>\$ 48,371</u>	<u>\$ 1,280,000</u>	<u>\$ 1,600,857</u>	<u>\$ 320,857</u>
\$ 0	\$ 288	\$ 288	\$ (755,625)	\$ 484,032	\$ 1,239,657
<u>57,322</u>	<u>57,322</u>	<u>0</u>	<u>6,823,636</u>	<u>6,823,636</u>	<u>0</u>
<u>\$ 57,322</u>	<u>\$ 57,610</u>	<u>\$ 288</u>	<u>\$ 6,068,011</u>	<u>\$ 7,307,668</u>	<u>\$ 1,239,657</u>

City of Natchitoches, Louisiana
Proprietary Fund Type
Enterprise Fund

Comparative Statement of Revenues, Expenses and Changes in Retained Earnings
Year Ended May 31, 1996

	<u>1996</u>	<u>1995</u>
OPERATING REVENUES:		
General Customers	\$15,609,692	\$15,530,742
Municipality	433,854	428,435
Service Charges & Penalties	390,150	305,269
Miscellaneous Revenue	95,840	181,844
Plant Rental	<u>1,193,079</u>	<u>1,117,920</u>
Total Operating Revenue	<u>\$17,722,615</u>	<u>\$17,564,210</u>
OPERATING EXPENSES:		
Production and Collection	\$ 9,362,259	\$ 9,280,641
Distribution and Treatment	2,996,301	2,889,763
Customer's Accounting & Collecting	481,951	507,079
Administrative and General	714,013	819,564
Depreciation	<u>1,485,587</u>	<u>1,406,905</u>
Total Operating Expenses	<u>\$15,040,111</u>	<u>\$14,903,952</u>
Operating Income	<u>\$ 2,682,504</u>	<u>\$ 2,660,258</u>
NON-OPERATING REVENUES AND EXPENSES:		
Interest Income	\$ 89,273	\$ 49,725
Interest Expense	(654,135)	(707,133)
Insurance Recovery	<u>418</u>	<u>2,723</u>
Total Non-operating Revenues and Expenses	<u>\$ (564,444)</u>	<u>\$ (654,685)</u>
Income Before Operating Transfers	<u>\$ 2,118,060</u>	<u>\$ 2,005,573</u>
OPERATING TRANSFERS IN (OUT):		
W & L Capital Improvements	\$ (1,193,079)	\$ (1,067,920)
General Fund	<u>(1,223,990)</u>	<u>(1,051,140)</u>
Total Transfers In (Out)	<u>\$ (2,417,069)</u>	<u>\$ (2,119,060)</u>
NET INCOME (LOSS)	<u>\$ (299,009)</u>	<u>\$ (113,487)</u>
Retained Earnings - Beginning	<u>5,095,873</u>	<u>5,209,360</u>
Retained Earnings - Ending	<u>\$ 4,796,864</u>	<u>\$ 5,095,873</u>

See notes to financial statements.

City of Natchitoches, Louisiana
Proprietary Fund Type
Enterprise Fund

Statement of Cash Flows
Year Ended May 31, 1996

	<u>1996</u>	<u>1995</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating Income for Year	\$ 2,682,504	\$ 2,660,258
Adjustment to Reconcile Net Income to Net Cash Provided by Operating Activities-		
Depreciation	1,485,587	1,406,905
Changes in Assets & Liabilities-		
(Increase) Decrease in Accounts Receivable	549,349	(512,058)
(Increase) Decrease in Inventory	(56,296)	(999)
(Increase) Decrease in Due from Other Funds	(9,698)	57,934
(Increase) Decrease in Other Receivables	34,345	(34,345)
Increase (Decrease) in Accounts Payable	(223,781)	(24,048)
Increase (Decrease) in Accrued Expenses	6,531	(80,088)
Increase (Decrease) in Customer's Deposits Net of Refunds	63,555	75,303
Increase (Decrease) in Due to Other Funds	<u>0</u>	<u>(163,847)</u>
Net Cash Provided by Operating Activities	<u>\$ 4,532,096</u>	<u>\$ 3,385,015</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Net Transfers to Other Funds	\$(2,417,069)	\$(2,119,060)
Insurance Recoveries	<u>418</u>	<u>2,723</u>
Net Cash Used by Non-capital Financing Activities	<u>\$(2,416,651)</u>	<u>\$(2,116,337)</u>
CASH FLOWS FROM CAPITAL ACTIVITIES:		
Interest Paid on Bonds	\$ (654,135)	\$ (707,133)
Acquisition & Construction of Capital Assets	(3,746,646)	(5,980,015)
Principal Paid on Bonds	(986,000)	(944,000)
Contributed Capital	<u>3,562,984</u>	<u>5,721,194</u>
Total Cash Flows from Capital Activities	<u>\$(1,823,797)</u>	<u>\$(1,909,954)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest Income	\$ <u>89,273</u>	\$ <u>49,725</u>
Net Increase (Decrease) in Cash & Cash Equivalents	\$ 380,921	\$ (591,551)
Cash & Cash Equivalents at Beginning of Year	<u>349,588</u>	<u>941,139</u>
Cash & Cash Equivalents at End of Year	<u>\$ 730,509</u>	<u>\$ 349,588</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

City of Natchitoches, Louisiana
Notes to Financial Statements
May 31, 1996

1. Summary of Significant Accounting Policies-

The financial statements of the City of Natchitoches have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

Reporting Entity-

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Primary government-

City of Natchitoches-The City operates under an elected Mayor/Council (5 members) administrative/legislative form of government. The City's operations include police and fire protection, streets and drainage, parks and recreation, certain social services, and general administration services. The City owns and operates one enterprise activity, a utilities system which generates and distributes electricity and provides water and sewer services. As required by generally accepted accounting principles, these financial statements present the City (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 relationships with the City.

Blended Component Units-

Natchitoches City Court and Natchitoches City Marshall-The day-to-day operations of City Court and the City Marshall are funded through the City's General Fund. The activities of these two entities are primarily for City residents. The agency funds of these two agencies are not shown in this report.

City of Natchitoches, Louisiana
Notes to Financial Statements
May 31, 1996

Fund Accounting-The accounts of the City of Natchitoches 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 the individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate fund types as follows:

Governmental Funds-

General Fund

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

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Debt Service Funds

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

Capital Projects Funds

Capital projects funds are used to account for the acquisition or construction of major capital facilities.

Proprietary Fund-

Enterprise Fund

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

City of Natchitoches, Louisiana
Notes to Financial Statements
May 31, 1996

Fiduciary Fund-

Trust and Agency Fund

Trust and agency funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Fixed Assets and Long-Term Liabilities-

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund is determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. These assets are recorded as expenditures in the governmental fund types when purchased. The City has elected to not capitalize certain improvements other than buildings, including roads, bridges, sidewalks, and drainage improvements. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost.

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

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

The proprietary fund is accounted for on a cost of services or "capital maintenance" measurement focus, and all assets and all liabilities (whether current or noncurrent) are recorded on its balance sheet.

Depreciation of all exhaustible fixed assets used by the proprietary fund is charged as an expense against operations. Assets are shown at cost less an allowance for depreciation. Depreciation has been provided over the estimated useful lives of the assets, using the straight-line method. *Accumulated depreciation at May 31, 1996, was \$18,507,343 and \$17,021,755 at May 31, 1995. Estimated useful lives are as follows:*

City of Natchitoches, Louisiana
Notes to Financial Statements
May 31, 1996

Buildings	50 years
Sewer System	50 years
Water & Utility	50 years
Vehicles & Equipment	6.67 years

All fixed assets of the utility fund are shown at historical cost.

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 measurement made, regardless of the measurement focus applied.

All Governmental and Agency 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. Sales taxes are considered as "measurable" when in the hands of the Sales Tax Collector, and are recognized as revenue at that time. Ad valorem taxes are recognized as revenue in the year for which budgeted, that is, in the year in which such taxes are billed and collected. Other major revenues that are considered susceptible to accrual include earned grant revenues, charges for services, and interest earned on investments. Franchise fees, licenses and permits, and court fines are recognized when received because they are not objectively measurable.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is that principal and interest on general long-term debt is recognized when due. Purchases of various operating supplies are regarded as expenditures at the time purchased.

The proprietary fund is accounted for using the accrual basis of accounting, whereby revenues are recognized when they are earned and expenses are recognized when incurred. Utility revenues are billed on a cycle basis and are recognized in the month for which billed. Unbilled utility service receivables are recorded at year end.

Budgets and Budgetary Accounting-

Annual budgets are adopted and recorded in the accounting records for all governmental type funds. The City follows these procedures in establishing the budgetary data reflected in these financial statements:

1. At least forty-five days prior to the beginning of each fiscal year, the Mayor submits to the City Council a proposed budget in the form required by the City's Charter.

City of Natchitoches, Louisiana
Notes to Financial Statements
May 31, 1996

2. At the meeting of the Council at which the operating budget is submitted, the Council orders a public hearing on the budget, and orders the official journal to publish at least ten days prior to such meeting, the time and place thereof, a general summary of the proposed budget, and the times and places where copies of the proposed budget are available for public inspection.
3. Adoption of the budget is required no later than the last regular meeting of the last month of the fiscal year prior to the fiscal year for which the budget pertains.
4. Formal budgetary integration is employed as a management control tool during the year. Funds in excess of the budgetary amounts cannot be obligated without the Finance Director's approval. Funds in excess of those budgeted for an entire department (or fund) cannot be obligated without the Mayor's approval. These procedures render control at the departmental/fund level.
5. The budget can be amended after adoption by the Mayor submitting an amended budget to the Council, and the adoption of the amended budget by the Council.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for the General, Special Revenue, Debt Service, and Capital Projects Funds are adopted on a basis consistent with generally accepted accounting principles as applied to governmental units.

Budget amounts shown in the financial statements are as originally adopted, or as amended with procedures required by the City's Charter.

Encumbrances-

Encumbrance accounting is not employed by the City of Natchitoches, Louisiana.

Cash and Cash Investments-

The City has deposits in several types of highly liquid investment vehicles such as certificates of deposit. Since all of the City's cash is readily available, these deposits are listed in these statements as "Cash and Cash Equivalents".

Inventories-

Inventories of supplies in the proprietary fund are valued at cost (moving average).

City of Natchitoches, Louisiana
Notes to Financial Statements
May 31, 1996

Bad Debts-

Uncollectible amounts due for customer's utility receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. Allowance for bad debts at May 31, 1996 was \$75,000 and \$75,000 for May 31, 1995.

Unpaid Accumulated Vacation and Sick Pay-

Employees of the City earn vacation pay of 8 hours per month. At the end of each year, employees may carry forward all the vacation time earned but not taken during the preceding year. Unused vacation pay is paid to an employee upon retirement or resignation at hourly rates being earned by that employee upon separation.

Sick leave is accumulated at the rate of 8 hours per month, and any unused sick leave may be carried forward without limitation.

Upon separation from service, employees are paid unused vacation and sick leave up to 480 hours of each.

Short-Term Interfund Receivables/Payables-

During the course of operations, numerous transactions occur between the individual funds. These interfund receivables/payables are classified on the balance sheet as "Due from Other Funds" or "Due to Other Funds".

Interfund Transactions-

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

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Restricted Assets-

Certain resources of the Utility Fund are classified as restricted assets on the balance sheet because their use is limited by bond ordinances, or because they represent customers' deposits being held by the fund.

City of Natchitoches, Louisiana
Notes to Financial Statements
May 31, 1996

Fund Equity-

Contributed capital is recorded in the proprietary fund to present capital grants or contributions from other governmental agencies or other funds. Reserves represent those portions of fund equity appropriated for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

Comparative Data-

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

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. Bond Issuance Costs-

Bond discounts and issuance costs are shown as expenditures in the current period for governmental fund types. For the proprietary fund, these costs are amortized over the life of the bond issue to which they relate.

3. 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 May and are actually billed to the taxpayer in October. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed, and are recognized as revenues when billed.

The City's taxes are collected by the Natchitoches Tax Commission using the assessed values determined by the tax assessor of Natchitoches Parish.

City of Natchitoches, Louisiana
Notes to Financial Statements
May 31, 1996

For the year ended May 31, 1996, taxes of 17.03 mills were levied on property with an assessed valuation totaling \$48,555,380 and were dedicated as follows:

General Corporate Purposes	7.03 mills
Special Taxes	10.00 mills

Total taxes collected were \$687,006 after small adjustments were made to the original tax roll. A tax sale was held on May 15, 1996, and most uncollected taxes were collected on that date. Total ad valorem taxes collected for the year ended May 31, 1995, were \$667,964. Uncollected taxes average less than 2% of total taxes levied, and no provision for uncollectibles is made.

The six largest taxpayers, and their assessed valuation are as follows:

<u>Taxpayer</u>	<u>Assessed Value</u>
Wal-Mart	\$ 3,365,724
South Central Bell	2,987,231
Con-Agra Poultry	2,607,481
Bank One	1,798,198
City Bank	1,518,088
Trans La Gas	<u>1,488,388</u>
Total	<u>\$13,765,110</u>

4. Restricted Assets-Proprietary Fund Type-

Restricted assets of the Utility Fund were applicable to the following at May 31, 1996 and 1995:

	<u>1996</u>	<u>1995</u>
Bond Reserve Account	\$1,318,434	\$1,307,413
Bond Contingency Account	396,267	49,543
Customer's Deposit Account-	360,000	537,350
Bond Interest & Redemption Account	<u>706,225</u>	<u>675,745</u>
Totals	<u>\$2,780,926</u>	<u>\$2,570,051</u>

City of Natchitoches, Louisiana
Notes to Financial Statements
May 31, 1996

5. Changes in Assets-

A summary of changes in general fixed assets follows:

	Balance 6-1-95	Additions	Deletions	Balance 5-31-96
Land	\$ 164,014	\$ 0	\$ 0	\$ 164,014
Buildings	1,339,541	0	0	1,339,541
Equipment	<u>3,194,715</u>	<u>717,843</u>	<u>62,925</u>	<u>3,849,633</u>
Totals	\$4,698,270	\$717,843	\$62,925	\$5,353,188

A summary of proprietary fund property, plant and equipment at May 31, 1996 follows:

	<u>Utility Fund</u>
Vehicles	\$ 459,445
Furniture & Fixtures	292,010
Equipment	8,382,417
Electrical Plant and System	12,282,128
Sewer Plant and System	30,394,460
Water Plant and System	16,792,943
Buildings	794,321
Land	264,908
Less: Accumulated Depreciation	<u>(18,507,343)</u>
Total	<u>\$51,155,289</u>

6. Long-Term Debt-

General Obligation-The City has two outstanding bond obligations issued by the Sales Tax Fund to help with the construction of a new waste water treatment plant. The bonds are payable through the Department of Environmental Quality, and are financed by the 1% Sales Tax collected by the Sales Tax Fund. During the year ended May 31, 1996, the City also issued certificates of indebtedness for \$2,000,000 to be used for improvements to the Utility System. These certificates are payable to Bank One, and are secured by the excess revenues of the General Fund. The City also issued 1,800,000 certificates of indebtedness in 1995 for utility system improvements. The Water and Light Capital Improvements Fund is actually making the interest and principal payments on these certificates, and the debt service expenditures are shown in that fund. Although all four of these debt issues were used for improvements to the proprietary fund, they are being financed by sources other than the proprietary fund's revenues, and are classified as general obligation debt.

Revenue Bonds-The City has issued several series of bonds for improvements to the utility system, and also to refund other bond issues. These bonds are secured by the revenues of the proprietary fund, and are reported within that fund.

City of Natchitoches, Louisiana
Notes to Financial Statements
May 31, 1996

Bonds outstanding at May 31, 1996, are as follows:

<u>Issue</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Interest Rates</u>	<u>Balance Outstanding</u>
General Obligation-				
Certificate of Indebtedness	03-01-95	09-01-04	6.05%	\$ 1,665,000
Certificate of Indebtedness	01-24-96	09-01-05	5.24%	2,000,000
DEQ #1	01-01-93	01-01-12	5.00%	2,424,559
DEQ #2	01-01-95	01-01-14	4.00%	<u>6,447,684</u>
Total General Obligation				<u>\$12,537,243</u>
Revenue Bonds-				
Series 1967	03-01-67	12-01-96	4.42%	\$ 33,000
Series 1968	03-01-68	12-01-97	5.224%	160,000
Series 1971	06-01-71	12-01-00	6.206%	420,000
Series 1972	06-01-72	12-01-01	5.668%	1,185,000
Series 1993-B	03-01-93	12-01-13	2.35 - 5.37%	4,190,000
Series 1993-C	03-01-93	12-01-07	2.35 - 5.15%	1,875,000
DEQ #3	04-14-93	12-01-13	2.45%	4,393,321
DEQ #4	12-29-92	12-01-13	4.00%	<u>2,871,255</u>
Total Revenue Bonds				<u>\$15,127,576</u>
Total Bonds Payable				<u>\$27,664,819</u>

The annual debt service requirements to maturity of all bonds outstanding at May 31, 1996, including interest payments of \$11,203,991 are as follows:

<u>Year Ending</u> <u>May 31</u>	<u>General Obligation</u>	<u>Revenue Bonds</u>	<u>Total</u>
1997	\$ 1,073,269	\$ 1,608,951	\$ 2,682,220
1998	1,250,718	1,698,887	2,949,605
1999	1,247,540	1,701,125	2,948,665
2000	1,248,195	1,697,583	2,945,778
2001	1,252,379	1,210,251	2,462,630
2002	1,254,196	1,145,348	2,399,544
2003	1,251,253	1,138,674	2,389,927
2004	1,260,816	1,135,803	2,396,619
2005	1,253,540	1,132,521	2,386,061
2006	1,022,091	1,135,647	2,157,738
2007-2010	3,005,091	4,524,184	7,529,275
2011-2014	<u>2,376,153</u>	<u>3,244,595</u>	<u>5,620,748</u>
Totals	<u>\$17,495,241</u>	<u>\$21,373,569</u>	<u>\$38,868,810</u>

City of Natchitoches, Louisiana
Notes to Financial Statements
May 31, 1996

The following is a summary of changes in long-term debt for the year ended May 31, 1996:

	Balance 6-1-95	Additions	Compensated Absences	Balance Reduction	5-31-96
General Obligation	\$11,004,551	\$2,000,000	\$ 0	\$ 457,308	\$12,537,243
Revenue Bonds	16,113,576	0	0	986,000	15,127,576
Compensated Absences	0	0	603,361	0	603,361
Total	\$27,118,127	\$2,000,000	\$603,361	\$1,453,308	\$28,268,180

7. Dedication of Proceeds and Flow of Funds-Sales and Use Tax-

The City of Natchitoches levies two 1%, and one .5% sales and use tax referendums. One of the 1% sales and use tax levies is dedicated to the General Fund, to be used as operating monies. Collections for 1996 were \$1,998,302 and \$2,024,350 for 1995. The .5% levy is dedicated to the Police Department, and began this fiscal year. Collections for this levy were \$349,628.

Proceeds of the other 1% tax are dedicated to the following purposes:

1. To pay the reasonable cost of the collection and administration of the tax.
2. To pay DEQ advances and to pay interest and principal on sales tax bonds to be issued to finance sewer construction.
3. Any excess after the above payments are made is dedicated and can be used for any one or more of the following: construction, extending, maintaining, and improving sewers and sewerage disposal works and waterworks facilities and purchasing and acquiring the necessary land, equipment and furnishings for the aforesaid public works.

The total collections for this 1% tax were \$1,998,302 for 1996, and \$2,036,877 for 1995.

8. Flow of Funds, Restriction on Use-Enterprise Fund-

Under the terms of the bond indentures relating to Utility Revenue Bonds, all income and revenues (hereinafter referred to as revenue) of every nature, earned or derived from operations of the Utility System are pledged and dedicated to the retirement of said bonds, and are to be set aside into the following special accounts:

1. Out of revenue, to the "Operations and Maintenance Account", an amount sufficient to provide for expenses of the system.
2. Each month, there should be set aside into an account called the "Bond and Interest Redemption Fund", an amount constituting 1/12 of the next maturing yearly installment principal payment, and 1/6 of the next six month interest payment. These funds can only be used for payment of bond principal and interest.

City of Natchitoches, Louisiana
Notes to Financial Statements
May 31, 1996

3. There should also be set aside into a "Bond Reserve Account", an amount equal to 20% of the principal and interest payments required during the current fiscal year until there shall have been accumulated in the Reserve Account an amount equal to the maximum principal and interest requirements in any one maturity year. These monies may be used only for the payment of maturing bonds and interest for which sufficient funds are not on deposit in the "Bond and Interest Redemption Account".
4. Funds must also be set aside into a "Contingency Account" at the rate of 7% of the adjusted income of the Utility Fund. Money in this account may also be used to pay principal and interest on the bonds falling due at a time when there is not sufficient money for payment in the other bond funds. This fund can be used for major repairs to the system. The amount in the account should not be reduced below \$15,000.
5. All of the revenue received in any fiscal year and not required to be paid in such fiscal year into any of the above noted funds shall be regarded as surplus and may be used for any lawful purpose.

9. Employment Retirement Systems-

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

A. Municipal Employees Retirement System of Louisiana (System)

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

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

City of Natchitoches, Louisiana
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The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (504) 925-4810.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.25 percent of their annual covered salary and the City of Natchitoches is required to contribute at an actuarially determined rate. The current rate is 5.5 percent of annual covered payroll until June 1995 and 6.75 percent for the remainder of the fiscal year. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the City of Natchitoches are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City of Natchitoches' contributions to the System under Plan A for the years ending May 31, 1996, 1995 and 1994, were \$168,419, \$154,401, and \$161,743, respectively, equal to the required contributions for each year.

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

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

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (504) 929-7411.

Funding Policy. Plan members are required by state statute to contribute 7.5 percent of their annual covered salary and the City of Natchitoches is required to contribute at an actuarially determined rate. The current rate is 9.0 percent of annual covered payroll. The contribution requirements of plan members and the City of Natchitoches are established and may be amended

City of Natchitoches, Louisiana
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by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City of Natchitoches' contributions to the System for the years ending May 31, 1996, 1995, and 1994, were \$85,580, \$84,654, and \$77,252, respectively, equal to the required contributions for each year.

C. Firefighters Retirement System of Louisiana

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

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Firefighters Retirement System, Post Office Box 95095, Baton Rouge, Louisiana 70804, or by calling (504) 925-4060.

Funding Policy. Plan members are required by state statute to contribute 8.0 percent of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 9.0 percent of annual covered payroll. The contribution requirements of plan members and the City of Natchitoches are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City of Natchitoches' contributions to the System for the years ending May 31, 1996, 1995, and 1994, were \$83,533, \$47,582, and \$36,915, respectively, equal to the required contributions for each year.

10. Pending Litigation-

Various lawsuits are presently pending against the City of Natchitoches. In cases where damages are being sought from the City, attorneys for the City are of the opinion that any judgments rendered in favor of the plaintiffs or payments resulting from compromise settlements, if any, will be within the limits of the various insurance coverages carried by the City.

City of Natchitoches, Louisiana
Notes to Financial Statements
May 31, 1996

11. Cash and Investments-

Cash and investments are held separately by each of the City's funds. At May 31, 1996, the City's cash and investments totaled \$11,410,998. Bank account balances at May 31, 1996, totaled \$11,302,994. Of the amounts held in commercial banks and savings and loan associations, \$395,764 was covered by federal depository insurance.

The City's cash and investments are categorized below to give an indication of the level of risk assumed by the City at May 31, 1996. Category 1 includes cash that is held by the City, cash and investments that are insured or registered, or investments held by the City or its brokers in the City's name. Category 2 would include uninsured and unregistered investments for which the securities are held by the broker's dealer's trust department or agent in the City's name. Category 3 would include uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the City's name.

	Category			Carrying Value	Market Value
	1	2	3		
Cash-					
Petty Cash	\$ 1,641	\$ 0	\$0	\$ 1,641	\$ 1,641
Demand Deposits	2,062,468	1,753,299	0	3,815,767	3,815,767
Certificates of Deposit	3,694,141	0	0	3,694,141	3,694,141
Investments-					
U.S. Government Securities	3,793,086	0	0	3,793,086	3,793,086
Total	<u>\$9,551,336</u>	<u>\$1,753,299</u>	<u>\$0</u>	<u>\$11,304,635</u>	<u>\$11,304,635</u>

12. Compensation of City Councilmen-

A detail of compensation paid to individual councilmen for the year ended May 31, 1996 follows:

Wayne McCullen	\$ 8,400
Jack McCain, Jr.	5,760
Lee Posey	5,760
John Below	5,760
John Winston	<u>5,760</u>
Total	<u>\$31,440</u>

City of Natchitoches, Louisiana
Notes to Financial Statements
May 31, 1996

13. Contributed Capital-

During the year, contributed capital changed in the following amounts:

Utility Fund-	
Contributed by municipality	\$ 3,562,984
Contributed Capital at May 31, 1995	<u>28,874,726</u>
Contributed Capital at May 31, 1996	<u>\$32,437,710</u>

14. Interfund Receivables, Payables-

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$561,044	\$ 0
Special Revenue Funds-		
Employee Benefits Fund	0	19,698
W & L Capital Improvements	0	122,114
Capital Projects Funds-		
Sales Tax Fund	38,686	0
Debt Service Fund-		
Sales Tax-DEQ	0	52,450
Utility Fund	<u>145,576</u>	<u>551,044</u>
Totals	<u>\$745,306</u>	<u>\$745,306</u>

15. Lease Agreement-Waterworks District Number One-

The City of Natchitoches has entered into a long-term lease agreement with Waterworks District Number 1 of Natchitoches Parish for a period of fifty years from 1980. This District was originally created to construct a water source, and furnish water to residents of Ward One of Natchitoches Parish, including those residents living within the City's boundaries. The agreement provides that the City operate the water system, including billing the consumers and collecting for services, furnishing all labor, materials, and equipment to operate and maintain the system. The agreement calls for the City to lease the water system from the Water District for an annual payment of \$3,600. The Waterworks District retains control of and responsibility for the water source.

16. Employee Benefits Fund-

The City has established a risk management program for its insurance coverage for employees, and accounts for this program in the Employee Benefits Fund. Both the employer's and employees' shares of premiums are paid into this fund, and are available to pay claims and administrative costs. During the fiscal year ended May 31, 1996, a total of \$793,971 was paid in benefits and costs, which included the purchase of excess coverage insurance. Interfund premiums are based upon the insured fund's claim experience and are reported as quasi-external transactions.

City of Natchitoches, Louisiana
Notes to Financial Statements
May 31, 1996

Statement number 10 of the Governmental Accounting Standards Board requires that all potential losses of insurance funds which are both probable and reasonably estimable be reported as liabilities of these type of funds. As of May 31, 1996, an actuarial report had not been prepared for this fund.

17. Fund Deficits-

The following individual funds have deficits in unreserved fund balance or retained earnings at May 31, 1996:

<u>Fund</u>	<u>Deficit Amount</u>
DWI Grant Fund	\$ (6,285)
Drug Elimination Grant Fund	(4,847)
EDA Grant Fund	(40)
LCDBG Alliance Fund	(185,168)
Sales Tax-DEQ	<u>(43,563)</u>
Total	<u>\$(239,903)</u>

The deficits will be funded by transfers from other funds in future years.

18. Expenditures/Expenses-
Actual and Budget-

The following individual funds have actual expenditures/expenses over budgeted expenditures/expenses for the year ended May 31, 1996:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Capital Improvements Fund	\$ 0	\$ 39,903	\$ (39,903)
Employee Benefits Fund	0	793,971	(793,971)
Animal Shelter Fund	0	1,012	(1,012)
Main St. Facade Grant	0	2,660	(2,660)
EDA Grant Fund	0	40	(40)
MLK Recreation Center	0	215,804	(215,804)
Trane Project Fund	0	29,479	(29,479)
Sales Tax-DEQ	<u>720,000</u>	<u>768,371</u>	<u>(48,371)</u>
Total	<u>\$720,000</u>	<u>\$1,851,240</u>	<u>\$(1,131,240)</u>

City of Natchitoches, Louisiana
Notes to Financial Statements
May 31, 1996

19. Receivables-

The following is a summary of receivables at May 31, 1996:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Proprietary Funds</u>
Tax, Licenses & Permits				
Sales & Use Tax	\$183,266	\$ 91,430	\$183,265	\$ 0
Licenses & Permits	45,274	0	0	0
Intergovernmental				
Federal	2,958	0	406,260	0
State	100,562	6,284	0	0
Local	47,813	0	0	0
Other Receivables	<u>2,597</u>	<u>8,580</u>	<u>0</u>	<u>2,137,694</u>
Total	<u>\$382,470</u>	<u>\$106,294</u>	<u>\$589,525</u>	<u>\$2,137,694</u>

20. Postemployment Benefits-

On October 23, 1995, the City Council passed Resolution #111 approving a plan to continue paying one-half of the health insurance premiums for employees who worked for the City at least 20 years and that have reached age 50 at retirement until they have reached age 65. The plan went into effect on January 1, 1996. The City intends to fund these benefits on a "pay-as-you-go" basis. For the year ended May 31, 1996, this benefit cost the City approximately \$863.

FINANCIAL SCHEDULES OF THE INDIVIDUAL FUNDS
AND THE ACCOUNT GROUPS

GENERAL FUND

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

City of Natchitoches, Louisiana
General Fund

Balance Sheets
May 31, 1996

	<u>1996</u>	<u>1995</u>
<u>Assets</u>		
Cash	\$ 548,970	\$1,022,888
Revenue Receivables	382,470	317,999
Due from Other Funds	561,044	551,044
Other Receivables	<u>19,680</u>	<u>23,263</u>
Total Assets	\$1,512,164	\$1,915,194
<u>Liabilities & Fund Balance</u>		
Liabilities-		
Accounts Payable	\$ 22,379	\$ 208,905
Accrued Expenses	38,165	18,624
Due to Other Funds	<u>0</u>	<u>0</u>
Total Liabilities	\$ 60,544	\$ 227,529
Fund Balance-		
Unreserved-Undesignated	<u>1,451,620</u>	<u>1,687,665</u>
Total Liabilities & Fund Balance	\$1,512,164	\$1,915,194

See notes to financial statements.

City of Natchitoches, Louisiana
General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended May 31, 1996
With Comparative Amounts from Year Ended May 31, 1995

	1996		Variance- Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
REVENUES:				
Taxes	\$ 2,472,000	\$ 2,460,028	\$ (11,972)	\$ 2,438,728
Licenses & Permits	403,800	516,903	113,103	501,685
Intergovernmental	460,325	629,738	169,413	443,088
Charges for Services	975,000	1,062,137	87,137	1,060,114
Fines & Forfeits	51,600	71,617	20,017	74,667
Miscellaneous	53,000	147,882	94,882	155,898
Total Revenues	<u>\$ 4,415,725</u>	<u>\$ 4,888,305</u>	<u>\$ 472,580</u>	<u>\$ 4,674,180</u>
EXPENDITURES:				
Current-				
General Government	\$ 1,418,444	\$ 1,285,788	\$ 132,656	\$ 1,137,778
Public Safety	2,850,095	2,861,803	(11,708)	2,648,689
Streets & Sanitation	2,058,681	1,985,801	72,880	1,796,024
Health & Welfare	94,090	95,221	(1,131)	107,220
Recreation & Culture	257,600	256,260	1,340	202,098
Economic Development	136,583	65,308	71,275	86,709
Total Expenditures	<u>\$ 6,815,493</u>	<u>\$ 6,550,181</u>	<u>\$ 265,312</u>	<u>\$ 5,978,518</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$(2,399,768)</u>	<u>\$(1,661,876)</u>	<u>\$ 737,892</u>	<u>\$(1,304,338)</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	\$ 1,580,990	\$ 1,580,990	\$ 0	\$ 1,278,140
Operating Transfers Out	0	(155,159)	(155,159)	(7,339)
Total Other Financing	<u>\$ 1,580,990</u>	<u>\$ 1,425,831</u>	<u>\$(155,559)</u>	<u>\$ 1,270,801</u>
Excess (Deficiency) of Revenues and Other Sources Over Expen- ditures and Other Uses	<u>\$ (818,778)</u>	<u>\$ (236,045)</u>	<u>\$ 582,733</u>	<u>\$ (33,537)</u>
Fund Balance-Beginning of Year	<u>1,687,665</u>	<u>1,687,665</u>	<u>0</u>	<u>1,721,202</u>
Fund Balance-End of Year	<u>\$ 868,887</u>	<u>\$ 1,451,620</u>	<u>\$ 582,733</u>	<u>\$ 1,687,665</u>

See notes to financial statements.

City of Natchitoches, Louisiana
General Fund

Schedule of Revenues-
Budget (GAAP Basis) and Actual
Year Ended May 31, 1996
With Comparative Amounts from Year Ended May 31, 1995.

	1996		Variance- Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
REVENUES:				
Taxes-				
Cable TV Franchise	\$ 22,000	\$ 22,486	\$ 486	\$ 20,713
Trans La Franchise	112,000	127,115	15,115	90,486
Fire Insurance Tax	24,000	27,765	3,765	24,711
Sales & Use Tax	2,060,000	1,998,302	(61,698)	2,024,350
Ad Valorem Taxes	<u>254,000</u>	<u>284,360</u>	<u>30,360</u>	<u>278,468</u>
Total Taxes	<u>\$2,472,000</u>	<u>\$2,460,028</u>	<u>\$ (11,972)</u>	<u>\$2,438,728</u>
Licenses & Permits-				
Insurance Licenses	\$ 154,000	\$ 159,871	\$ 5,871	\$ 191,082
Liquor Licenses	14,500	18,446	3,946	15,462
Occupational Licenses	195,000	265,146	70,146	243,196
Building Permits	40,000	73,405	33,405	51,945
Mobile Home Permits	<u>300</u>	<u>35</u>	<u>(265)</u>	<u>0</u>
Total Licenses & Permits	<u>\$ 403,800</u>	<u>\$ 516,903</u>	<u>\$113,103</u>	<u>\$ 501,685</u>
Intergovernmental-				
Beer Taxes	\$ 28,000	\$ 42,583	\$ 14,583	\$ 26,568
Tobacco Taxes	72,800	80,965	8,165	81,094
Payments in Lieu of Taxes	30,000	89,046	59,046	40,270
La Department of Transportation	21,025	31,537	10,512	10,512
La Gaming Revenues	300,000	360,336	60,336	271,222
Main Street Program	8,500	9,271	771	13,422
Cops Fast Grant	<u>0</u>	<u>16,000</u>	<u>16,000</u>	<u>0</u>
Total Intergovernmental	<u>\$ 460,325</u>	<u>\$ 629,738</u>	<u>\$169,413</u>	<u>\$ 443,088</u>

Continued next page.

See notes to financial statements.

City of Natchitoches, Louisiana
General Fund

Schedule of Revenues-
Budget (GAAP Basis) and Actual
Year Ended May 31, 1996
With Comparative Amounts from Year Ended May 31, 1995

	1996		Variance- Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
Charges for Services-				
Animal Shelter	\$ 4,000	\$ 3,266	\$ (734)	\$ 4,213
Refuse Collection	952,000	1,040,522	88,522	1,033,916
Recreation Department	15,000	9,398	(5,602)	16,970
Police Fees	4,000	8,951	4,951	5,015
Total Charges for Services	<u>\$ 975,000</u>	<u>\$1,062,137</u>	<u>\$ 87,137</u>	<u>\$1,060,114</u>
Fines & Forfeits-				
Court Costs	\$ 6,600	\$ 9,242	\$ 2,642	\$ 8,074
Court Fines	45,000	62,375	17,375	66,593
Total Fines & Forfeits	<u>\$ 51,600</u>	<u>\$ 71,617</u>	<u>\$ 20,017</u>	<u>\$ 74,667</u>
Miscellaneous-				
Insurance Recovery	\$ 8,000	\$ 4,252	\$ (3,748)	\$ 6,080
Interest Income	30,000	79,442	49,442	35,712
Miscellaneous	15,000	64,188	49,188	114,106
Total Miscellaneous	<u>\$ 53,000</u>	<u>\$ 147,882</u>	<u>\$ 94,882</u>	<u>\$ 155,898</u>
TOTAL REVENUES	\$4,415,725	\$4,888,305	\$472,580	\$4,674,180

See notes to financial statements.

City of Natchitoches, Louisiana
General Fund

Schedule of Expenditures-
Budget (GAAP Basis) and Actual
Year Ended May 31, 1996

With Comparative Amounts from Year Ended May 31, 1995

	1996		Variance- Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
GENERAL GOVERNMENT:				
City Hall-				
Personnel Cost	\$265,445	\$266,959	\$ (1,514)	\$229,976
Supplies & Postage	17,700	9,232	8,468	9,573
Maintenance	7,200	4,391	2,809	9,338
Mayor's Expense	7,200	2,400	4,800	5,438
Municipal Code Publications	24,000	15,042	8,958	41,698
Fuel, Travel & Auto	18,100	20,312	(2,212)	12,262
Utilities	9,500	10,244	(744)	9,156
Miscellaneous	2,200	2,517	(317)	1,661
Promotional Expenditures	37,000	27,262	9,738	51,179
Capital Expenditures	<u>13,500</u>	<u>19,101</u>	<u>(5,601)</u>	<u>0</u>
Total	<u>\$401,845</u>	<u>\$377,460</u>	<u>\$ 24,385</u>	<u>\$370,281</u>
Purchasing Department-				
Personnel Cost	\$ 79,884	\$ 79,043	\$ 841	\$ 75,776
Supplies & Postage	3,000	1,819	1,181	2,458
Fuel, Travel & Auto	2,000	1,635	365	1,114
Uniforms	700	824	(124)	855
Utilities	9,600	12,410	(2,810)	8,712
Miscellaneous	1,300	1,125	175	1,423
Capital Expenditures	<u>5,500</u>	<u>4,695</u>	<u>805</u>	<u>3,264</u>
Total	<u>\$101,984</u>	<u>\$101,551</u>	<u>\$ 433</u>	<u>\$ 93,602</u>
City Garage-				
Personnel Cost	\$114,705	\$110,291	\$ 4,414	\$110,559
Supplies & Repairs	12,200	27,342	(15,142)	19,606
Uniforms & Miscellaneous	2,780	2,155	625	2,369
Utilities	8,500	8,667	(167)	5,673
Capital Expenditures	<u>14,000</u>	<u>13,715</u>	<u>285</u>	<u>8,733</u>
Total	<u>\$152,185</u>	<u>\$162,170</u>	<u>\$ (9,985)</u>	<u>\$146,940</u>

Continued next page.

See notes to financial statements.

City of Natchitoches, Louisiana
General Fund

Schedule of Expenditures-
Budget (GAAP Basis) and Actual
Year Ended May 31, 1996
With Comparative Amounts from Year Ended May 31, 1995

	1996		Variance- Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
City Court-				
Personnel Cost	\$ 30,261	\$ 38,747	\$ (8,486)	\$ 31,535
Judge's Retirement	720	718	2	714
Office & Supplies	<u>27,000</u>	<u>14,878</u>	<u>12,122</u>	<u>19,105</u>
Total	<u>\$ 57,981</u>	<u>\$ 54,343</u>	<u>\$ 3,638</u>	<u>\$ 51,354</u>
Community Affairs-				
Personnel Cost	\$ 81,946	\$ 82,672	\$ (726)	\$ 80,245
Airport	15,000	16,732	(1,732)	12,928
Fuel & Travel	4,000	4,994	(994)	3,862
Repairs & Miscellaneous	5,100	3,014	2,086	2,650
Supplies & Postage	12,700	6,729	5,971	2,036
Utilities	8,100	8,300	(200)	6,697
Capital Expenditures	<u>5,800</u>	<u>1,808</u>	<u>3,992</u>	<u>4,945</u>
Total	<u>\$ 132,646</u>	<u>\$ 124,249</u>	<u>\$ 8,397</u>	<u>\$ 113,363</u>
General Accounts-				
Legal & Audit	\$ 50,032	\$ 52,809	\$ (2,777)	\$ 53,338
Fire & Casualty Insurance	131,936	96,310	35,626	131,539
Workmen's Compensation	4,680	5,450	(770)	4,261
Municipal Electricity	132,775	154,121	(21,346)	141,385
Payroll Taxes	1,220	1,369	(149)	1,295
Employee Benefits	102,960	37,954	65,006	30,420
Miscellaneous	3,200	199	3,001	0
Capital Expenditures	<u>145,000</u>	<u>117,803</u>	<u>27,197</u>	<u>0</u>
Total	<u>\$ 571,803</u>	<u>\$ 466,015</u>	<u>\$105,788</u>	<u>\$ 362,238</u>
TOTAL GENERAL GOVERNMENT	<u>\$1,418,444</u>	<u>\$1,285,788</u>	<u>\$132,656</u>	<u>\$1,137,778</u>

Continued next page.

See notes to financial statements.

City of Natchitoches, Louisiana
General Fund

Schedule of Expenditures-
Budget (GAAP Basis) and Actual
Year Ended May 31, 1996

With Comparative Amounts from Year Ended May 31, 1995

	1996		Variance- Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
PUBLIC SAFETY:				
Fire Department-				
Personnel Cost	\$1,042,087	\$1,087,158	\$(45,071)	\$1,020,249
Fuel & Oil	5,184	4,472	712	3,888
Maintenance	10,000	8,223	1,777	9,216
Supplies & Miscellaneous	12,000	17,953	(5,953)	12,702
School & Travel	8,516	5,337	3,179	4,133
Uniforms	7,000	7,778	(778)	5,419
Utilities	19,569	24,586	(5,017)	19,977
Capital Expenditures	<u>25,000</u>	<u>36,249</u>	<u>(11,249)</u>	<u>1,075</u>
Total	<u>\$1,129,356</u>	<u>\$1,191,756</u>	<u>\$(62,400)</u>	<u>\$1,076,659</u>
Police Department-				
Personnel Cost	\$1,481,119	\$1,420,619	\$ 60,500	\$1,305,536
Fuel	33,000	34,507	(1,507)	32,049
Maintenance	24,400	37,606	(13,206)	43,648
Prisoner Maintenance	4,000	1,892	2,108	4,251
Utilities	15,300	18,952	(3,652)	15,446
Water Patrols	600	703	(103)	728
Supplies & Uniforms	50,100	46,868	3,232	63,832
Office Expense	11,500	14,539	(3,039)	12,224
Travel & Training	13,500	16,953	(3,453)	17,232
Marshall's Expense	63,220	63,049	171	58,564
Civil Defense	4,000	605	3,395	2,122
Liability Insurance	0	0	0	2,398
Capital Expenditures	<u>20,000</u>	<u>13,754</u>	<u>6,246</u>	<u>14,000</u>
Total	<u>\$1,720,739</u>	<u>\$1,670,047</u>	<u>\$ 50,692</u>	<u>\$1,572,030</u>
TOTAL PUBLIC SAFETY	<u>\$2,850,095</u>	<u>\$2,861,803</u>	<u>\$(11,708)</u>	<u>\$2,648,689</u>

Continued next page.

See notes to financial statements.

City of Natchitoches, Louisiana
General Fund

Schedule of Expenditures-
Budget (GAAP Basis) and Actual
Year Ended May 31, 1996

With Comparative Amounts from Year Ended May 31, 1995

	1996		Variance- Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
STREETS & SANITATION:				
Personnel Cost	\$ 458,681	\$ 433,369	\$ 25,312	\$ 427,456
Street Materials	25,000	40,960	(15,960)	25,818
Maintenance	24,000	23,131	869	42,688
Fuel & Oil	16,000	19,644	(3,644)	18,285
Supplies & Miscellaneous	23,500	27,757	(4,257)	30,276
Refuse Disposal	829,000	904,296	(75,296)	1,094,754
Utilities	10,500	8,538	1,962	8,248
Uniforms	7,000	5,861	1,139	6,069
Grass Cutting & Demolition	80,000	20,935	59,065	50,000
Capital Expenditures	<u>585,000</u>	<u>501,310</u>	<u>83,690</u>	<u>92,430</u>
TOTAL STREETS & SANITATION	\$2,058,681	\$1,985,801	\$ 72,880	\$1,796,024
HEALTH & WELFARE:				
Animal Shelter-				
Personnel Cost	\$ 54,920	\$ 54,330	\$ 590	\$ 51,808
Food & Medicine	6,800	5,170	1,630	5,645
Fuel & Maintenance	1,500	511	989	1,547
Supplies & Miscellaneous	2,700	3,563	(863)	1,403
Utilities	6,090	10,864	(4,774)	7,680
Capital Expenditures	<u>9,000</u>	<u>13,155</u>	<u>(4,155)</u>	<u>26,185</u>
Total	<u>\$ 81,010</u>	<u>\$ 87,593</u>	<u>\$ (6,583)</u>	<u>\$ 94,268</u>
Other Health & Welfare-				
Coroner's Expense	\$ 10,800	\$ 5,468	\$ 5,332	\$ 10,672
Veteran's Service Officer	<u>2,280</u>	<u>2,160</u>	<u>120</u>	<u>2,280</u>
Total	<u>\$ 13,080</u>	<u>\$ 7,628</u>	<u>\$ 5,452</u>	<u>\$ 12,952</u>
TOTAL HEALTH & WELFARE	\$ 94,090	\$ 95,221	\$ (1,131)	\$ 107,220

Continued next page.

See notes to financial statements.

City of Natchitoches, Louisiana
General Fund

Schedule of Expenditures-
Budget (GAAP Basis) and Actual
Year Ended May 31, 1996

With Comparative Amounts from Year Ended May 31, 1995

	1996		Variance- Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
RECREATION & CULTURE:				
Personnel Cost	\$ 98,600	\$ 96,828	\$ 1,772	\$ 94,878
Fuel & Maintenance	2,700	673	2,027	2,217
Maintenance of Facilities	17,000	33,748	(16,748)	20,437
Ribbons, Trophies, etc.	1,500	784	716	3,366
Christmas Festival	15,000	19,150	(4,150)	10,847
Dixie Youth	11,000	7,022	3,978	17,151
Utilities	18,000	27,976	(9,976)	22,898
Beautification Committee	6,800	4,152	2,648	0
Capital Expenditures	<u>87,000</u>	<u>65,927</u>	<u>21,073</u>	<u>30,304</u>
TOTAL RECREATION & CULTURE	\$ <u>257,600</u>	\$ <u>256,260</u>	\$ <u>1,340</u>	\$ <u>202,098</u>
ECONOMIC DEVELOPMENT:				
Main Street-				
Personnel Cost	\$ 25,093	\$ 24,547	\$ 546	\$ 24,296
Supplies & Postage	2,400	2,181	219	2,040
Telephone	1,200	1,614	(414)	1,221
Fuel & Travel	4,000	2,561	1,439	2,640
Miscellaneous	2,400	1,327	1,073	824
Outside Appropriations	<u>101,490</u>	<u>33,078</u>	<u>68,412</u>	<u>55,688</u>
TOTAL ECONOMIC DEVELOPMENT	\$ <u>136,583</u>	\$ <u>65,308</u>	\$ <u>71,275</u>	\$ <u>86,709</u>
TOTAL EXPENDITURES	\$ <u>6,815,493</u>	\$ <u>6,550,181</u>	\$ <u>265,312</u>	\$ <u>5,978,518</u>

See notes to financial statements.

City of Natchitoches, Louisiana
General Fund

Schedule of Other Financing Sources (Uses)-
Budget (GAAP Basis) and Actual
Year Ended May 31, 1996
With Comparative Amounts from Year Ended May 31, 1995

	1996		Variance- Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
OTHER FINANCING SOURCES:				
Transfers from Other Funds-				
Enterprise (Utility) Fund	\$1,223,990	\$1,223,990	\$ 0	\$1,051,140
Hazard Tax Fund	227,000	227,000	0	227,000
Police Sales Tax	<u>130,000</u>	<u>130,000</u>	<u>0</u>	<u>0</u>
Total	<u>\$1,580,990</u>	<u>\$1,580,990</u>	<u>\$ 0</u>	<u>\$1,278,140</u>
OTHER FINANCING USES:				
Transfers to Other Funds-				
MLK Recreation	\$ 0	\$ (101,000)	\$(101,000)	\$ 0
Employee Benefits Fund	0	0	0	(140)
Beautification Fund	0	0	0	(897)
Trane Project Fund	0	0	0	(6,302)
Capital Imp-Special	<u>0</u>	<u>(54,159)</u>	<u>(54,159)</u>	<u>0</u>
Total	<u>\$ 0</u>	<u>\$ (155,159)</u>	<u>\$(155,159)</u>	<u>\$ (7,339)</u>
TOTAL OTHER FINANCING	<u>\$1,580,990</u>	<u>\$1,425,831</u>	<u>\$(155,159)</u>	<u>\$1,270,801</u>

See notes to financial statements.

SPECIAL REVENUE FUNDS

Airport Grant Fund-To account for the administration of funds received from the Natchitoches Parish Police Jury, and from federal grantors to be used for capital improvements to the airport.

Capital Improvements Fund-To account for Urban Development Action Grant Funds used for capital expenditures for each of the City's funds.

Street Improvements Fund-To account for funds transferred from the Utility Fund for capital improvements to the City's street system.

Hazard Tax Fund-To account for funds generated by a 10 mill property tax passed by voters to fund supplemental pay for firemen and policemen.

Housing Rehabilitation Fund-To account for donations received to enhance housing conditions in the City.

Employee Benefits Fund-To account for funds withheld from employees to purchase insurance benefits.

Beautification Fund-To account for donations received to make improvements to the City's downtown area.

DWI Grant Fund-To account for a federal grant received to operate a special task force to locate and arrest drunken drivers.

Drug Elimination Grant Fund-To account for a federal grant passed through to the City from the Natchitoches Housing Authority to operate a special task force to keep public housing areas drug-free.

Drug Recovery Fund-To account for the receipt and subsequent disbursement of funds received from the sale of assets seized from convicted drug dealers.

W & L Capital Improvements Fund-To account for transfers from the Proprietary Fund which are for special capital projects constructed for the water and sewer funds.

Workman's Compensation Fund-To account for funds transferred from the General and Proprietary Funds to provide workman's compensation insurance.

Economic Development Fund-To account for funds received from other governmental units to be used for economic development purposes.

Animal Shelter Fund-To account for donations made to the animal shelter for special purposes.

Multi Drug Task Force-To account for a joint federal grant given to several local law enforcement bodies to be used to combat drug related crime.

Main Street Facade-To account for grant funds awarded to the City to be used to pass on to property owners who improve their buildings in the downtown area of the City.

Drug Free Natchitoches Fund-To account for a grant for the State of Louisiana for a drug prevention program in local schools.

Police Sales Tax-To account for a one-half percent sales tax which is dedicated to the City's police department.

City of Natchitoches
All Special Revenue Funds

Combining Balance Sheet
Year End May 31, 1996
With Comparative Totals from May 31, 1995

	Airport Grant <u>Fund</u>	Capital Improvement <u>Fund</u>	Street Improvement <u>Fund</u>	Hazard Tax <u>Fund</u>
<u>Assets</u>				
Cash & Cash Equivalents	\$94,759	\$239,603	\$30,410	\$124,935
Revenue Receivables	2,715	0	0	0
Due from Other Governmental Units	<u>0</u>	<u>16,667</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$97,474</u>	<u>\$256,270</u>	<u>\$30,410</u>	<u>\$124,935</u>
<u>Liabilities & Fund Balances</u>				
Liabilities-				
Cash Overdraft	\$ 0	\$ 0	\$ 0	\$ 0
Accounts Payable	0	985	0	0
Due to Other Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>\$ 0</u>	<u>\$ 985</u>	<u>\$ 0</u>	<u>\$ 0</u>
Fund Balances-				
Unreserved-				
Undesignated	\$97,474	\$238,618	\$ 0	\$124,935
Designated for Capital Outlay	0	0	30,410	0
Designated for Non-current Receivables	0	16,667	0	0
Deficit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balances	<u>\$97,474</u>	<u>\$255,285</u>	<u>\$30,410</u>	<u>\$124,935</u>
Total Liabilities & Fund Balances	<u>\$97,474</u>	<u>\$256,270</u>	<u>\$30,410</u>	<u>\$124,935</u>

See notes to financial statements.

Housing Rehab Fund	Employee Benefits Fund	Beautification Fund	DWI Grant Fund	Drug Elimination Fund	Drug Recovery Fund
\$365	\$27,024	\$5,000	\$ 0	\$ 0	\$6,629
0	5,373	0	0	4,860	400
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
\$365	\$32,397	\$5,000	\$ <u>0</u>	\$4,860	\$7,029
\$ 0	\$ 0	\$ 0	\$ 6,285	\$ 9,707	\$ 0
0	0	0	0	0	0
<u>0</u>	<u>19,698</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
\$ <u>0</u>	\$ <u>19,698</u>	\$ <u>0</u>	\$ <u>6,285</u>	\$ <u>9,707</u>	\$ <u>0</u>
\$365	\$12,699	\$5,000	\$ 0	\$ 0	\$7,029
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>(6,285)</u>	<u>(4,847)</u>	<u>0</u>
\$365	\$12,699	\$5,000	\$(6,285)	\$(4,847)	\$7,029
\$365	\$32,397	\$5,000	\$ <u>0</u>	\$4,860	\$7,029

Continued on next page.

City of Natchitoches
All Special Revenue Funds

Combining Balance Sheet
Year End May 31, 1996
With Comparative Totals from May 31, 1995
(continued)

	<u>W & L Capital Improvements</u>	<u>Workman's Compensation Fund</u>	<u>Economic Development Fund</u>	<u>Animal Shelter Fund</u>
<u>Assets</u>				
Cash & Cash Equivalents	\$1,640,868	\$439,804	\$3,381	\$6,187
Revenue Receivables	0	0	0	92
Due from Other Governmental Units	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$1,640,868</u>	<u>\$439,804</u>	<u>\$3,381</u>	<u>\$6,279</u>
<u>Liabilities & Fund Balances</u>				
Liabilities-				
Cash Overdraft	\$ 0	\$ 0	\$ 0	\$ 0
Accounts Payable	7,814	0	0	0
Due to Other Funds	<u>122,114</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>\$ 129,928</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Fund Balances-				
Unreserved-				
Undesignated	\$ 0	\$439,804	\$3,381	\$6,279
Designated for Capital Outlay	1,510,940	0	0	0
Designated for Non-current Receivables	0	0	0	0
Deficit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balances	<u>\$1,510,940</u>	<u>\$439,804</u>	<u>\$3,381</u>	<u>\$6,279</u>
Total Liabilities & Fund Balances	<u>\$1,640,868</u>	<u>\$439,804</u>	<u>\$3,381</u>	<u>6,279</u>

See notes to financial statements.

<u>Multi Drug Task Force</u>	<u>Main Street Grant</u>	<u>Drug Free Natchitoches</u>	<u>Police Sales Tax</u>	<u>Totals</u>	
				<u>May 31, 1996</u>	<u>May 31, 1995</u>
\$4,666	\$5,831	\$0	\$ 81,050	\$2,710,512	\$2,831,206
1,424	0	0	91,430	106,294	10,027
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>16,667</u>	<u>26,667</u>
\$6,090	\$5,831	\$0	\$172,480	\$2,833,473	\$2,867,900
\$ 0	\$ 0	\$0	\$ 0	\$ 15,922	\$ 11,129
0	0	0	3,097	11,896	57,493
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>141,812</u>	<u>122,114</u>
\$ <u>0</u>	\$ <u>0</u>	\$0	\$ <u>3,097</u>	\$ <u>169,700</u>	\$ <u>190,736</u>
\$6,090	\$5,831	\$0	\$169,383	\$1,116,888	\$1,194,742
0	0	0	0	1,541,350	1,464,484
0	0	0	0	16,667	26,667
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(11,132)</u>	<u>(8,729)</u>
\$6,090	\$5,831	\$0	\$169,383	\$2,663,773	\$2,677,164
\$6,090	\$5,831	\$0	\$172,480	\$2,833,473	\$2,867,900

City of Natchitoches
All Special Revenue Funds

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Year End May 31, 1996
With Comparative Totals from May 31, 1995

	Airport Grant <u>Fund</u>	Capital Improvement <u>Fund</u>	Street Improvement <u>Fund</u>	Hazard Tax <u>Fund</u>
REVENUES:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 403,366
Intergovernmental	0	0	0	0
Miscellaneous	<u>35,246</u>	<u>11,307</u>	<u>0</u>	<u>5,276</u>
Total Revenues	<u>\$35,246</u>	<u>\$ 11,307</u>	<u>\$ 0</u>	<u>\$ 408,642</u>
EXPENDITURES:				
Current-				
General Government	\$ 0	\$ 10,000	\$ 0	\$ 0
Public Safety	0	29,903	0	121,010
Streets & Sanitation	0	0	372,892	0
Water, Sewer & Utilities	0	0	0	0
Economic Development	0	0	0	0
Debt Service	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$ 0</u>	<u>\$ 39,903</u>	<u>\$ 372,892</u>	<u>\$ 121,010</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$35,246</u>	<u>\$ (28,596)</u>	<u>\$(372,892)</u>	<u>\$ 287,632</u>
OTHER FINANCING SOURCES (USES):				
Debt Proceeds	\$ 0	\$ 0	\$ 0	\$ 0
Operating Transfers In	0	54,159	250,000	0
Operating Transfers Out	<u>0</u>	<u>0</u>	<u>(268,228)</u>	<u>(227,000)</u>
Total Other Financing	<u>\$ 0</u>	<u>\$ 54,159</u>	<u>\$ (18,228)</u>	<u>\$(227,000)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$35,246</u>	<u>\$ 25,563</u>	<u>\$(391,120)</u>	<u>\$ 60,632</u>
Fund Balances-Beginning of Year	<u>62,228</u>	<u>229,722</u>	<u>421,530</u>	<u>64,303</u>
Fund Balances-End of Year	<u>\$27,474</u>	<u>\$255,285</u>	<u>\$ 30,410</u>	<u>\$ 124,935</u>

See notes to financial statements.

Housing Rehab Fund	Employee Benefits Fund	Beautification Fund	DWI Grant Fund	Drug Elimination Fund	Drug Recovery Fund
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	5,000	0	38,100	0
<u>0</u>	<u>766,379</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>540</u>
\$ <u>0</u>	\$ <u>766,379</u>	\$ <u>5,000</u>	\$ <u>0</u>	\$ <u>38,100</u>	\$ <u>0</u>
\$ 0	\$793,971	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	40,500	912
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
\$ <u>0</u>	\$ <u>793,971</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>40,500</u>	\$ <u>912</u>
\$ <u>0</u>	\$ <u>(27,592)</u>	\$ <u>5,000</u>	\$ <u>0</u>	\$ <u>(2,400)</u>	\$ <u>(372)</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
\$ 0	\$ (27,592)	\$5,000	\$ 0	\$ (2,400)	\$ (372)
<u>365</u>	<u>40,291</u>	<u>0</u>	<u>(6,285)</u>	<u>(2,447)</u>	<u>7,401</u>
\$365	\$ <u>12,699</u>	\$ <u>5,000</u>	\$ <u>(6,285)</u>	\$ <u>(4,847)</u>	\$ <u>7,029</u>

Continued on next page.

City of Natchitoches
All Special Revenue Funds

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Year End May 31, 1996
With Comparative Totals from May 31, 1995
(continued)

	<u>W & I. Capital Improvements</u>	<u>Workman's Compensation Fund</u>	<u>Economic Development Fund</u>	<u>Animal Shelter Fund</u>
REVENUES:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental	0	0	0	0
Miscellaneous	<u>372,949</u>	<u>322,367</u>	<u>0</u>	<u>2,146</u>
Total Revenues	<u>\$ 372,949</u>	<u>\$322,367</u>	<u>\$ 0</u>	<u>\$2,146</u>
EXPENDITURES:				
Current-				
General Government	\$ 0	\$267,074	\$ 0	\$ 0
Public Safety	0	0	0	1,012
Streets & Sanitation	0	0	0	0
Water, Sewer & Utilities	1,029,756	0	0	0
Economic Development	0	0	0	0
Debt Service	<u>239,816</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$ 1,269,572</u>	<u>\$267,074</u>	<u>\$ 0</u>	<u>\$1,012</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (896,623)</u>	<u>\$ 55,293</u>	<u>\$ 0</u>	<u>\$1,134</u>
OTHER FINANCING SOURCES (USES):				
Debt Proceeds	\$ 2,000,000	\$ 0	\$ 0	\$ 0
Operating Transfers In	1,193,079	0	0	0
Operating Transfers Out	<u>(2,250,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing	<u>\$ 943,079</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ 46,456	\$ 55,293	\$ 0	\$1,134
Fund Balances-Beginning of Year	<u>1,464,484</u>	<u>384,511</u>	<u>3,381</u>	<u>5,145</u>
Fund Balances-End of Year	<u>\$1,510,940</u>	<u>\$439,804</u>	<u>\$3,381</u>	<u>\$6,279</u>

See notes to financial statements.

Multi Drug Task Force	Main Street Grant	Drug Free Natchitoches	Police Sales Tax	Totals	
				May 31, 1996	May 31, 1995
\$ 0	\$ 0	\$ 0	\$ 349,628	\$ 752,994	\$ 389,496
16,390	8,491	42,567	0	110,548	184,311
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,516,210</u>	<u>1,278,717</u>
<u>\$16,390</u>	<u>\$8,491</u>	<u>\$42,567</u>	<u>\$ 349,628</u>	<u>\$ 2,379,752</u>	<u>\$ 1,852,524</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,071,045	\$ 1,078,377
12,832	0	42,457	50,245	298,981	453,812
0	0	0	0	372,892	86,407
0	0	0	0	1,029,756	1,286,216
0	2,660	0	0	2,660	9,000
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>239,816</u>	<u>54,450</u>
<u>\$12,832</u>	<u>\$2,660</u>	<u>\$42,457</u>	<u>\$ 50,245</u>	<u>\$ 3,015,150</u>	<u>\$ 2,978,262</u>
<u>\$ 3,558</u>	<u>\$5,831</u>	<u>\$ 0</u>	<u>\$ 299,383</u>	<u>\$ (635,398)</u>	<u>\$(1,125,738)</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,000,000	\$ 1,800,000
0	0	0	0	1,497,238	1,325,259
<u>0</u>	<u>0</u>	<u>0</u>	<u>(130,000)</u>	<u>(2,875,228)</u>	<u>(477,000)</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$(130,000)</u>	<u>\$ 622,010</u>	<u>\$ 2,648,259</u>
\$ 3,558	\$5,831	\$ 0	\$ 169,383	\$ (13,388)	\$ 1,522,521
<u>2,532</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,677,161</u>	<u>1,154,643</u>
<u>\$ 6,090</u>	<u>\$5,831</u>	<u>\$ 0</u>	<u>\$ 169,383</u>	<u>\$ 2,663,773</u>	<u>\$ 2,677,164</u>

City of Natchitoches, Louisiana
Special Revenue Funds

Airport Grant Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended May 31, 1996
With Comparative Amounts from Year Ended May 31, 1995

	<u>1996</u>		Variance- Favorable (Unfavorable)	1995 Actual
	<u>Budget</u>	<u>Actual</u>		
REVENUES:				
Miscellaneous-				
Interest	\$ 2,400	\$ 1,634	\$ (766)	\$ 1,357
Miscellaneous	<u>12,000</u>	<u>33,612</u>	<u>21,612</u>	<u>18,138</u>
Total Revenues	<u>\$14,400</u>	<u>\$35,246</u>	<u>\$20,846</u>	<u>\$19,495</u>
EXPENDITURES:				
Current-				
Economic Development-				
Capital Expenditures	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	\$14,400	\$35,246	\$20,846	\$19,495
Fund Balance-Beginning of Year	<u>62,228</u>	<u>62,228</u>	<u>0</u>	<u>42,733</u>
Fund Balance-End of Year	<u>\$76,628</u>	<u>\$97,474</u>	<u>\$20,846</u>	<u>\$62,228</u>

See notes to financial statements.

City of Natchitoches, Louisiana
Special Revenue FundsCapital Improvements Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended May 31, 1996
With Comparative Amounts from Year Ended May 31, 1995

	1996		Variance- Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
REVENUES:				
Miscellaneous-				
Sales of Surplus	\$ 8,200	\$ 11,307	\$ 3,107	\$ 12,000
Interest on Loan	0	0	0	2
Interest on C/D's	0	0	0	1,093
Total Revenues	\$ 8,200	\$ 11,307	\$ 3,107	\$ 13,095
EXPENDITURES:				
Current-				
General Government	\$ 0	\$ 10,000	\$(10,000)	\$ 14,316
Public Safety-				
Fire Department	0	29,903	(29,903)	28,476
Streets & Sanitation	0	0	0	3,360
Total Expenditures	\$ 0	\$ 39,903	\$(39,903)	\$ 46,152
Excess (Deficiency) of Revenues Over Expenditures	\$ 8,200	\$ (28,596)	\$(36,796)	\$ (33,057)
OTHER FINANCING SOURCES:				
Operating Transfer From- General Fund	0	54,159	54,159	0
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	\$ 8,200	\$ 25,563	\$ 17,363	\$ (33,057)
Fund Balance-Beginning of Year	229,722	229,722	0	262,779
Fund Balance-End of Year	\$237,922	\$255,285	\$17,363	\$229,722

See notes to financial statements.

City of Natchitoches, Louisiana
Special Revenue FundsStreet Improvement Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended May 31, 1996
With Comparative Amounts from Year Ended May 31, 1995

	1996		Variance- Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
REVENUES:				
Miscellaneous- Interest	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>1,241</u>
EXPENDITURES:				
Current- Streets & Sanitation- Capital Expenditures	\$ <u>396,213</u>	\$ <u>372,892</u>	\$ <u>23,321</u>	\$ <u>82,921</u>
Excess (Deficiency) of Revenues Over Expenditures	\$(<u>396,213</u>)	\$(<u>372,892</u>)	\$ <u>23,321</u>	\$(<u>81,680</u>)
OTHER FINANCING SOURCES:				
Operating Transfer from- W & L Capital Improvements	\$ 250,000	\$ 250,000	\$ 0	\$250,000
Operating Transfer to- MLK Recreation Center	0	(265,000)	(265,000)	0
LCDBG Streets	<u>0</u>	<u>(3,228)</u>	<u>(3,228)</u>	<u>0</u>
Total Other Financing	\$ <u>250,000</u>	\$ <u>(18,228)</u>	\$(<u>268,228</u>)	\$ <u>250,000</u>
Excess (Deficiency) of Revenues and Other Sources Over Expendi- tures and Other Uses	\$(<u>146,213</u>)	\$(<u>391,120</u>)	\$(<u>244,907</u>)	\$ <u>168,320</u>
Fund Balance-Beginning of Year	<u>421,530</u>	<u>421,530</u>	<u>0</u>	<u>253,210</u>
Fund Balance-End of Year	\$ <u>275,317</u>	\$ <u>30,410</u>	\$(<u>244,907</u>)	\$ <u>421,530</u>

See notes to financial statements.

City of Natchitoches, Louisiana
Special Revenue Funds

Hazard Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended May 31, 1996
With Comparative Amounts from Year Ended May 31, 1995

	1996		Variance- Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
REVENUES:				
Taxes-				
Ad Valorem Taxes	\$ 367,739	\$ 403,366	\$35,627	\$ 389,496
Miscellaneous-				
Interest & Miscellaneous	<u>0</u>	<u>5,276</u>	<u>5,276</u>	<u>168</u>
Total Revenues	<u>\$ 367,739</u>	<u>\$ 408,642</u>	<u>\$40,903</u>	<u>\$ 389,664</u>
EXPENDITURES:				
Current-				
Public Safety-				
Supplies	\$ 0	\$ 0	\$ 0	\$ 21,506
Capital Expenditures	<u>140,739</u>	<u>121,010</u>	<u>19,729</u>	<u>221,371</u>
Total Expenditures	<u>\$ 140,739</u>	<u>\$ 121,010</u>	<u>\$19,729</u>	<u>\$ 242,877</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 227,000	\$ 287,632	\$60,632	\$ 146,787
OTHER FINANCING SOURCES (USES):				
Operating Transfer to-				
General Fund	<u>(227,000)</u>	<u>(227,000)</u>	<u>0</u>	<u>(227,000)</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	\$ 0	\$ 60,632	\$60,632	\$ (80,213)
Fund Balance-Beginning of Year	<u>64,303</u>	<u>64,303</u>	<u>0</u>	<u>144,516</u>
Fund Balance-End of Year	<u>\$ 64,303</u>	<u>\$ 124,935</u>	<u>\$60,632</u>	<u>\$ 64,303</u>

See notes to financial statements.

City of Natchitoches, Louisiana
Special Revenue Funds

Housing Rehabilitation Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended May 31, 1996
With Comparative Amounts from Year Ended May 31, 1995

	1996			1995 Actual
	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)	
REVENUES:				
Miscellaneous- Donations	\$ 0	\$ 0	\$0	\$ 0
EXPENDITURES:				
Current- Health & Welfare- Housing	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over Expenditures	\$ 0	\$ 0	\$0	\$ 0
Fund Balance-Beginning of Year	<u>365</u>	<u>365</u>	<u>0</u>	<u>365</u>
Fund Balance-End of Year	\$ <u>365</u>	\$ <u>365</u>	\$0	\$ <u>365</u>

See notes to financial statements.

City of Natchitoches, Louisiana
Special Revenue Funds

Employee Benefits Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended May 31, 1996
With Comparative Amounts from Year Ended May 31, 1995

	<u>1996</u> <u>Actual</u>	<u>1995</u> <u>Actual</u>
REVENUES:		
Miscellaneous-		
Employee Withholdings	\$765,895	\$847,776
Interest	<u>484</u>	<u>1,875</u>
Total Revenues	<u>\$766,379</u>	<u>\$849,651</u>
EXPENDITURES:		
Current-		
General Government-		
Administration	\$ 15,793	\$ 14,823
Employee Benefits	<u>778,178</u>	<u>815,915</u>
Total Expenditures	<u>\$793,971</u>	<u>\$830,738</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (27,592)	\$ 18,913
OTHER FINANCING SOURCES:		
Transfer from General Fund	<u>0</u>	<u>140</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	\$ (27,592)	\$ 19,053
Fund Balance-Beginning of Year	<u>40,291</u>	<u>21,238</u>
Fund Balance-End of Year	<u>\$ 12,699</u>	<u>\$ 40,291</u>

See notes to financial statements.

City of Natchitoches, Louisiana
Special Revenue Funds

Beautification Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended May 31, 1996
With Comparative Amounts from Year Ended May 31, 1995

	<u>1996</u> <u>Actual</u>	<u>1995</u> <u>Actual</u>
REVENUES:		
Intergovernmental- State of LA	\$5,000	\$ 0
EXPENDITURES:		
Current- Streets & Sanitation	<u>0</u>	<u>126</u>
Excess (Deficiency) of Revenues Over Expenditures	\$5,000	\$(126)
OTHER FINANCING SOURCES:		
Transfer from General Fund	<u>0</u>	<u>897</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	\$5,000	\$ 771
Fund Balance-Beginning of Year	<u>0</u>	<u>(771)</u>
Fund Balance-End of Year	<u>\$5,000</u>	<u>\$ 0</u>

See notes to financial statements.

City of Natchitoches, Louisiana
Special Revenue Funds

DWI Grant Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended May 31, 1996
With Comparative Amounts from Year Ended May 31, 1995

	1996		Variance- Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
REVENUES:				
Intergovernmental- Federal Grant	\$ <u>0</u>	\$ <u>0</u>	\$0	\$ <u>14,292</u>
EXPENDITURES:				
Current- Public Safety- Personnel	\$ 0	\$ 0	\$0	\$ 24,459
Capital Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$ <u>0</u>	\$ <u>0</u>	\$0	\$ <u>24,459</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 0	\$0	\$(10,167)
Fund Balance (Deficit)- Beginning of Year	(6,285)	(6,285)	0	<u>3,882</u>
Fund Balance (Deficit)- End of Year	\$(6,285)	\$(6,285)	\$0	\$ <u>(6,285)</u>

See notes to financial statements.

City of Natchitoches, Louisiana
Special Revenue Funds

Drug Elimination Grant Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended May 31, 1996
With Comparative Amounts from Year Ended May 31, 1995

	1996		Variance- Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
REVENUES:				
Intergovernmental-				
Natchitoches Housing Authority	\$44,000	\$38,100	\$(5,900)	\$ 48,580
Miscellaneous-				
Interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>90</u>
Total Revenues	<u>\$44,000</u>	<u>\$38,100</u>	<u>\$(5,900)</u>	<u>\$ 48,670</u>
EXPENDITURES:				
Current-				
Public Safety-				
Personnel	<u>\$44,000</u>	<u>\$40,500</u>	<u>\$ 3,500</u>	<u>\$ 72,015</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ (2,400)	\$(2,400)	\$(23,345)
Fund Balance-Beginning of Year	<u>(2,447)</u>	<u>(2,447)</u>	<u>0</u>	<u>20,901</u>
Fund Balance (Deficit)-End of Year	<u>\$(2,447)</u>	<u>\$(4,847)</u>	<u>\$(2,400)</u>	<u>\$(2,447)</u>

See notes to financial statements.

City of Natchitoches, Louisiana
Special Revenue Funds

Drug Recovery Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended May 31, 1996
With Comparative Amounts from Year Ended May 31, 1995

	1996		Variance- Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
REVENUES:				
Miscellaneous-				
Interest	\$ 0	\$ 0	\$ 0	\$ 47
Miscellaneous	<u>5,039</u>	<u>540</u>	<u>(4,499)</u>	<u>900</u>
Total Revenues	<u>\$5,039</u>	<u>\$ 540</u>	<u>\$(4,499)</u>	<u>\$ 947</u>
EXPENDITURES:				
Current-				
Public Safety-				
Supplies & Miscellaneous	<u>\$4,500</u>	<u>\$ 912</u>	<u>\$ 3,588</u>	<u>\$1,300</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 539	\$ (372)	\$ (911)	\$ (353)
Fund Balance-Beginning of Year	<u>7,401</u>	<u>7,401</u>	<u>0</u>	<u>7,754</u>
Fund Balance-End of Year	<u>\$7,940</u>	<u>\$7,029</u>	<u>\$(911)</u>	<u>\$7,401</u>

See notes to financial statements.

City of Natchitoches, Louisiana
Special Revenue Funds

Water & Light Capital Improvements Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended May 31, 1996
With Comparative Amounts from Year Ended May 31, 1995

	1996		Variance- Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
REVENUES:				
Miscellaneous-				
Interest	\$ 100,000	\$ 97,140	\$ (2,860)	\$ 60,419
Insurance Recovery	<u>262,000</u>	<u>275,809</u>	<u>13,809</u>	<u>0</u>
Total Revenues	<u>\$ 362,000</u>	<u>\$ 372,949</u>	<u>\$ 10,949</u>	<u>\$ 60,419</u>
EXPENDITURES:				
Current-				
Water, Sewer & Utilities-				
Capital Expenditures	\$ 2,460,000	\$ 1,029,756	\$ 1,430,244	\$ 1,286,216
Debt Service-				
Bond Interest	104,816	104,816	0	54,450
Bond Principle	<u>135,000</u>	<u>135,000</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$ 2,699,816</u>	<u>\$ 1,267,572</u>	<u>\$ 1,430,244</u>	<u>\$ 1,340,666</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$(2,337,816)</u>	<u>\$ (896,623)</u>	<u>\$ 1,441,193</u>	<u>\$(1,280,247)</u>
OTHER FINANCING SOURCES (USES):				
Debt Proceeds	\$ 2,000,000	\$ 2,000,000	\$ 0	\$ 1,800,000
Operating Transfer From- Water & Light Fund	1,135,000	1,193,079	58,079	1,067,920
Operating Transfer To- Street Improvement Fund	(250,000)	(250,000)	0	(250,000)
Trane Project Fund	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>0</u>	<u>0</u>
Total Other Financing	<u>\$ 885,000</u>	<u>\$ 943,079</u>	<u>\$ 58,079</u>	<u>\$ 2,617,920</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$(1,452,816)</u>	<u>\$ 46,456</u>	<u>\$ 1,499,272</u>	<u>\$ 1,337,673</u>
Fund Balance-Beginning of Year	<u>1,464,484</u>	<u>1,464,484</u>	<u>0</u>	<u>126,811</u>
Fund Balance-End of Year	<u>\$ 11,668</u>	<u>\$ 1,510,940</u>	<u>\$ 1,499,272</u>	<u>\$ 1,464,484</u>

See notes to financial statements.

City of Natchitoches, Louisiana
Special Revenue Funds

Workman's Compensation Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended May 31, 1996
With Comparative Amounts from Year Ended May 31, 1995

	1996		Variance- Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
REVENUES:				
Miscellaneous-				
Premium Collections	\$316,000	\$312,115	\$ (3,885)	\$326,415
Interest	<u>7,200</u>	<u>10,252</u>	<u>3,052</u>	<u>7,040</u>
Total Revenues	\$323,200	\$322,367	\$ (833)	\$333,455
EXPENDITURES:				
Current-				
General Government	<u>301,200</u>	<u>267,074</u>	<u>34,126</u>	<u>210,531</u>
Excess of Revenues Over Expenditures	\$ 22,000	\$ 55,293	\$33,293	\$122,924
Fund Balance-Beginning of Year	<u>384,511</u>	<u>384,511</u>	<u>0</u>	<u>261,587</u>
Fund Balance-End of Year	<u>\$406,511</u>	<u>\$439,804</u>	<u>\$33,293</u>	<u>\$384,511</u>

See notes to financial statements.

City of Natchitoches, Louisiana
Special Revenue Funds

Economic Development Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended May 31, 1996
With Comparative Amounts from Year Ended May 31, 1995

	1996		Variance- Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
REVENUES:	\$ 0	\$ 0	\$0	\$ 0
EXPENDITURES:	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over Expenditures	\$ 0	\$ 0	\$0	\$ 0
Fund Balance-Beginning of Year	<u>3,381</u>	<u>3,381</u>	<u>0</u>	<u>3,381</u>
Fund Balance-End of Year	<u>\$3,381</u>	<u>\$3,381</u>	<u>\$0</u>	<u>\$3,381</u>

See notes to financial statements.

City of Natchitoches, Louisiana
Special Revenue Funds

Animal Shelter Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended May 31, 1996

	<u>1996</u> <u>Actual</u>	<u>1995</u> <u>Actual</u>
REVENUES:		
Miscellaneous-		
Donations	\$2,146	\$ 0
Interest	<u>0</u>	<u>43</u>
Total Revenues	<u>\$2,146</u>	<u>\$ 43</u>
EXPENDITURES:		
Current-		
Public Safety	<u>\$1,012</u>	<u>\$ 0</u>
Excess (Deficiency) of Revenues Over Expenditures	\$1,134	\$ 43
Fund Balance-Beginning of Year	<u>5,145</u>	<u>5,102</u>
Fund Balance-End of Year	<u>\$6,279</u>	<u>\$5,145</u>

See notes to financial statements.

City of Natchitoches, Louisiana
Special Revenue Funds

Multi Drug Task Force
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended May 31, 1996
With Comparative Amounts from Year Ended May 31, 1995

	1996		Variance- Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
REVENUES:				
Intergovernmental- Law Enforcement Commission	\$33,866	\$16,390	\$(17,476)	\$18,447
EXPENDITURES:				
Current- Public Safety	28,000	12,832	15,168	17,364
Excess of Revenues Over Expenditures	\$ 5,866	\$ 3,558	\$ (2,308)	\$ 1,083
Fund Balance-Beginning of Year	2,532	2,532	0	1,449
Fund Balance-End of Year	\$ 8,398	\$ 6,090	\$ (2,308)	\$ 2,532

See notes to financial statements.

City of Natchitoches, Louisiana
Special Revenue Funds

Main Street Facade Grant
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended May 31, 1996
With Comparative Amounts from Year Ended May 31, 1995

	<u>1996</u> <u>Actual</u>	<u>1995</u> <u>Actual</u>
REVENUES:		
Intergovernmental- Main Street Program	\$8,491	\$9,000
EXPENDITURES:		
Current- Economic Development	<u>2,660</u>	<u>9,000</u>
Excess of Revenues Over Expenditures	\$5,831	\$ 0
Fund Balance-Beginning of Year	<u>0</u>	<u>0</u>
Fund Balance-End of Year	\$5,831	\$ <u>0</u>

See notes to financial statements.

City of Natchitoches, Louisiana
Special Revenue Funds

Drug Free Natchitoches Grant
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended May 31, 1996

	1996		Variance- Favorable (Unfavorable)
	<u>Budget</u>	<u>Actual</u>	
REVENUES:			
Intergovernmental-			
State of Louisiana	<u>\$42,567</u>	<u>\$42,567</u>	<u>\$0</u>
EXPENDITURES:			
Current-			
Public Safety-			
Personnel	<u>\$24,893</u>	<u>\$24,893</u>	<u>\$0</u>
Administrative	<u>17,674</u>	<u>17,674</u>	<u>0</u>
Total Expenditures	<u>\$42,567</u>	<u>\$42,567</u>	<u>\$0</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 0	\$0
Fund Balance-Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance-End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$0</u>

See notes to financial statements.

City of Natchitoches, Louisiana
Special Revenue Funds

Police Sales Tax
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended May 31, 1996

	<u>1996</u>		Variance- Favorable (Unfavorable)
	<u>Budget</u>	<u>Actual</u>	
REVENUES:			
Taxes-			
Sales Tax	\$ <u>318,000</u>	\$ <u>349,628</u>	\$ <u>31,628</u>
EXPENDITURES:			
Current-			
Public Safety-			
Administration	\$ 0	\$ 1,717	\$ (1,717)
Capital Expenditures	<u>188,000</u>	<u>48,528</u>	<u>139,472</u>
Total Expenditures	<u>\$ 188,000</u>	<u>\$ 50,245</u>	<u>\$137,755</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 130,000	\$ 299,383	\$169,383
OTHER FINANCING USES:			
Transfer to-			
General Fund	<u>(130,000)</u>	<u>(130,000)</u>	<u> 0</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	\$ 0	\$ 169,383	\$169,383
Fund Balance-Beginning of Year	<u> 0</u>	<u> 0</u>	<u> 0</u>
Fund Balance-End of Year	\$ <u> 0</u>	\$ <u>169,383</u>	\$ <u>169,383</u>

See notes to financial statements.

DEBT SERVICE FUNDS

Sales Tax-DEQ - To accumulate monies to pay for loan advances from the Department of Environmental Quality Revolving Loan Fund. These loans were used to contract a new waste water treatment plant.

Water Bonds - To accumulate monies to pay the water system improvement bonds. Final maturity date was April 1, 1995.

City of Natchitoches, Louisiana
Debt Service Funds

Combining Balance Sheet
May 31, 1996

	Sales Tax- DEQ	Water Bonds	<u>Totals</u>	
			<u>1996</u>	<u>1995</u>
<u>Assets</u>				
Cash	\$ 9,175	\$100,885	\$110,060	\$109,772
Total Assets	<u>\$ 9,175</u>	<u>\$100,885</u>	<u>\$110,060</u>	<u>\$109,772</u>
<u>Liabilities</u>				
Due to Water & Light Fund	\$ 13,764	\$ 0	\$ 13,764	\$ 13,764
Due to Sales Tax Fund	<u>38,686</u>	<u>0</u>	<u>38,686</u>	<u>38,686</u>
Total Liabilities	<u>\$ 52,450</u>	<u>\$ 0</u>	<u>\$ 52,450</u>	<u>\$ 52,450</u>
<u>Fund Balances</u>				
Unreserved-				
Undesignated	\$ 0	\$100,885	\$100,885	\$10,885
Deficit	<u>(43,275)</u>	<u>0</u>	<u>(43,275)</u>	<u>(43,563)</u>
Total Fund Balances	<u>\$(43,275)</u>	<u>\$100,885</u>	<u>\$ 57,610</u>	<u>\$ 57,322</u>
Total Liabilities & Fund Balances	<u>\$ 9,175</u>	<u>\$100,885</u>	<u>\$110,060</u>	<u>\$109,772</u>

See notes to financial statements.

City of Natchitoches, Louisiana
Debt Service Funds

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Year Ended May 31, 1996
With Comparative Totals from Year Ended May 31, 1995

	Sales Tax- DEQ	Water Bonds	Totals	
			1996	1995
REVENUES:				
Miscellaneous	\$ 288	\$ 0	\$ 288	\$ 5,188
EXPENDITURES:				
Debt Service-				
Bonds Retired	\$ 332,308	\$ 0	\$ 332,308	\$ 405,008
Interest Paid	393,378	0	393,378	410,478
Paying Agent Fees	42,685	0	42,685	48,047
Total Expenditures	\$ 768,371	\$ 0	\$ 768,371	\$ 863,533
Excess (Deficiency) of Revenues Over Expenditures	\$(768,083)	\$ 0	\$(768,083)	\$(858,345)
OTHER FINANCING SOURCES:				
Operating Transfers In	768,371	0	768,371	300,000
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ 288	\$ 0	\$ 288	\$(558,345)
Fund Balance-Beginning of Year	(43,563)	100,885	57,322	615,667
Fund Balance (Deficit)-End of Year	\$(43,275)	\$100,885	\$ 57,610	\$ 57,322

See notes to financial statements.

City of Natchitoches, Louisiana
Debt Service Funds

Sales Tax-DEQ
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended May 31, 1996
With Comparative Amounts from Year Ended May 31, 1995

	1996		Variance- Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
REVENUES:				
Miscellaneous- Interest	\$ <u>0</u>	\$ <u>288</u>	\$ <u>288</u>	\$ <u>5,129</u>
EXPENDITURES:				
Debt Service-				
Bonds Retired	\$ 332,308	\$ 332,308	\$ 0	\$ 405,008
Interest Paid	387,692	393,378	(5,686)	410,478
Paying Agent Fees	<u>0</u>	<u>42,685</u>	<u>(42,685)</u>	<u>48,047</u>
Total Expenditures	\$ <u>720,000</u>	\$ <u>768,371</u>	\$ <u>(48,371)</u>	\$ <u>863,533</u>
Excess (Deficiency) of Revenues Over Expenditures	\$(720,000)	\$(768,083)	\$(48,083)	\$(858,404)
OTHER FINANCING SOURCES:				
Operating Transfer (to) from- Sales Tax Fund	<u>720,000</u>	<u>768,371</u>	<u>48,371</u>	<u>300,000</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ 0	\$ 288	\$ 288	\$(558,404)
Fund Balance-Beginning of Year	<u>(43,563)</u>	<u>(43,563)</u>	<u>0</u>	<u>514,841</u>
Fund Balance (Deficit)-End of Year	\$ <u>(43,563)</u>	\$ <u>(43,275)</u>	\$ <u>288</u>	\$ <u>(43,563)</u>

See notes to financial statements.

City of Natchitoches, Louisiana
Debt Service Funds

Water Bonds

Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended May 31, 1996
With Comparative Amounts from Year Ended May 31, 1995

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>	<u>1995 Actual</u>
REVENUES:				
Miscellaneous	\$ 0	\$ 0	\$0	\$ 59
EXPENDITURES:				
Debt Service- Paying Agent Fees	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 0	\$0	\$ 59
Fund Balance-Beginning of Year	<u>100,885</u>	<u>100,885</u>	<u>0</u>	<u>100,826</u>
Fund Balance-End of Year	<u>\$100,855</u>	<u>\$100,885</u>	<u>\$0</u>	<u>\$100,885</u>

See notes to financial statements.

CAPITAL PROJECTS FUNDS

Sales Tax Fund - To account for the collection and administration of a 1% sales tax levy which is dedicated to water and sewer expenditures.

Water Plant Fund - To account for a bond issue for the construction of a new water treatment plant. These bonds are utility revenue bonds, and have been transferred to the Enterprise Fund.

EDA Grant Fund-To account for a grant from The Economic Development Agency to be used for expenditures to bring a new industry into the City. This fund was not active during this fiscal year.

LCDBG Streets-To account for a federal grant, passed through the Louisiana Division of Administration, for street improvements.

LCDBG Alliance-To account for a federal grant, passed through the Louisiana Division of Administration, for site improvements to bring a new industry to the City.

MLK Recreation Center-To account for funds to be provided to construct a recreation center on Martin Luther King Drive in the City.

State of LA-Capital Projects Fund-To Account for a \$5,000,000 grant from the State of Louisiana to be used to make expenditures to bring a new industry into the City.

Trane Project Fund-To account for funds transferred from other City funds to be used for site improvements to bring a new industry into the City.

City of Natchitoches, Louisiana
Capital Projects Funds

Combining Balance Sheet
May 31, 1996
With Comparative Amounts from May 31, 1995

	Sales Tax- DEQ	Water Plant Fund	EDA Grant Fund	LCDBG Streets	LCDBG Alliance
<u>Assets</u>					
Cash & Cash Equivalents	\$4,587,605	\$580,168	\$ 0	\$ 0	\$ 0
Revenue Receivables	183,265	0	0	131,248	275,012
Due from Other Funds	38,686	0	0	0	0
Total Assets	<u>\$4,809,556</u>	<u>\$580,168</u>	<u>\$ 0</u>	<u>\$131,248</u>	<u>\$ 275,012</u>
 <u>Liabilities Fund Balance</u>					
Liabilities-					
Cash Overdraft	\$ 0	\$ 0	\$ 40	\$ 0	\$ 185,168
Accounts Payable	17,565	0	0	131,248	275,012
Total Liabilities	<u>\$ 17,565</u>	<u>\$ 0</u>	<u>\$ 40</u>	<u>\$131,248</u>	<u>\$ 460,180</u>
 Fund Balance-					
Reserved for					
Capital Outlay	\$ 0	\$580,168	\$ 0	\$ 0	\$ 0
Debt Service	4,791,991	0	0	0	0
Deficit	0	0	(40)	0	(185,168)
Total Fund Balance	<u>\$4,791,991</u>	<u>\$580,168</u>	<u>\$(40)</u>	<u>\$ 0</u>	<u>\$(185,168)</u>
Total Liabilities & Fund Balances	<u>\$4,809,556</u>	<u>\$580,168</u>	<u>\$ 0</u>	<u>\$131,248</u>	<u>\$ 275,012</u>

See notes to financial statements.

MLK Recreation Center	State of LA Capital Projects	Trane Project Fund	Totals	
			May 31, 1996	May 31, 1995
\$352,946	\$0	\$1,970,521	\$7,491,240	\$6,623,763
0	0	0	589,525	177,244
<u>0</u>	<u>0</u>	<u>0</u>	<u>38,686</u>	<u>38,686</u>
<u>\$352,946</u>	<u>\$0</u>	<u>\$1,970,521</u>	<u>\$8,119,451</u>	<u>\$6,839,693</u>
\$ 0	\$0	\$ 0	\$ 185,208	\$ 0
<u>202,750</u>	<u>0</u>	<u>0</u>	<u>626,575</u>	<u>16,057</u>
<u>\$202,750</u>	<u>\$0</u>	<u>\$ 0</u>	<u>\$ 811,783</u>	<u>\$ 16,057</u>
\$150,196	\$0	\$1,970,521	\$2,700,885	\$2,483,069
0	0	0	4,791,991	4,340,567
<u>0</u>	<u>0</u>	<u>0</u>	<u>(185,208)</u>	<u>0</u>
<u>\$150,196</u>	<u>\$0</u>	<u>\$1,970,521</u>	<u>\$7,307,668</u>	<u>\$6,823,636</u>
\$352,946	\$0	\$1,970,521	\$8,119,451	\$6,839,693

City of Natchitoches, Louisiana
Capital Projects Funds

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
May 31, 1996
With Comparative Amounts from May 31, 1995

	Sales Tax- DEQ	Water Plant Fund	EDA Grant Fund	LCDBG Streets	LCDBG Alliance
REVENUES:					
Taxes	\$ 1,998,302	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental	661,552	0	0	405,141	377,812
Miscellaneous	<u>272,824</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 2,932,678</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$405,141</u>	<u>\$ 377,812</u>
EXPENDITURES:					
Current-					
General Government	\$ 119,685	\$ 0	\$ 40	\$ 0	\$ 0
Streets & Sanitation	0	0	0	70,957	0
Water, Sewer & Utilities	2,093,220	0	0	0	0
Economic Development	0	0	0	0	113,345
Capital Outlay	<u>1,164,242</u>	<u>238,637</u>	<u>0</u>	<u>337,412</u>	<u>449,635</u>
Total Expenditures	<u>\$ 3,377,147</u>	<u>\$ 238,637</u>	<u>\$ 40</u>	<u>\$408,369</u>	<u>\$ 562,980</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (444,469)</u>	<u>\$(238,637)</u>	<u>\$(40)</u>	<u>\$ (3,228)</u>	<u>\$(185,168)</u>
OTHER FINANCING SOURCES (USES):					
Debt Proceeds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Operating Transfers In	0	0	0	3,228	0
Operating Transfers Out	<u>(768,371)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing	<u>\$ (768,371)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,228</u>	<u>\$ 0</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$(1,212,840)</u>	<u>\$(238,637)</u>	<u>\$(40)</u>	<u>\$ 0</u>	<u>\$(185,168)</u>
Fund Balances-Beginning of Year	<u>6,004,831</u>	<u>818,805</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances-End of Year	<u>\$ 4,791,991</u>	<u>\$ 580,168</u>	<u>\$(40)</u>	<u>\$ 0</u>	<u>\$(185,168)</u>

See notes to financial statements.

MLK Recreation Center	State of LA Capital Projects	Trane Project Fund	Totals	
			May 31, 1996	May 31, 1995
\$ 0	\$ 0	\$ 0	\$ 1,998,302	\$ 2,036,877
0	648,456	0	2,092,961	0
0	0	0	272,824	186,739
<u>\$ 0</u>	<u>\$648,456</u>	<u>\$ 0</u>	<u>\$ 4,364,087</u>	<u>\$ 2,223,616</u>
\$ 0	\$ 0	\$ 0	\$ 119,725	\$ 136,059
0	0	0	70,957	0
0	0	0	2,093,220	733,532
0	648,456	29,479	791,280	0
<u>215,804</u>	<u>0</u>	<u>0</u>	<u>2,405,730</u>	<u>3,411,229</u>
<u>\$ 215,804</u>	<u>\$648,456</u>	<u>\$ 29,479</u>	<u>\$ 5,480,912</u>	<u>\$ 4,280,820</u>
\$(215,804)	\$ 0	\$(29,479)	\$(1,116,825)	\$(2,057,204)
\$ 0	\$ 0	\$ 0	\$ 0	\$ 556,876
366,000	0	2,000,000	2,369,228	0
0	0	0	(768,371)	(300,000)
<u>\$ 366,000</u>	<u>\$ 0</u>	<u>\$2,000,000</u>	<u>\$ 1,600,857</u>	<u>\$ 256,876</u>
\$ 150,196	\$ 0	\$1,970,521	\$ 484,032	\$(1,800,328)
0	0	0	6,823,636	8,623,964
<u>\$ 150,196</u>	<u>\$ 0</u>	<u>\$1,970,521</u>	<u>\$ 7,307,668</u>	<u>\$ 6,823,636</u>

City of Natchitoches, Louisiana
Capital Projects Funds

Sales Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended May 31, 1996
With Comparative Amounts from Year Ended May 31, 1995

	1996		Variance- Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
REVENUES:				
Taxes-				
Sales & Use Tax	\$ 2,060,000	\$ 1,998,302	\$ (61,698)	\$2,036,877
Intergovernmental-				
EDA Grant	760,000	661,552	(98,448)	0
Miscellaneous-				
Interest	350,000	264,647	(85,353)	169,457
Miscellaneous	0	8,177	8,177	0
Total Revenues	<u>\$ 3,170,000</u>	<u>\$ 2,932,678</u>	<u>\$ (237,322)</u>	<u>\$2,206,334</u>
EXPENDITURES:				
Current-				
General Government	\$ 120,000	\$ 119,685	\$ 315	\$ 132,359
Water & Sewer-				
Maintenance	227,075	57,120	169,955	0
Capital Expenditures	2,848,900	2,036,100	812,800	733,532
Capital Outlay	<u>1,267,000</u>	<u>1,164,242</u>	<u>102,758</u>	<u>1,264,500</u>
Total Expenditures	<u>\$ 4,462,975</u>	<u>\$ 3,377,147</u>	<u>\$1,085,828</u>	<u>\$2,130,391</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$(1,292,975)</u>	<u>\$ (444,469)</u>	<u>\$ 848,506</u>	<u>\$ 75,943</u>
OTHER FINANCING SOURCES (USES):				
Debt Proceeds	\$ 0	\$ 0	\$ 0	\$ 556,876
Operating Transfers (to) from-				
Debt Service-Sales Tax	<u>(720,000)</u>	<u>(768,371)</u>	<u>(48,371)</u>	<u>(300,000)</u>
Total Other Financing	<u>\$ (720,000)</u>	<u>\$ (768,371)</u>	<u>\$ (48,371)</u>	<u>\$ 256,876</u>
Excess (Deficiency) of Revenues and Other Sources Over Expen- ditures and Other Uses	<u>\$(2,012,975)</u>	<u>\$(1,212,840)</u>	<u>\$ 800,135</u>	<u>\$ 332,819</u>
Fund Balance-Beginning of Year	<u>6,004,831</u>	<u>6,004,831</u>	<u>0</u>	<u>5,672,012</u>
Fund Balance-End of Year	<u>\$ 3,991,856</u>	<u>\$ 4,791,991</u>	<u>\$ 800,135</u>	<u>\$6,004,831</u>

See notes to financial statements.

City of Natchitoches, Louisiana
Capital Projects Funds

Water Plant Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended May 31, 1996

	1996		Variance- Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
REVENUES:				
Miscellaneous- Interest	\$ <u>40,350</u>	\$ <u>0</u>	\$ <u>(40,350)</u>	\$ <u>17,282</u>
EXPENDITURES:				
Current- General Government- Bond Issuance Costs	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>3,700</u>
Capital Outlay	<u>783,000</u>	<u>238,637</u>	<u>544,363</u>	<u>2,146,729</u>
Total Expenditures	\$ <u>783,000</u>	\$ <u>238,637</u>	\$ <u>544,363</u>	\$ <u>2,150,429</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ <u>(742,650)</u>	\$ <u>(238,637)</u>	\$ <u>504,013</u>	\$ <u>(2,133,147)</u>
Fund Balance-Beginning of Year	<u>818,805</u>	<u>818,805</u>	<u>0</u>	<u>2,951,952</u>
Fund Balance-End of Year	\$ <u>76,155</u>	\$ <u>580,168</u>	\$ <u>504,013</u>	\$ <u>818,805</u>

See notes to financial statements.

City of Natchitoches, Louisiana
Capital Projects Funds

EDA Grant Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended May 31, 1996

	<u>1996</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
REVENUES:	\$0	\$ 0	\$ 0
EXPENDITURES:			
Current-			
General Government	<u>0</u>	<u>40</u>	<u>(40)</u>
Excess (Deficiency) of Revenues Over Expenditures	\$0	\$(40)	\$(40)
Fund Balance-Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance-End of Year	\$0	\$(40)	\$(40)

See notes to financial statements.

City of Natchitoches, Louisiana
Capital Projects Funds

LCDBG - Streets
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended May 31, 1996

	1996		Variance- Favorable (Unfavorable)
	<u>Budget</u>	<u>Actual</u>	
REVENUES:			
Intergovernmental-			
LA Division of Administration	<u>\$437,060</u>	<u>\$405,141</u>	<u>\$(31,919)</u>
EXPENDITURES:			
Current-			
Streets	\$ 35,000	\$ 70,957	\$(35,957)
Capital Outlay	<u>402,060</u>	<u>337,412</u>	<u>64,648</u>
Total Expenditures	<u>\$437,060</u>	<u>\$408,369</u>	<u>\$ 28,691</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ (3,228)	\$ (3,228)
OTHER FINANCING SOURCES:			
Operating Transfer From-			
Street Improvements Fund	<u>0</u>	<u>3,228</u>	<u>3,228</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	\$ 0	\$ 0	\$ 0
Fund Balance-Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance-End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

See notes to financial statements.

City of Natchitoches, Louisiana
Capital Projects Funds

LCDBG Alliance
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended May 31, 1996

	<u>1996</u>		Variance- Favorable (Unfavorable)
	<u>Budget</u>	<u>Actual</u>	
REVENUES:			
Intergovernmental- LCDBG	\$ <u>1,035,000</u>	\$ <u>377,812</u>	\$(<u>657,188</u>)
EXPENDITURES:			
Current-			
Economic Development	\$ 35,000	\$ 113,345	\$ (78,345)
Capital Outlay	<u>1,000,000</u>	<u>449,635</u>	<u>550,365</u>
Total Expenditures	\$ <u>1,035,000</u>	\$ <u>562,980</u>	\$ <u>472,020</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$(185,168)	\$(185,168)
Fund Balance-Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance-End of Year	\$ <u>0</u>	\$(<u>185,168</u>)	\$(<u>185,168</u>)

See notes to financial statements.

City of Natchitoches, Louisiana
Capital Projects Funds

MLK Recreation Center Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended May 31, 1996

	1996		Variance- Favorable (Unfavorable)
	<u>Budget</u>	<u>Actual</u>	
REVENUES:	\$0	\$ 0	\$ 0
EXPENDITURES:			
Capital Outlay	<u>0</u>	<u>215,804</u>	<u>(215,804)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$0</u>	<u>\$(215,804)</u>	<u>\$(215,804)</u>
OTHER FINANCING SOURCES:			
Operating Transfer From- General Fund	\$0	\$ 101,000	\$ 101,000
Street Improvements Fund	<u>0</u>	<u>265,000</u>	<u>265,000</u>
Total Other Financing	<u>\$0</u>	<u>\$ 366,000</u>	<u>\$ 366,000</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	\$0	\$ 150,196	\$ 150,196
Fund Balance-Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance-End of Year	<u>\$0</u>	<u>\$ 150,196</u>	<u>\$ 150,196</u>

See notes to financial statements.

City of Natchitoches, Louisiana
Capital Projects Funds

State of LA-Capital Projects
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended May 31, 1996

	<u>1996</u>		Variance- Favorable (Unfavorable)
	<u>Budget</u>	<u>Actual</u>	
REVENUES:			
Intergovernmental- State of Louisiana	\$3,800,000	\$648,456	\$(3,151,544)
EXPENDITURES:			
Economic Development- Capital Expenditures	<u>3,800,000</u>	<u>648,456</u>	<u>3,151,544</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 0	\$ 0
Fund Balance-Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance-End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>

See notes to financial statements.

City of Natchitoches, Louisiana
Capital Projects Funds

Trane Project Grant Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended May 31, 1996
With Comparative Amounts from Year Ended May 31, 1995

	1996		Variance- Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
REVENUES:				
Miscellaneous- Interest	\$ 0	\$ 0	\$ 0	\$ 113
EXPENDITURES:				
Current- Economic Development	<u>0</u>	<u>29,479</u>	<u>(29,479)</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ (29,479)	\$(29,479)	\$ 113
OTHER FINANCING SOURCES:				
Transfer from General Fund	<u>2,000,000</u>	<u>2,000,000</u>	<u>0</u>	<u>6,302</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	\$2,000,000	\$1,970,521	\$(24,479)	\$ 6,415
Fund Balance-Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>(6,415)</u>
Fund Balance-End of Year	<u>\$2,000,000</u>	<u>\$1,970,521</u>	<u>\$(24,479)</u>	<u>\$ 0</u>

See notes to financial statements.

ENTERPRISE FUND

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

City of Natchitoches, Louisiana
Enterprise Fund
Utility Fund

Comparative Balance Sheet
May 31, 1996

<u>Assets</u>	<u>1996</u>	<u>1995</u>
Current Assets:		
Cash	\$ 0	\$ 0
Accounts Receivable, Net of Allowance for Uncollectibles of \$75,000 in each year	1,036,493	1,713,061
Unbilled Receivables	1,101,201	973,982
Inventory of Supplies and Material	<u>691,373</u>	<u>635,077</u>
Total Current Assets	<u>\$ 2,829,067</u>	<u>\$ 3,322,120</u>
Restricted Assets:		
Bond Reserve Accounts- C/D's and Cash Equivalents	\$ 1,318,434	\$ 1,313,721
Bond Contingency Accounts- Cash	396,267	0
Customer's Deposit Accounts- Cash and C/D's	360,000	359,966
Bond Interest and Redemption Account- Cash	<u>706,225</u>	<u>488,257</u>
Total Restricted Assets	<u>\$ 2,780,926</u>	<u>\$ 2,161,944</u>
Plant and Equipment, at cost, net of accumulated Depreciation of \$18,507,343 in 1996 and \$17,021,755 in 1995	<u>\$51,155,289</u>	<u>\$48,894,230</u>
Other Assets		
Due from Other Funds	\$ 145,576	\$ 135,878
Due from Other Governmental Units	14,000	14,000
Other Receivables	<u>0</u>	<u>34,345</u>
Total Other Assets	<u>\$ 159,576</u>	<u>\$ 184,223</u>
TOTAL ASSETS	<u>\$56,924,858</u>	<u>\$54,562,517</u>

Continued next page.

See notes to financial statements.

City of Natchitoches, Louisiana
Enterprise Fund
Utility Fund

Comparative Balance Sheet
May 31, 1996

	<u>1996</u>	<u>1995</u>
<u>Liabilities</u>		
Current Liabilities (Payable from Current Assets):		
Cash Overdraft	\$ 2,050,417	\$ 1,812,356
Accounts Payable	1,347,481	1,571,262
Accrued Expenses	<u>26,558</u>	<u>20,027</u>
Total Current Liabilities (Payable from Current Assets)	<u>\$ 3,424,456</u>	<u>\$ 3,403,645</u>
Current Liabilities (Payable from Restricted Assets):		
Customer Deposits	\$ 587,208	\$ 523,653
Bonds Payable	<u>1,028,000</u>	<u>986,000</u>
Total Current Liabilities (Payable from Restricted Assets)	<u>\$ 1,615,208</u>	<u>\$ 1,509,653</u>
Other Liabilities:		
Bonds Payable (Long-Term)	\$14,099,576	\$15,127,576
Due to Other Funds	<u>551,044</u>	<u>551,044</u>
Total Other Liabilities	<u>\$14,650,620</u>	<u>\$15,678,620</u>
Total Liabilities	<u>\$19,690,284</u>	<u>\$20,591,918</u>
<u>Fund Equity</u>		
Contributed Capital:		
Municipality and Federal Grants	<u>\$32,437,710</u>	<u>\$28,874,726</u>
Retained Earnings:		
Reserved for Bond Retirement	\$ 2,420,926	\$ 1,801,978
Unreserved	<u>2,375,938</u>	<u>3,293,895</u>
Total Retained Earnings	<u>\$ 4,796,864</u>	<u>\$ 5,095,873</u>
Total Fund Equity	<u>\$37,234,574</u>	<u>\$33,970,599</u>
TOTAL LIABILITIES & FUND EQUITY	<u>\$56,924,858</u>	<u>\$54,562,517</u>

See notes to financial statements.

City of Natchitoches, Louisiana
Enterprise Fund
Utility Fund

Schedule of Operating Revenues and Expenses
Year Ended May 31, 1996

	<u>1996</u>	<u>1995</u>
OPERATING REVENUES:		
Electric Sales - Public	\$12,632,355	\$12,535,355
Water Sales - Public	1,684,892	1,653,877
Sewer Service - Public	1,292,445	1,341,510
Electric Sales - Municipal	433,854	428,435
Service Charges & Penalties	390,150	305,269
Plant Rentals	1,193,079	1,117,920
Meter Sales	22,291	17,307
Miscellaneous Sales	<u>73,549</u>	<u>164,537</u>
Total Operating Revenues	<u>\$17,722,615</u>	<u>\$17,564,210</u>
OPERATING EXPENSES:		
Production & Collection-		
Personnel Costs	\$ 318,611	\$ 309,874
Chemicals & Supplies	111,992	156,053
Diesel & Steam Plant	110,310	58,208
Energy Purchased	<u>8,821,346</u>	<u>8,756,506</u>
Total Production & Collection	<u>\$ 9,362,259</u>	<u>\$ 9,280,641</u>
Distribution & Treatment-		
Personnel Costs	\$ 1,539,995	\$ 1,474,313
Electric Department - Operations	82,828	58,417
Electric Department - Maintenance	510,389	391,378
Water Department - Operations	229,143	215,338
Water Department - Maintenance	94,915	93,099
Sewer Department - Operations	463,827	550,525
Sewer Department - Maintenance	<u>75,204</u>	<u>106,693</u>
Total Distributions & Treatment - Operations	<u>\$ 2,996,301</u>	<u>\$ 2,889,763</u>
Customer Accounting & Collecting-		
Meter Reading	\$ 77,134	\$ 83,360
Personnel Costs	291,173	269,547
Data Processing	42,530	87,947
Supplies & Office Expenses	40,172	55,320
Other Operating Costs	<u>30,942</u>	<u>10,905</u>
Total Customer's Accounting & Collecting	<u>\$ 481,951</u>	<u>\$ 507,079</u>

Continued next page.

See notes to financial statements.

City of Natchitoches, Louisiana
Enterprise Fund
Utility Fund

Schedule of Operating Revenues and Expenses
Year Ended May 31, 1996

	<u>1996</u>	<u>1995</u>
ADMINISTRATIVE AND GENERAL EXPENSES:		
Administrative Personnel	\$ 155,440	\$ 142,344
Employee Benefits	4,325	5,969
Property Insurance	310,030	204,969
Telephone & Utilities	7,225	9,057
Supplies & Miscellaneous	89,589	15,572
Uncollectibles	79,885	66,100
Outside Services	46,363	320,440
Other Expenses	<u>21,156</u>	<u>55,113</u>
Total Administrative & General Expenses	\$ <u>714,013</u>	\$ <u>819,564</u>
Depreciation	\$ <u>1,485,587</u>	\$ <u>1,406,905</u>
Total Operating Expenses	\$ <u>15,040,111</u>	\$ <u>14,903,952</u>
Utility Fund Operating Income	\$ <u>2,682,504</u>	\$ <u>2,660,258</u>

See notes to financial statements.

City of Natchitoches, Louisiana
Enterprise Fund
Utility Fund

Schedule of Changes in Assets Restricted for Revenue Bond Debt Service
For Year Ended May 31, 1996

	<u>Bond & Interest Redemption</u>	<u>Reserve</u>	<u>Contingency</u>	<u>Total</u>
Cash and Investments, June 1, 1995	\$ 488,257	\$1,313,721	\$ 0	\$1,801,978
Cash Receipts:				
Transfer From Operating Fund	1,836,000	0	396,267	2,232,267
Interest Income	11,942	4,713	0	16,655
Interest Paid Back	<u>34,349</u>	<u>0</u>	<u>0</u>	<u>34,349</u>
Total Cash Available	<u>\$2,370,548</u>	<u>\$1,318,434</u>	<u>\$396,267</u>	<u>\$4,085,249</u>
Cash Disbursements:				
Bond Principal Payments	\$ 986,000	\$ 0	\$ 0	\$ 986,000
Bond Interest Payments	654,135	0	0	654,135
Paying Agent's Fees	22,982	0	0	22,982
Transfer to Operating Fund	<u>1,206</u>	<u>0</u>	<u>0</u>	<u>1,206</u>
Total Disbursements	<u>\$1,664,323</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$1,664,323</u>
Cash and Investments, May 31, 1996	<u>\$ 706,225</u>	<u>\$1,318,434</u>	<u>\$396,267</u>	<u>\$2,420,926</u>

See notes to financial statements.

FIDUCIARY FUND TYPE

AGENCY FUND

Cash Bond Fund-To account for the collection of bonds and NSF checks and the subsequent disposition of the funds.

City of Natchitoches, Louisiana
Agency Fund

Cash Bond Fund
Balance Sheets
May 31, 1996

	<u>1996</u>	<u>1995</u>
<u>Assets</u>		
Cash	\$20,907	\$12,992
Revenue Receivables	<u>9,782</u>	<u>21,495</u>
Total Assets	<u>\$30,689</u>	<u>\$34,487</u>
<u>Liabilities</u>		
Cash Bonds held for Future Disposition	<u>\$30,689</u>	<u>\$34,487</u>

See notes to financial statements.

City of Natchitoches, Louisiana
 Supplementary Schedule of Federal Financial Assistance
 Year Ended May 31, 1996

Federal Grantor/ Pass-Through Grantor/ <u>Program Title</u>	Federal CFDA/ Assistance <u>I.D. Number</u>	<u>Award Amount</u>
DIRECT PROGRAMS:		
U.S. Department of Justice- COPS FAST	95-CF-WX-1648	\$ 48,378
U.S. Department of Commerce- Economic Development Administration	11.300	760,000
PASS-THROUGH PROGRAMS:		
Louisiana Commission on Law Enforcement	16,579	16,390
*Environmental Protection Agency- Department of Environmental Quality- Loans	66.458	18,624,559
*Louisiana Division of Administration- Community Development Block Grant	14.228	437,060
*Louisiana Division of Administration- Community Development Block Grant	14.228	1,035,000
Division of Historic Preservation	15.904	<u>8,491</u>
Totals		<u>\$20,929,878</u>

*Denotes Major Federal Financial Assistance Program.

City of Natchitoches, Louisiana
Agency Fund

Cash Bond Fund
Schedule of Changes in Assets and Liabilities
Year Ended May 31, 1996

	<u>Balance</u> <u>6-1-95</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>5-31-96</u>
Assets:				
Cash & Accounts Receivable	\$34,487	\$148,158	\$151,956	\$30,689
Liabilities:				
Cash Bonds held for Future Disposition	\$34,487	\$148,158	\$151,956	\$30,689

See notes to financial statements.

GENERAL FIXED ASSETS ACCOUNT GROUP

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

City of Natchitoches, Louisiana
General Fixed Assets Account Group

Schedule of Changes in General Fixed Assets
Year Ended May 31, 1996

	Balance <u>6-1-95</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>5-31-96</u>
GENERAL FIXED ASSETS:				
Land	\$ 164,014	\$ 0	\$ 0	\$ 164,014
Buildings	1,339,541	0	0	1,339,541
Equipment	<u>3,194,715</u>	<u>717,843</u>	<u>62,925</u>	<u>3,849,633</u>
 Total General Fixed Assets	 \$4,698,270	 \$717,843	 \$62,925	 \$5,353,188
 INVESTMENT IN GENERAL FIXED ASSETS	 \$4,698,270	 \$717,843	 \$62,925	 \$5,353,188

See notes to financial statements.

GENERAL LONG-TERM DEBT ACCOUNT GROUP

To account for unmatured principal amounts on general long-term obligations expected to be financed from governmental-type funds. Payment of maturing bond obligations, including interest, is accounted for in the Debt Service and Special Revenue Funds.

City of Natchitoches, Louisiana
 Schedule of General Long-Term Debt
 May 31, 1996
 With Comparative Totals for May 31, 1995

	DEQ/RLP Loans	Certificates of Indebtedness	Compensated Absences	Totals	
				1996	1995
AMOUNT AVAILABLE AND TO BE PROVIDED FOR PAYMENT OF LONG-TERM DEBT:					
Amount Available in Debt Service	\$ (43,275)	\$ 0	\$ 0	\$ (43,275)	\$ (43,563)
Amount to be Provided From:					
Sales & Use Tax	8,915,518	0	0	8,915,518	9,248,114
Excess General Revenues	0	3,665,000	0	3,665,000	1,800,000
Compensated Absences	<u>0</u>	<u>0</u>	<u>603,361</u>	<u>603,361</u>	<u>0</u>
Total Available and to Be Provided	<u>\$8,872,243</u>	<u>\$3,665,000</u>	<u>\$603,361</u>	<u>\$13,140,604</u>	<u>\$11,004,551</u>
GENERAL LONG-TERM DEBT PAYABLE	\$8,872,243	\$3,665,000	\$603,361	\$13,140,604	\$11,004,551

See notes to financial statements.

City of Natchitoches, Louisiana

Schedule of Changes in Long-Term Debt
Year Ended May 31, 1996

	Balance June 1, <u>1995</u>	Long-Term Debt <u>Increase</u>	Long-Term Debt <u>Retired</u>	Debt Service Fund <u>Operations</u>	Compensated <u>Absences</u>	Balance May 31, <u>1996</u>
Amount Available in Debt Service Funds	\$ (43,563)	\$ 0	\$ 0	\$ 288	\$ 0	\$ (43,275)
Amount to be Provided for Retirement of Long-Term Debt from-						
Sales & Use Tax	9,248,114	0	(332,308)	(288)	0	8,915,518
Excess General Revenues	1,800,000	2,000,000	(135,000)	0	0	3,665,000
Compensated Absences	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>603,361</u>	<u>603,361</u>
Total Available and to be Provided	<u>\$11,004,551</u>	<u>\$2,000,000</u>	<u>\$(467,308)</u>	<u>\$ 0</u>	<u>\$603,361</u>	<u>\$13,140,604</u>
General Long-Term Debt	<u>\$11,004,551</u>	<u>\$2,000,000</u>	<u>\$(467,308)</u>	<u>\$ 0</u>	<u>\$603,361</u>	<u>\$13,140,604</u>

See notes to financial statements.

COMPLIANCE, INTERNAL CONTROL AND
OTHER GRANT INFORMATION

Johnson, Thomas & Cunningham

Certified Public Accountants

Exhibit N-1

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INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL
STRUCTURE IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the City Council of
Natchitoches, Louisiana

We have audited the general purpose financial statements of the City of Natchitoches, Louisiana, as of and for the year ended May 31, 1996, and have issued our report thereon dated November 22, 1996.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments", and the Louisiana Governmental Audit Guide. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements covered by our report are free of material misstatement.

The management of the City of Natchitoches, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the City of Natchitoches, Louisiana, as of and for the year ended May 31, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the City's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose, combining, individual fund and account group financial statements.

A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we noted the following reportable conditions that we believe to be material weaknesses. Responses were provided by Martha Mahfouz, Controller of the accounting department, and are summarized as follows:

General Fixed Assets:

The City has no system to account for general fixed assets. We recommend that an inventory of all fixed assets be taken, the assets be properly tagged, and that a perpetual inventory of fixed assets be maintained. We also recommend that this perpetual inventory be reconciled to the general ledger periodically.

City's Response:

The purchasing agent has been instructed to institute these recommendations immediately. The City has the software needed for this system in place.

Securities for Bank Deposits:

Louisiana Statutes require that banks pledge assets to secure the City's bank balances which are in excess of FDIC insurance limits. At May 31, 1996, the City's bank accounts were undersecured by \$1,753,299. We recommend that periodic reviews of bank securities pledged be made.

City's Response:

Periodic reviews of securities pledged will be made.

Reconciliations of Accounts:

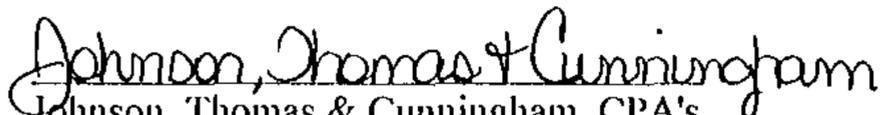
Several accounts that should be reconciled to the general ledger monthly are not being reconciled. Therefore, material errors are occurring within the system, and are not being detected and corrected by employees. We recommend that the utility fund receivables and customer deposit accounts be reconciled on a monthly basis.

City's Response:

Accounting personnel will be instructed to institute procedures immediately to reconcile these accounts monthly.

These conditions were considered in determining the nature, timing, and extent of the audit tests to be applied in our audit of the 1996 financial statements and in our examination and review of the City's compliance with those laws and regulations for which we believe noncompliance could have a material effect on the allowability of program expenditures for federal financial assistance programs. This report does not affect our reports on the May 31, 1996, financial statements and on the City's compliance with laws and regulations dated November 22, 1996.

This report is intended solely for the use of management, and all applicable grantor agencies, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the City of Natchitoches, Louisiana, is a matter of public record.


Johnson, Thomas & Cunningham, CPA's

November 22, 1996
Natchitoches, Louisiana

Johnson, Thomas & Cunningham

Certified Public Accountants

Exhibit N-2

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INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROL STRUCTURE USED IN ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS

To the City Council
of Natchitoches, Louisiana

We have audited the general purpose financial statements of the City of Natchitoches, Louisiana, as of and for the year ended May 31, 1996, and have issued our report thereon dated November 22, 1996. We have also audited the City of Natchitoches, Louisiana's compliance with requirements applicable to major federal financial assistance programs and have issued our report thereon dated November 22, 1996.

We conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments", and the Louisiana Governmental Audit Guide. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and about whether the City of Natchitoches, Louisiana, complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audit for the year ended May 31, 1996, we considered the City's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the City's financial statements and on its compliance with requirements applicable to major programs and not to provide assurance on the internal control structure. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed policies and procedures relevant of our audit of the financial statements in a separate report dated November 22, 1996.

The management of the City of Natchitoches, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors,

irregularities or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

General requirements:

- Political activity
- Civil rights
- Cash management
- Federal financial reports
- Allowable costs/cost principles
- Administrative requirements

Specific requirements:

- Types of services
- Reporting
- Special requirements

Claims for advances and reimbursements

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been place in operation, and we assessed control risk.

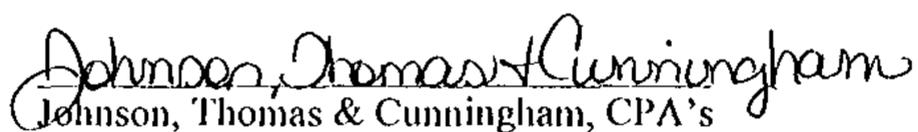
During the year ended May 31, 1996, the City of Natchitoches, Louisiana, expended 97.48 percent of its total federal financial assistance under major federal financial assistance programs.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements that are applicable to the City's major federal financial assistance programs, which are identified in the accompanying schedule of federal financial assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program

may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above.

This report is intended for the information of management, all applicable federal agencies, and those other governmental agencies from which financial assistance was received and should not be used for any other purpose. However, upon delivery to the City of Natchitoches, Louisiana, this report is a matter of public record and its distribution is not limited.


Johnson, Thomas & Cunningham, CPA's

November 22, 1996
Natchitoches, Louisiana

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Exhibit N-3
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INDEPENDENT AUDITORS' REPORT ON
COMPLIANCE BASED ON AN AUDIT OF THE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

To the City Council of
Natchitoches, Louisiana

We have audited the general purpose financial statements of the City of Natchitoches, Louisiana, as of and for the year ended May 31, 1996, and have issued our report thereon dated November 22, 1996.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, the provision of Office of Management and Budget Circular A-128, "Audits of State and Local Governments", and the Louisiana Governmental Audit Guide. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements being audited are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the City of Natchitoches, Louisiana, is the responsibility of the City's management. As part of obtaining reasonable assurance about whether the aforementioned financial statements are free of material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts and grants. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

Material instances of noncompliance are failure to follow requirements, or violations of prohibitions, contained in statutes, regulations, contracts, or grants, that cause us to conclude that the aggregation of the misstatements resulting from those failures or violations is material to the general purpose financial statements or to the combining and individual fund financial statements. The results of our tests of compliance disclosed the following instances of noncompliance.

Budgets

Finding:

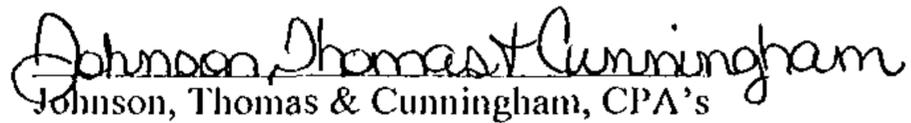
Four of the City's special revenue funds, and two capital project funds did not have budgets prepared for the fiscal year. In addition, several funds did not have budget amounts for expenditures when expenditures were incurred by the fund. We recommend that budgets be prepared for all City funds and that these budgeted amounts be reflected in the City's financial statements.

City's response:

Budgets for all City funds will be prepared for the next budget year.

We considered this instance of noncompliance in forming our opinion on whether the City of Natchitoches, Louisiana's May 31, 1996 general purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our report dated November 22, 1996, on those financial statements.

This report is intended for the information of management. This restriction is not intended to limit the distribution of this report, which, upon delivery to the City of Natchitoches, Louisiana, is a matter of public record.


Johnson, Thomas & Cunningham, CPA's

November 22, 1996
Natchitoches, Louisiana

Johnson, Thomas & Cunningham
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Exhibit N-4
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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH THE GENERAL REQUIREMENTS APPLICABLE
TO FEDERAL FINANCIAL ASSISTANCE PROGRAMS

To the City Council of
Natchitoches, Louisiana

We have audited the general purpose financial statements of the City of Natchitoches, Louisiana, as of and for the year ended May 31, 1996, and have issued our report thereon dated November 22, 1996.

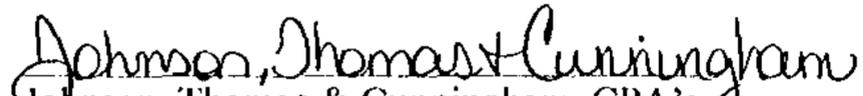
We have applied procedures to test the City of Natchitoches, Louisiana, compliance with the following requirements applicable to its federal financial assistance programs, the major programs of which are identified in the schedule of federal financial assistance, for the year ended May 31, 1996:

Political activity
Civil rights
Cash management
Federal financial reports
Allowable costs/cost principles
Administrative requirements

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's Compliance Supplement for Single Audits of State and Local Governments. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the City of Natchitoches, Louisiana, compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no instances of noncompliance with the requirements listed in the first paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the City of Natchitoches, Louisiana had not complied, in all material respects, with those requirements.

This report is intended for the information of management, applicable Federal agencies, and other governmental agencies from which federal financial assistance was received. This restriction is not intended to limit the distribution of this report, which upon delivery to the City of Natchitoches, Louisiana, is a matter of public record.


Johnson, Thomas & Cunningham, CPA's

November 22, 1996
Natchitoches, Louisiana

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Certified Public Accountants

Exhibit N-5
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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
SPECIFIC REQUIREMENTS APPLICABLE TO
MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS

To the City Council of
Natchitoches, Louisiana

We have audited the general purpose financial statements of the City of Natchitoches, Louisiana, as of and for the year ended May 31, 1996, and have issued our report thereon dated November 22, 1996.

We have also audited the City of Natchitoches, Louisiana, compliance with the requirements governing types of services allowed or unallowed; matching; reporting; any special tests; and claims for reimbursements that are applicable to its major federal financial assistance programs, which are identified in the accompanying schedule of federal financial assistance, for the year ended May 31, 1996. The management of the City of Natchitoches, Louisiana, is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget Circular A-128, "Audits of State and Local Governments". Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the City of Natchitoches, Louisiana, compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the City of Natchitoches, Louisiana, complied, in all material respects, with the requirements governing types of services allowed or unallowed; matching; reporting, any special tests; and claims for reimbursements that are applicable to its major federal financial assistance programs for the year ended May 31, 1996.

This report is intended for the information of management, applicable Federal agencies, and other governmental agencies from which federal financial assistance was received. This restriction is not intended to limit the distribution of this report, which upon delivery to the City of Natchitoches, Louisiana, is a matter of public record.


Johnson, Thomas & Cunningham, CPA's

November 22, 1996
Natchitoches, Louisiana

Johnson, Thomas & Cunningham

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR
FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS

To the City Council of
Natchitoches, Louisiana

We have audited the general purpose financial statements of the City of Natchitoches, Louisiana, as of and for the year ended May 31, 1996, and have issued our report hereon dated November 22, 1996.

In connection with our audit of the 1996 general purpose financial statements of the City of Natchitoches, Louisiana, and with our study and evaluation of the City of Natchitoches, Louisiana, internal control systems used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, "Audits of State and Local Governments", we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended May 31, 1996. As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed, and claims for reimbursements that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the City of Natchitoches, Louisiana, compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the City of Natchitoches, Louisiana, had not complied, in all material respects, with those requirements.

This report is intended for the information of management, applicable Federal agencies, and other governmental agencies from whom federal financial assistance was received. This restriction is not intended to limit the distribution of this report, which, upon delivery to City of Natchitoches, Louisiana, is a matter of public record.

Johnson, Thomas & Cunningham
Johnson, Thomas & Cunningham, CPA's

November 22, 1996
Natchitoches, Louisiana

Johnson, Thomas & Cunningham
Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT ON SCHEDULE OF
FEDERAL FINANCIAL ASSISTANCE

To the City Council of
Natchitoches, Louisiana

We have audited the general purpose financial statements of the City of Natchitoches, Louisiana, as of and for the year ended May 31, 1996, and have issued our report thereon dated November 22, 1996. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments", and the Louisiana Governmental Audit Guide. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the City of Natchitoches, Louisiana, taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Johnson, Thomas & Cunningham
Johnson, Thomas & Cunningham, CPA's

November 22, 1996
Natchitoches, Louisiana

<u>Program Income</u>	<u>Current Year Revenues</u>	<u>Current Year Expenditures</u>	<u>Total Program Expenditures to 5-31-96</u>
\$0	\$ 16,000	\$ 16,000	\$ 16,000
0	661,552	661,552	661,552
0	16,390	12,832	12,832
0	0	0	17,669,135
0	405,141	405,141	405,141
0	377,812	377,812	377,812
<u>0</u>	<u>8,491</u>	<u>8,491</u>	<u>8,491</u>
\$0	<u>\$1,485,386</u>	<u>\$1,481,828</u>	<u>\$19,150,963</u>