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CITY OF EUNICE, LOUISIANA
FINANCIAL REPORT
JUNE 30, 1996

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Release Date 3-26-97

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GENERAL PURPOSE FINANCIAL STATEMENTS
(Combined Statements - Overview)



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The Honorable Gilbert Young
and the Board of Aldermen
City of Eunice, Louisiana

We have audited the accompanying general purpose financial statements of the City of Eunice, Louisiana, as of and for the year ended June 30, 1996, as listed in the table of contents. These general purpose financial statements are the responsibility of the City of Eunice, Louisiana's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of 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 the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall 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 Eunice, Louisiana as of June 30, 1996, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements

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The Honorable Gilbert Young
and the Board of Aldermen
City of Eunice, Louisiana

and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of Eunice, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued a report dated November 25, 1996 on our consideration of the City of Eunice's internal control structure and a report dated November 25, 1996, on its compliance with laws and regulations.

BROUSSARD, POCHE', LEWIS & BREAUX

Eunice, Louisiana
November 25, 1996

CITY OF EUNICE, LOUISIANA

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
June 30, 1996

ASSETS	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Cash and cash equivalents	\$ 460,995	\$ 515,525	\$ 290,115	\$ 156,343
Investments, at cost	-	445,575	873,718	102,593
Receivables (net of allowance for uncollectibles):				
Accounts	-	-	-	-
Taxes	9,179	1,811	-	-
Other	7,506	-	-	-
Due from other governmental units	31,106	24,222	-	271,085
Due from other funds	418,437	91,299	-	-
Prepaid insurance	61,341	929	-	-
Restricted assets:				
Cash	-	-	-	-
Investments, at cost	-	-	-	-
Land and buildings	-	-	-	-
Industrial facilities	-	-	-	-
Autos, equipment, furniture and fixtures	-	-	-	-
Utility and plant and equipment, at cost	-	-	-	-
Accumulated depreciation	-	-	-	-
Amounts available in debt service funds	-	-	-	-
Amounts to be provided for retirement of general long-term debt	-	-	-	-
Total assets	\$ 988,564	\$1,079,361	\$1,163,833	\$ 530,021

<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Account Groups</u>		<u>Totals (Memorandum Only)</u>	
<u>Enterprise</u>	<u>Internal Service</u>	<u>Trust and Agency</u>	<u>General Fixed Assets</u>	<u>General Long-term Debt</u>	<u>1996</u>	<u>1995</u>
\$ 249,824	\$ 83,169	\$ 63,894	\$ -	\$ -	\$1,819,865	\$ 1,401,433
-	50,198	-	-	-	1,472,084	1,448,457
287,560	-	-	-	-	287,560	298,279
-	-	-	-	-	10,990	2,451
671	-	-	-	-	8,177	30,718
-	-	-	-	-	326,413	27,433
540	-	7,961	-	-	518,237	565,022
66,998	-	-	-	-	129,268	165,793
28,122	-	-	-	-	28,122	26,892
168,483	-	-	-	-	168,483	165,890
-	-	-	5,754,940	-	5,754,940	5,748,940
-	-	-	1,175,184	-	1,175,184	1,175,184
-	-	-	1,983,500	-	1,983,500	1,631,377
12,597,175	-	-	-	-	12,597,175	12,120,840
(4,008,759)	-	-	-	-	(4,008,759)	(3,691,622)
-	-	-	-	1,163,833	1,163,833	1,138,423
-	-	-	-	3,763,333	3,763,333	4,081,024
<u>\$ 9,390,614</u>	<u>\$ 133,367</u>	<u>\$ 71,855</u>	<u>\$ 8,913,624</u>	<u>\$4,927,166</u>	<u>\$27,198,405</u>	<u>\$26,336,534</u>

(Continued)

CITY OF EUNICE, LOUISIANA

COMBINED BALANCE SHEET (CONTINUED)
ALL FUND TYPES AND ACCOUNT GROUPS
June 30, 1996

LIABILITIES AND FUND EQUITY	<u>Governmental Fund Types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
LIABILITIES				
Accounts payable	\$ 76,058	\$ 102,085	\$ -	\$ 250,590
Accrued liabilities	147,919	-	-	-
Retainage payable	-	-	-	24,697
Deferred grant revenue	-	5,367	-	-
Due to other governmental units	7,752	-	-	-
Due to other funds	68,194	5,065	-	-
Capital leases payable - current	-	-	-	-
Payable from restricted assets:				
Customers' deposits	-	-	-	-
General long-term debt	-	-	-	-
General obligation Bonds payable	-	-	-	-
Capital leases payable	-	-	-	-
Total liabilities	<u>\$ 299,923</u>	<u>\$ 112,517</u>	<u>\$ -</u>	<u>\$ 275,287</u>
FUND EQUITY				
Contributed capital	\$ -	\$ -	\$ -	\$ -
Investment in general fixed assets	-	-	-	-
Retained earnings:				
Unreserved	-	-	-	-
Fund balances:				
Reserved for prepaid insurance	61,341	929	-	-
Reserved for debt service	-	-	1,163,833	-
Unreserved - undesignated	<u>627,300</u>	<u>965,915</u>	<u>-</u>	<u>254,734</u>
Total fund equity	<u>\$ 688,641</u>	<u>\$ 966,844</u>	<u>\$1,163,833</u>	<u>\$ 254,734</u>
Total liabilities and fund equity	<u>\$ 988,564</u>	<u>\$1,079,361</u>	<u>\$1,163,833</u>	<u>\$ 530,021</u>

See Notes to Financial Statements.

Exhibit A
(Continued)

<u>Proprietary Fund Types</u>		<u>Fiduciary</u> <u>Fund Type</u>	<u>Account Groups</u>		<u>Totals</u> <u>(Memorandum</u> <u>Only)</u>	
<u>Enterprise</u>	<u>Internal</u> <u>Service</u>	<u>Trust</u> <u>and</u> <u>Agency</u>	<u>General</u> <u>Fixed</u> <u>Assets</u>	<u>General</u> <u>Long-term</u> <u>Debt</u>	<u>1996</u>	<u>1995</u>
\$ 81,401	\$ -	\$ -	\$ -	\$ -	\$ 510,134	\$ 179,916
24,084	15,661	71,855	-	-	259,519	406,133
-	-	-	-	-	24,697	-
-	-	-	-	-	5,367	-
-	-	-	-	-	7,752	622
444,978	-	-	-	-	518,237	565,022
-	-	-	-	-	-	12,928
194,870	-	-	-	-	194,870	197,565
-	-	-	-	225,682	225,682	202,486
-	-	-	-	4,475,000	4,475,000	5,010,000
-	-	-	-	226,484	226,484	6,961
<u>\$ 745,333</u>	<u>\$ 15,661</u>	<u>\$ 71,855</u>	<u>\$ -</u>	<u>\$4,927,166</u>	<u>\$ 6,447,742</u>	<u>\$ 6,581,633</u>
\$4,803,690	\$ -	\$ -	\$ -	\$ -	\$ 4,803,690	\$ 4,690,841
-	-	-	8,913,624	-	8,913,624	8,555,501
3,841,591	117,706	-	-	-	3,959,297	3,687,556
-	-	-	-	-	62,270	120,797
-	-	-	-	-	1,163,833	1,138,423
-	-	-	-	-	1,847,949	1,561,783
<u>\$8,645,281</u>	<u>117,706</u>	<u>\$ -</u>	<u>\$ 8,913,624</u>	<u>\$ -</u>	<u>\$20,750,663</u>	<u>\$19,754,901</u>
<u>\$9,390,614</u>	<u>\$ 133,367</u>	<u>\$ 71,855</u>	<u>\$ 8,913,624</u>	<u>\$ 4,927,166</u>	<u>\$27,198,405</u>	<u>\$26,336,534</u>

(Continued)

CITY OF EUNICE, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
 Year Ended June 30, 1996

	<u>Governmental Fund Types</u>	
	<u>General</u>	<u>Special Revenue</u>
Revenues:		
Taxes	\$ 760,824	\$ 2,455,550
Licenses and permits	368,794	-
Intergovernmental revenues	256,431	397,107
Fines and bonds	33,014	2,766
Liberty Cajun Music Show	85,665	-
Interest	5,822	20,733
Miscellaneous revenues	66,546	1,649
Total revenues	<u>\$ 1,577,096</u>	<u>\$ 2,877,805</u>
Expenditures:		
Current:		
General government	\$ 760,494	\$ 60,189
Public safety	1,564,960	85,093
Public works	575,362	72,195
Health and welfare	16,010	77,977
Culture and recreation	356,351	88,934
Other	21,188	-
Capital outlay	8,700	781,228
Debt service:		
Principal retirement	-	28,703
Interest and fiscal charges	-	12,473
Total expenditures	<u>\$ 3,303,065</u>	<u>\$ 1,206,792</u>
Excess (deficiency) of revenues over expenditures	<u>\$(1,725,969)</u>	<u>\$ 1,671,013</u>
Other financing sources (uses):		
Proceeds from capital leases	\$ -	\$ 248,225
Operating transfers in	1,960,362	-
Operating transfers out	<u>(155,400)</u>	<u>(1,717,872)</u>
Total other financing sources (uses)	<u>\$ 1,804,962</u>	<u>\$(1,469,647)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (subtotals forward)	<u>\$ 78,993</u>	<u>\$ 201,366</u>

<u>Governmental Fund Types</u>		<u>Totals</u> <u>(Memorandum Only)</u>	
<u>Debt</u> <u>Service</u>	<u>Capital</u> <u>Projects</u>	<u>1996</u>	<u>1995</u>
\$ -	\$ -	\$ 3,216,374	\$ 3,132,231
-	-	368,794	344,155
-	299,958	953,496	420,466
-	-	35,780	32,156
-	-	85,665	83,351
56,898	10,211	93,664	82,305
<u>32,738</u>	<u>-</u>	<u>100,933</u>	<u>134,008</u>
<u>\$ 89,636</u>	<u>\$ 310,169</u>	<u>\$ 4,854,706</u>	<u>\$ 4,228,672</u>
\$ -	\$ 250	\$ 820,933	\$ 778,020
-	-	1,650,053	1,699,353
-	-	647,557	713,573
-	-	93,987	106,003
-	-	445,285	469,847
-	62,931	84,119	54,577
-	299,708	1,089,636	153,564
551,080	-	579,783	513,500
<u>327,789</u>	<u>-</u>	<u>340,262</u>	<u>368,083</u>
<u>\$ 878,869</u>	<u>\$ 362,889</u>	<u>\$ 5,751,615</u>	<u>\$ 4,856,520</u>
<u>\$ (789,233)</u>	<u>\$ (52,720)</u>	<u>\$ (896,909)</u>	<u>\$ (627,848)</u>
\$ -	\$ -	\$ 248,225	\$ -
860,910	-	2,821,272	2,884,361
<u>(46,267)</u>	<u>-</u>	<u>(1,919,539)</u>	<u>(2,032,079)</u>
<u>\$ 814,643</u>	<u>\$ -</u>	<u>\$ 1,149,958</u>	<u>\$ 852,282</u>
<u>\$ 25,410</u>	<u>\$ (52,720)</u>	<u>\$ 253,049</u>	<u>\$ 224,434</u>

CITY OF EUNICE, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
 Year Ended June 30, 1996

	<u>Governmental Fund Types</u>	
	<u>General</u>	<u>Special Revenue</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (subtotals forwarded)	\$ 78,993	\$ 201,366
Fund balance, beginning	<u>609,648</u>	<u>765,478</u>
Fund balance, ending	<u>\$ 688,641</u>	<u>\$ 966,844</u>

See Notes to Financial Statements.

Exhibit B
(Continued)

<u>Governmental Fund Types</u>		<u>Totals</u> <u>(Memorandum Only)</u>	
<u>Debt</u> <u>Service</u>	<u>Capital</u> <u>Projects</u>	<u>1996</u>	<u>1995</u>
\$ 25,410	\$ (52,720)	\$ 253,049	\$ 224,434
<u>1,138,423</u>	<u>307,454</u>	<u>2,821,003</u>	<u>2,596,569</u>
<u>\$1,163,833</u>	<u>\$ 254,734</u>	<u>\$3,074,052</u>	<u>\$2,821,003</u>

CITY OF EUNICE, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - BUDGET (GAAP BASIS) AND ACTUAL -
GENERAL AND SPECIAL REVENUE FUND TYPES
Year Ended June 30, 1996

	<u>General Fund</u>		Variance- Favorable (Unfavorable)
	<u>Budget</u>	<u>Actual</u>	
Revenues:			
Taxes	\$ 751,800	\$ 760,824	\$ 9,024
Licenses and permits	320,000	368,794	48,794
Intergovernmental revenues	180,300	256,431	76,131
Fines and forfeits	28,000	33,014	5,014
Liberty Cajun Music Show	75,000	85,665	10,665
Interest	5,000	5,822	822
Miscellaneous revenues	49,400	66,546	17,146
Total revenues	<u>\$ 1,409,500</u>	<u>\$ 1,577,096</u>	<u>\$ 167,596</u>
Expenditures:			
Current:			
General government	\$ 742,500	\$ 760,494	\$ (17,994)
Public safety	1,538,300	1,564,960	(26,660)
Public works	568,600	575,362	(6,762)
Health and welfare	15,700	16,010	(310)
Culture and recreation	329,900	356,351	(26,451)
Other	20,100	21,188	(1,088)
Capital outlay	-	8,700	(8,700)
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>\$ 3,215,100</u>	<u>\$ 3,303,065</u>	<u>\$ (87,965)</u>
Excess (deficiency) of revenues over expenditures	<u>\$(1,805,600)</u>	<u>\$(1,725,969)</u>	<u>\$ 79,631</u>
Other financing sources (uses):			
Proceeds from capital leases	\$ -	\$ -	\$ -
Operating transfers in	2,013,000	1,960,362	(52,638)
Operating transfers out	<u>(185,400)</u>	<u>(155,400)</u>	<u>30,000</u>
Total other financing sources (uses)	<u>\$ 1,827,600</u>	<u>\$ 1,804,962</u>	<u>\$ (22,638)</u>
Excess of revenues and other sources over expenditures and other uses (subtotals forward)	<u>\$ 22,000</u>	<u>\$ 78,993</u>	<u>\$ 56,993</u>

<u>Special Revenue Funds</u>			<u>Totals (Memorandum Only)</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
\$ 2,405,300	\$ 2,455,550	\$ 50,250	\$ 3,157,100	\$ 3,216,374	\$ 59,274
-	-	-	320,000	368,794	48,794
364,700	397,107	32,407	545,000	653,538	108,538
-	2,766	2,766	28,000	35,780	7,780
-	-	-	75,000	85,665	10,665
19,700	20,733	1,033	24,700	26,555	1,855
5,800	1,649	(4,151)	55,200	68,195	12,995
<u>\$ 2,795,500</u>	<u>\$ 2,877,805</u>	<u>\$ 82,305</u>	<u>\$ 4,205,000</u>	<u>\$ 4,454,901</u>	<u>\$ 249,901</u>
\$ 46,300	\$ 60,189	\$ (13,889)	\$ 788,800	\$ 820,683	\$ (31,883)
88,700	85,093	3,607	1,627,000	1,650,053	(23,053)
71,300	72,195	(895)	639,900	647,557	(7,657)
85,700	77,977	7,723	101,400	93,987	7,413
89,900	88,934	966	419,800	445,285	(25,485)
-	-	-	20,100	21,188	(1,088)
708,600	781,228	(72,628)	708,600	789,928	(81,328)
-	28,703	(28,703)	-	28,703	(28,703)
-	12,473	(12,473)	-	12,473	(12,473)
<u>\$ 1,090,500</u>	<u>\$ 1,206,792</u>	<u>\$ (116,292)</u>	<u>\$ 4,305,600</u>	<u>\$ 4,509,857</u>	<u>\$ (204,257)</u>
<u>\$ 1,705,000</u>	<u>\$ 1,671,013</u>	<u>\$ (33,987)</u>	<u>\$ (100,600)</u>	<u>\$ (54,956)</u>	<u>\$ 45,644</u>
\$ 248,200	\$ 248,225	\$ 25	\$ 248,200	\$ 248,225	\$ 25
-	-	-	2,013,000	1,960,362	(52,638)
<u>(1,781,500)</u>	<u>(1,717,872)</u>	<u>63,628</u>	<u>(1,966,900)</u>	<u>(1,873,272)</u>	<u>93,628</u>
<u>\$(1,533,300)</u>	<u>\$(1,469,647)</u>	<u>\$ 63,653</u>	<u>\$ 294,300</u>	<u>\$ 335,315</u>	<u>\$ 41,015</u>
<u>\$ 171,700</u>	<u>\$ 201,366</u>	<u>\$ 29,666</u>	<u>\$ 193,700</u>	<u>\$ 280,359</u>	<u>\$ 86,659</u>

CITY OF EUNICE, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
GENERAL AND SPECIAL REVENUE FUND TYPES
Year Ended June 30, 1996

	<u>General Fund</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (subtotals forwarded)	\$ 22,000	\$ 78,993	\$ 56,993
Fund balance, beginning	<u>609,648</u>	<u>609,648</u>	<u>-</u>
Fund balance, ending	<u>\$ 631,648</u>	<u>\$ 688,641</u>	<u>\$ 56,993</u>

See Notes to Financial Statements.

<u>Special Revenue Funds</u>			<u>Totals (Memorandum Only)</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
\$ 171,700	\$ 201,366	\$ 29,666	\$ 193,700	\$ 280,359	\$ 86,659
<u>765,478</u>	<u>765,478</u>	<u>-</u>	<u>1,375,126</u>	<u>1,375,126</u>	<u>-</u>
<u>\$ 937,178</u>	<u>\$ 966,844</u>	<u>\$ 29,666</u>	<u>\$1,568,826</u>	<u>\$1,655,485</u>	<u>\$ 86,659</u>

CITY OF EUNICE, LOUISIANA

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

Year Ended June 30, 1996

	Enterprise Fund	Internal Service Fund	Totals (Memorandum Only)	
			1996	1995
Operating revenue:				
Charges for services	\$3,071,880	\$ 163,643	\$3,235,523	\$3,040,969
Other billings to customers	56,269	-	56,269	48,328
Total operating revenues	<u>\$3,128,149</u>	<u>\$ 163,643</u>	<u>\$3,291,792</u>	<u>\$3,089,297</u>
Operating expenses:				
Payroll and related benefits	\$ 366,707	\$ 130,178	\$ 496,885	\$ 543,294
Gas purchases	712,602	-	712,602	697,683
Supplies and materials	80,342	-	80,342	81,458
Repairs and maintenance	220,140	-	220,140	276,673
Office expenses	28,533	-	28,533	28,399
Professional fees	7,271	-	7,271	13,213
Insurance	100,016	-	100,016	102,103
Depreciation	317,137	-	317,137	313,609
Bad debts	14,403	-	14,403	7,994
Permits	12,624	-	12,624	14,451
Utilities and telephone	112,634	-	112,634	96,449
Miscellaneous	26,284	512	26,796	11,597
Total operating expenses	<u>\$1,998,693</u>	<u>\$ 130,690</u>	<u>\$2,129,383</u>	<u>\$2,186,923</u>
Operating income	<u>\$1,129,456</u>	<u>\$ 32,953</u>	<u>\$1,162,409</u>	<u>\$ 902,374</u>
Nonoperating income (expenses):				
Interest earned on investments	\$ 10,052	\$ 198	\$ 10,250	\$ 9,645
Other income	2,061	-	2,061	10,233
EPA fines	-	-	-	(30,000)
Interest expense	(1,247)	-	(1,247)	(2,167)
Total nonoperating income (expenses)	<u>\$ 10,866</u>	<u>\$ 198</u>	<u>\$ 11,064</u>	<u>\$ (12,289)</u>
Income before other operating transfers (subtotals forward)	<u>\$1,140,322</u>	<u>\$ 33,151</u>	<u>\$1,173,473</u>	<u>\$ 890,085</u>

CITY OF EUNICE, LOUISIANA

COMBINED STATEMENTS OF REVENUES, EXPENSES AND CHANGES
IN RETAINED EARNINGS - PROPRIETARY FUND TYPES
Year Ended June 30, 1996

	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>	<u>Totals (Memorandum Only)</u>	
			<u>1996</u>	<u>1995</u>
Income before other operating transfers (subtotals forwarded)	<u>\$1,140,322</u>	<u>\$ 33,151</u>	<u>\$1,173,473</u>	<u>\$ 890,085</u>
Operating transfers:				
Operating transfers in	\$ 46,268	\$ -	\$ 46,268	\$ 89,518
Operating transfers out	<u>(948,000)</u>	<u>-</u>	<u>(948,000)</u>	<u>(941,800)</u>
Total other operating transfers	<u>\$ (901,732)</u>	<u>\$ -</u>	<u>\$ (901,732)</u>	<u>\$ (852,282)</u>
Net income	\$ 238,590	\$ 33,151	\$ 271,741	\$ 37,803
Retained earnings, beginning	<u>3,603,001</u>	<u>84,555</u>	<u>3,687,556</u>	<u>3,649,753</u>
Retained earnings, ending	<u>\$3,841,591</u>	<u>\$ 117,706</u>	<u>\$3,959,297</u>	<u>\$3,687,556</u>

See Notes to Financial Statements.

CITY OF EUNICE, LOUISIANA

COMBINED STATEMENT OF CASH FLOWS -
 PROPRIETARY FUND TYPES
 Year Ended June 30, 1996

	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>	<u>Total (Memorandum Only)</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income	\$1,129,456	\$ 32,953	\$1,162,409
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	317,137	-	317,137
Provision for uncollectible accounts	8,874	-	8,874
(Increase) decrease in current assets:			
Accounts receivable	1,845	-	1,845
Prepaid insurance	(22,002)	-	(22,002)
Due from other funds	44,460	-	44,460
Other receivables	3,544	-	3,544
Increase (decrease) in current liabilities:			
Accounts payable	39,570	-	39,570
Accrued liabilities	(101,520)	3,654	(97,866)
Due to other funds	(17,157)	-	(17,157)
Other payables	(1,891)	-	(1,891)
Customers' deposits	(2,695)	-	(2,695)
Net cash provided by operating activities	<u>\$1,399,621</u>	<u>\$ 36,607</u>	<u>\$1,436,228</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating transfers in from other funds	\$ 46,268	\$ -	\$ 46,268
Operating transfers out to other funds	<u>(948,000)</u>	<u>-</u>	<u>(948,000)</u>
Net cash used by noncapital financing activities	<u>\$ (901,732)</u>	<u>\$ -</u>	<u>\$ (901,732)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal payment - capital lease	\$ (12,928)	\$ -	\$ (12,928)
Acquisition of plant and equipment	(363,486)	-	(363,486)
Interest paid	(1,247)	-	(1,247)
Other	<u>2,061</u>	<u>-</u>	<u>2,061</u>
Net cash used by capital and related financing activities	<u>\$ (375,600)</u>	<u>\$ -</u>	<u>\$ (375,600)</u>
Subtotals forward	<u>\$ 122,289</u>	<u>\$ 36,607</u>	<u>\$ 158,896</u>

CITY OF EUNICE, LOUISIANA
 COMBINED STATEMENT OF CASH FLOWS -
 PROPRIETARY FUND TYPES
 Year Ended June 30, 1996

	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>	<u>Total (Memorandum Only)</u>
Subtotals forwarded	\$ 122,289	\$ 36,607	\$ 158,896
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	\$ 10,052	\$ 198	\$ 10,250
Purchase of investments	(334,373)	(50,198)	(384,571)
Proceeds from maturities of investments	<u>331,780</u>	<u>-</u>	<u>331,780</u>
Net cash provided (used) by investing activities	<u>\$ 7,459</u>	<u>\$ (50,000)</u>	<u>\$ (42,541)</u>
Net increase (decrease) in cash and cash equivalents	\$ 129,748	\$ (13,393)	\$ 116,355
Cash and cash equivalents, beginning	<u>148,198</u>	<u>96,562</u>	<u>244,760</u>
Cash and cash equivalents, ending	<u>\$ 277,946</u>	<u>\$ 83,169</u>	<u>\$ 361,115</u>

Noncash transactions:

During the year ended June 30, 1996, contributed capital in the Utility Fund was increased by capital outlays made in the Sales Tax Fund of \$112,850 for improvements to the gas lines and for equipment.

See Notes to Financial Statements.

CITY OF EUNICE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The City of Eunice was incorporated in 1909 under the Lawrason Act, and is administered under the Mayor and Board of Aldermen form of government.

The financial statements of the City of Eunice 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 government's accounting policies are described below:

A. Reporting Entity

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the City is able to exercise oversight responsibilities.

Based on the foregoing criteria, the following governmental organizations are not considered part of the City and are thus excluded from the accompanying financial statements for the reasons noted:

The Eunice City Court is operated under the directorship of the Eunice City Judge who is an elected public official. Revenues are derived from court costs. The City cannot significantly influence operations nor does it have responsibility for fiscal management.

The Opelousas-Eunice Public Library is a joint venture between the cities of Opelousas and Eunice. The City of Eunice does not exercise significant influence over management or fiscal matters of the Library. A copy of the joint ventures separate financial statements can be obtained from the Opelousas-Eunice Public Library, P.O. Box 249, Opelousas, LA 70570.

NOTES TO FINANCIAL STATEMENTS

B. Fund Accounting

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

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

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types."

Governmental Funds

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary Funds

Proprietary funds which include enterprise and internal service funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to outside parties or to other departments or agencies of the government.

Proprietary Funds are reported in accordance with GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and other Governmental Entities that use Proprietary Fund Accounting. This standard requires that all applicable GASB pronouncements, Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) issued on or before November 30, 1989 be applied to proprietary activities unless they (FASB Statements and Interpretations, ARB Opinions, and ARBs) conflict with or contradict GASB pronouncements.

NOTES TO FINANCIAL STATEMENTS

GASB Statement No. 20 also states that for proprietary activities, management may elect to apply all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements. Proprietary activities under the control of the City will not elect to apply FASB Statements and Interpretations issued after November 30, 1989, unless they are adopted by GASB.

Fiduciary Funds

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. When these assets are held under the terms of a formal trust agreement, either a pension trust fund, a nonexpendable trust fund or an expendable trust fund is used. The terms "nonexpendable" and "expendable" refer to whether or not the government is under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the government holds on behalf of others as their agent.

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resource management focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

All proprietary funds, nonexpendable trust funds and pension trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Fund equity is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases and decreases in net total assets.

The modified accrual basis of accounting is used by all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due.

NOTES TO FINANCIAL STATEMENTS

Those revenues susceptible to accrual are property taxes, franchise taxes, interest revenue, and intergovernmental revenues.

Fines and permit revenues, licenses, and sales tax collections are not susceptible to accrual because generally they are not measurable until received in cash.

The accrual basis of accounting is utilized by proprietary fund types, pension trust funds and nonexpendable trust funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

D. Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general and special revenue funds. All annual appropriations lapse at fiscal year end. Project-length financial plans are adopted for all capital project funds, therefore, they are not included in this report.

Encumbrances are not recorded in the financial statements.

The budget presented is as amended by the Board of Aldermen. Expenditures may not legally exceed budgeted appropriations by more than 5% at the individual fund level.

For the year ended June 30, 1996, actual expenditures in the Sales Tax Fund and Dedicated Escrow Fund exceeded budget by more than 5%.

E. Cash and Investments

Cash includes amounts in demand deposits. Investments include certificates of deposit and time deposits. The bank balance of cash and investments is covered by federal depository insurance or by collateral held by the City's fiscal agent.

F. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 1996, are recorded as prepaid items.

NOTES TO FINANCIAL STATEMENTS

H. Fixed Assets

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost or estimated historical cost. The amounts of estimated costs are immaterial to these financial statements. Donated fixed assets are stated at their fair market value on the date donated.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized, as these assets are immovable and of value only to the government.

Assets in the general fixed assets account group are not depreciated. Depreciation of buildings, equipment and vehicles in the proprietary fund types is computed using the straight-line method. The estimated useful lives are as follows:

Gas system	67 years
Sewer system	40-67 years
Meters & regulators	25 years
Vehicles & other equipment	4-10 years

I. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. In accordance with the provisions of Statement of Financial Standards No. 43, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

J. Long-Term Obligations

Long-term debt expected to be financed by governmental funds is reported in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

NOTES TO FINANCIAL STATEMENTS

K. Fund Equity

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers or other funds. Reserves represent those portions of fund equity not appropriate for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

L. Interfund Transactions

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.

M. Statement of Cash Flows

For purposes of the statement of cash flows, all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased are considered to be cash equivalents.

N. 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 government's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

To be consistent with current year classifications, some items from the prior year have been reclassified.

O. Memorandum Only - Total Columns

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

NOTES TO FINANCIAL STATEMENTS

Note 2. Legal Compliance - Budgets

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

1. The City Clerk prepares a proposed budget and submits same to the Mayor and Council no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Council.

Note 3. Cash and Interest-Bearing Deposits

Under state law, the City may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The City may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

NOTES TO FINANCIAL STATEMENTS

These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit. These securities are held in the name of the pledging bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 1996, are secured as follows:

	<u>Bank Balance</u>	<u>FDIC Insurance</u>	<u>Balance Uninsured</u>
Checking	\$2,446,762	\$ 100,000	\$2,346,762
Certificates of deposit	<u>1,194,992</u>	<u>165,890</u>	<u>1,029,102</u>
Total	<u>\$3,641,754</u>	<u>\$ 265,890</u>	\$3,375,864
Securities pledged, Category III			<u>5,626,782</u>
Excess of FDIC insurance plus pledged securities over deposits in financial institutions			<u>\$2,250,918</u>

Pledged securities in Category III includes 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. Even though the pledged securities are considered uncollateralized (Category III) Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the City that the fiscal agent has failed to pay deposited funds upon demand.

NOTES TO FINANCIAL STATEMENTS

Note 4. Receivables

Receivables at June 30, 1996, consist of the following:

	<u>General</u>	<u>Special Revenue</u>	<u>Enterprise</u>	<u>Total</u>
Taxes	\$ 9,997	\$ 1,990	\$ -	\$ 11,987
Accounts	-	-	313,560	313,560
Other	<u>7,506</u>	<u>-</u>	<u>671</u>	<u>8,177</u>
Gross receivables	\$ 17,503	\$ 1,990	\$314,231	\$333,724
Less allowance for uncollectibles	<u>818</u>	<u>179</u>	<u>26,000</u>	<u>26,997</u>
Net total receivables	<u>\$ 16,685</u>	<u>\$ 1,811</u>	<u>\$288,231</u>	<u>\$306,727</u>

Accounts receivable in the Enterprise fund consists of billed and unbilled receivables relating to gas and sewer services. Accounts receivable are divided into two billing cycles. Cycle 1 is billed on the last day of the month for the period ending on approximately the 17th of the month. Cycle 2 is billed on the 10th day of the month for the period ending on approximately the 25th of the prior month. Billed receivables at June 30, 1996 were \$264,990 and unbilled receivables were \$48,570.

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

The City bills and collects its own property taxes using the assessed values determined by the tax assessors of St. Landry and Acadia Parish.

For the year ended June 30, 1996, taxes of 13.61 mills were levied on property with an assessed valuation totaling \$31,842,840 and were dedicated as follows:

General corporate tax	6.35 mills
Street maintenance	5.00 mills
Sewer maintenance	2.26 mills

Total taxes levied were \$433,391. Taxes receivable at June 30, 1996, were \$11,987.

NOTES TO FINANCIAL STATEMENTS

Note 5. Changes in Fixed Assets

The following is a summary of changes in the general fixed assets account group during the fiscal year:

	<u>Balance June 30, 1995</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 1996</u>
Land and buildings	\$5,748,940	\$ 6,000	\$ -	\$5,754,940
Industrial facilities	1,175,184	-	-	1,175,184
Autos and equipment	<u>1,631,377</u>	<u>377,697</u>	<u>25,574</u>	<u>1,983,500</u>
	<u>\$8,555,501</u>	<u>\$ 383,697</u>	<u>\$ 25,574</u>	<u>\$8,913,624</u>

Prior to the year ended June 30, 1994, the general fixed assets of the City of Eunice, Louisiana had not been audited. During the year ended June 30, 1994, the City inventoried all general fixed assets. Purchased general fixed assets are valued at historical cost, except for \$245,000 of assets which are valued at estimated historical costs. Estimated costs were based on similar purchases during the same time period.

The following is a summary of proprietary fund-type fixed assets at June 30, 1996:

	<u>Cost</u>
Gas system	\$ 4,454,881
Sewer system	7,283,751
Autos and trucks	99,217
Equipment	312,461
Meters and regulators	<u>446,865</u>
	\$12,597,175
Accumulated depreciation	<u>4,008,759</u>
 Total	 <u>\$ 8,588,416</u>

NOTES TO FINANCIAL STATEMENTS

Note 6. Changes in General Long-Term Debt

The following is a summary of debt transactions of the City of Eunice for the year ended June 30, 1996:

	June 30, <u>1995</u>	<u>Additions</u>	<u>Retirements</u>	June 30, <u>1996</u>
State loan	\$ 202,486	\$ -	\$ 16,081	\$ 186,405
General obligation bonds	5,010,000	-	535,000	4,475,000
Capital leases, proprietary fund	12,927	-	12,927	-
Capital leases, sales tax fund	6,961	248,225	28,702	226,484
Other - liability insurance claims payable	-	39,277	-	39,277
	<u>\$5,232,374</u>	<u>\$ 287,502</u>	<u>\$ 592,710</u>	<u>\$4,927,166</u>

State loan:

The City of Eunice received a loan of \$200,000 from the Louisiana Economic Development Corporation to purchase a manufacturing facility. The monthly mortgage payment of \$1,736 is to be paid from the monthly rental proceeds of \$4,000 received from the lessee. The remaining rent proceeds are deposited into an escrow fund by the City to pay the final installment of \$103,981 due 12/01/2000. \$156,870

The City of Eunice received a loan from Louisiana Community Development for \$42,420. The mortgage is to be paid from funds of \$963 received monthly from the lessee of the equipment for 60 months. 29,535

\$186,405

Bonds payable at June 30, 1996, are comprised of the following individual issues:

General Obligation Bonds (secured by proceeds of a 2.2% sales and use tax):

Public Improvements Bonds, Series ST-1978, dated 1/1/78, original issue of \$3,000,000, retired annually in various installment amounts, interest rates of 5.6% to 6.0% per annum, final maturity at 1/1/03 \$1,440,000

Public Improvements Bonds, Series ST-1992, dated 9/1/92, original issue of \$2,190,000, retired annually in various installment amounts, interest rates of 4.75% to 6% per annum, final maturity at 1/1/03 1,920,000

Subtotal forward \$3,360,000

NOTES TO FINANCIAL STATEMENTS

Subtotal forwarded	\$3,360,000
Public Improvements Bonds, Series ST-1988, dated 7/1/88, original issue of \$1,070,000, retired annually in various installment amounts, interest rates of 7.75% to 11.0% per annum, final maturity at 7/1/08	845,000
General Obligation Bonds (secured by excess annual revenue of the City):	
Certificate of Indebtedness, Series 1988, dated 7/1/88, original issue of \$1,000,000, retired annually in various installment amounts, interest rates of 8.4% to 10.0% per annum, final maturity at 7/1/98	<u>270,000</u>
	<u>\$4,475,000</u>
Capital Leases:	
Purchase of equipment under capital lease, payable in four annual installments of \$7,533, including interest at 11.0% per annum, payable from the Utility Fund.	\$ -
Purchase of equipment under capital lease, payable in four annual installments of \$6,642, including interest at 8.0% per annum, payable from the Utility Fund.	-
Purchase of equipment under capital lease, payable in four annual installments of \$7,518, including interest at 8.0% per annum, payable from the Sales Tax Fund.	-
Purchase of equipment under capital lease in the amount of \$17,500 payable in 24 monthly installments of \$842, including interest, payable from the Sales Tax Fund.	15,573
Purchase of equipment under capital lease in the amount of \$109,750 payable in 60 monthly installments of \$1,800, including interest and one final installment of \$29,131, payable from the Sales Tax Fund.	98,291
Purchase of equipment under capital lease in the amount of \$120,975 payable in 96 monthly installments of \$1,642, including interest, payable from the Sales Tax Fund.	<u>112,620</u>
	<u>\$ 226,484</u>

NOTES TO FINANCIAL STATEMENTS

Other Long-Term Debt:

Liability insurance claims payable to be repaid from excess revenues in monthly installments of \$2,000, noninterest bearing, for outstanding deductibles on insurance claims \$ 39,277

The annual requirements to amortize all debt outstanding at June 30, 1996, including interest payments of \$1,393,925 are as follows:

<u>Year Ending June 30.</u>	<u>General Obligation</u>	<u>State Loan</u>	<u>Capital Leases</u>	<u>Other</u>	<u>Total</u>
1997	\$ 847,787	\$ 32,377	\$ 51,401	\$ 24,000	\$ 955,565
1998	849,473	32,377	48,875	15,277	946,002
1999	693,230	31,415	41,300	-	765,945
2000	697,670	20,827	41,300	-	759,797
2001	704,470	110,925	52,431	-	867,826
Thereafter	<u>1,979,992</u>	<u>-</u>	<u>45,964</u>	<u>-</u>	<u>2,025,956</u>
	<u>\$5,772,622</u>	<u>\$227,921</u>	<u>\$281,271</u>	<u>\$ 39,277</u>	<u>\$6,321,091</u>

\$1,163,833 is available in the Debt Service Funds to service these debts.

Note 7. Flow of Funds - Restrictions on Use - Sales Tax Revenues

The City of Eunice levies a 2.2% sales and use tax dedicated as follows: Proceeds of the 1% sales and use tax levied in 1978, are dedicated as follows:

Under the terms of the bond indentures, all monies collected are deposited into a separate account.

After payment of collection expenses, monies must be transferred to a sinking fund established for retirement of these bonds.

A reserve fund is established by monthly transfers from the sales tax fund until such time as the reserve fund has accumulated sufficient funds to equal the highest combined interest and bond payments due for any succeeding fiscal year.

Monies remaining in the sales tax fund may be used for providing additional general fund revenues and for the construction, operations and maintenance of capital improvements.

NOTES TO FINANCIAL STATEMENTS

Proceeds of the 1% sales and use levied in 1962 are dedicated as follows:

Under the terms of the bond indentures, all monies collected are deposited into a separate account.

After payment of collection expenses, monies must be transferred to a sinking fund established for retirement of these bonds.

A reserve fund is established by monthly transfers from the sales tax fund until such time as the reserve fund has accumulated sufficient funds to equal the highest combined interest and bond payments due for any succeeding fiscal year.

Monies remaining in the sales tax fund may be used for:

- 1) Opening, constructing, paving, resurfacing and improving streets, sidewalks and bridges; constructing and purchasing street lighting facilities; constructing and improving drains, drainage canals and subsurface drainage; constructing and purchasing fire department stations and equipment; constructing and purchasing police department stations and equipment; constructing and purchasing garbage disposal and health and sanitation equipment and facilities; constructing public buildings; purchasing, constructing and improving public parks and recreational facilities and acquiring the necessary equipment and furnishings therefor; purchasing equipment for civil defense; constructing, acquiring or improving any work of permanent public improvement; and purchasing and acquiring all equipment and furnishing for the public works, buildings, improvements and facilities.
- 2) Providing funds, not to exceed ten percent (10%) of the proceeds of said tax for such year, to defray costs of operating and maintaining a public library.
- 3) Providing funds, not to exceed ten percent (10%) of the proceeds of said tax for such year, for the payment of salaries of municipal employees.
- 4) Providing funds for the Homestead Exemption Fund.

Proceeds of the .2% sales and use tax levied in 1988 are dedicated as follows:

Under the terms of the Bond Indenture for the Public Improvement Bond, ST-1988, all monies collected are deposited into a sales tax fund account.

After payment of collection expenses, monies must be transferred to a sinking fund established for retirement of these bonds, in amounts equal to one-sixth of the interest and one-twelfth of the bonds becoming due in the next maturity.

NOTES TO FINANCIAL STATEMENTS

A reserve fund is established by monthly transfers from the sales tax fund of \$1,000 monthly until such time as the reserve fund has accumulated sufficient funds to equal the highest combined interest and bond payments due for any succeeding fiscal year.

Monies remaining in the sales tax fund may be used for constructing, acquiring, extending, improving, operating and maintaining sewers and sewerage disposal facilities.

Note 8. Pension Cost

Municipal Employees' Retirement System

Membership in the retirement system is mandatory for all employees who are employed on a permanent basis working at least 35 hours per week. However, new employees over 60 years of age and employees covered by another retirement system are not eligible. Employees are eligible to retire at any age with thirty or more years of creditable service or age 55 with twenty-five years of creditable service. Creditable service means all periods of time for which credit is allowed towards any benefits. Upon retirement, members are entitled to a retirement benefit, payable monthly in an amount equal to three percent of the member's final compensation multiplied by years of creditable service, provided however, that: (1) any member who has held an elective office in a municipality which is a participating employer shall be paid an additional annuity equal to one-half of one percent for each year of such elected service, (2) for any employee who was a member only of the supplemental plan prior to the revision date, the benefit earned for service credited prior to the revision date shall be determined on the basis of one percent of final compensation plus two dollars per month for each year of service credited prior to the revision date, and three percent of final compensation of each year of service credited after the revision date; and (3) the benefit of the Section shall not exceed one hundred percent of a member's final salary. Final compensation means the average monthly earnings during the highest thirty-six months or joined months if service has interrupted. Final salary means the average monthly earnings of a member during the twelve month period immediately preceding his death or the establishment of Plan A. The System also provides death and disability benefits which require five years of creditable service for eligibility.

The City has several pension plans covering substantially all of its employees, as follows:

- Municipal Employees' Retirement System of Louisiana
- State of Louisiana - Municipal Police Employees' Retirement System
- State of Louisiana - Firefighters' Retirement System
- Louisiana State Employees' Retirement System

NOTES TO FINANCIAL STATEMENTS

Substantially all employees are covered under the Municipal Employees' Retirement System of Louisiana except for firemen, policemen, and judges which are covered under the Firefighters' Retirement System, Municipal Police Employees' Retirement System, and Louisiana State Employees' Retirement System, respectively. Details concerning these plans follow:

1. Municipal Employees' Retirement System of Louisiana

Plan description:

The Municipal Employees' Retirement System of Louisiana (the System) is a cost-sharing multiple-employer public employee retirement system (PERS) as established and provided for by R.S. 11:1731 of the Louisiana Revised Statutes (LRS). The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. Employees of the City are members of Plan A.

The Municipal Employees' Retirement System of Louisiana issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing to Municipal Employees' Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, LA 70809.

Funding policy:

Plan members are required to contribute 9.25% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 6.75% of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by the System's Board of Trustees. The City's contributions to the System for the year ended June 30, 1996 was \$70,210, equal to the required contributions for the year.

2. State of Louisiana - Municipal Police Employees' Retirement System

Plan description:

The Municipal Police Employees' Retirement System (the System) is a cost-sharing multiple-employer public employee retirement system (PERS).

Membership is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrest, providing they do not have to pay social security and providing they meet the statutory criteria. Employees who retire at or after age 50 with at least 20 years of credited service, or at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit payable monthly for life, equal to 3-1/3 percent of their average final compensation multiplied by the employee's years of credited service. Final compensation is the

NOTES TO FINANCIAL STATEMENTS

employee's monthly earnings during the 36 consecutive or joined months that produce the highest average. The System also provides death and disability benefits. Benefits are established by state statute.

The Municipal Police Employee's Retirement System issues a publicly available report that includes financial statements and required supplemental information. That report may be obtained by writing to Municipal Police Employee's Retirement System, 8401 United Plaza Blvd., Suite 270, Baton Rouge, LA 70809-7017.

Funding policy:

Plan members are required to contribute 7.5% of their annual covered salary and the City is required to contribute 9.0% as established by the state statute. The City's contributions to the System for the year ended June 30, 1996 was \$55,224, equal to the required contributions for the year.

3. State of Louisiana - Firefighters' Retirement System

Plan description:

The Firefighters' Retirement System (the System) is a cost-sharing multiple-employer public employee retirement system (PERS), as established and provided for by R.S. 11:2251 through 2269 of the Louisiana Revised Statutes (LRS).

Membership is mandatory as a condition of employment beginning on date employed if the employee is on a permanent basis as a firefighter, not participating in another public funded retirement system and under age fifty (50) at date of employment. Employees who retire at or after age 50 with at least 20 years of credited service, or at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit payable monthly for life, equal to 3-1/3 percent of their average final compensation multiplied by the employee's years of credited service. Final compensation is the employee's monthly earnings during the 36 consecutive or joined months that produce the highest average. The System also provides death and disability benefits. Benefits are established by state statute.

The Firefighter's Retirement System issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing to Firefighter's Retirement System, P.O. Box 94095 Capitol Station, Baton Rouge, LA 70804-9095.

Funding policy:

Plan members are required to contribute 8.0% of their annual covered salary and the City is required to contribute at an actuarially

NOTES TO FINANCIAL STATEMENTS

determined rate. The current rate is 9.0% of annual covered payroll. The contribution requirements of Plan members are established and may be amended by the System's Board of Trustees. The City's contributions to the System for the year ended June 30, 1996 was \$35,728, equal to the required contributions for each year.

4. Louisiana State Employees' Retirement System

The City Judge is a member of the Louisiana State Employees' Retirement System. Under the plan, the Judge contributes 11.5% and the City contributes 12.0% of the Judge's compensation. The City's contribution for the current year amounted to \$2,184.

5. Eunice Police Pension & Relief Fund

An actuarial study performed during the 1975 fiscal year indicated that at that time there was an unfunded liability in the Police Pension and Relief Fund of \$1,171,557. There has been no determination of such unfunded liability on a current basis. This liability applies to police personnel currently retired under the City's police pension plan, policemen enrolled in the City's plan, and policemen enrolled in the Louisiana Municipal Police Employees Retirement System whose eventual pensions will be paid by the City and State in a ratio of contributions made to both plans.

It is anticipated that the unfunded pension liability will be retired by annual transfers from the General Fund equal to the actuarial payments being made to retired police officers.

All new members of the police force are enrolled in the Louisiana Municipal Police Employees Retirement System.

Note 9. Interfund Receivables, Payables

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$418,437	\$ 68,194
Special revenue funds -		
Sales Tax Fund	91,073	5,065
Court Witness Fees Fund	226	-
Enterprise Fund -		
Utility Fund	540	444,978
Fiduciary Fund -		
Payroll Fund	<u>7,961</u>	<u>-</u>
	<u>\$518,237</u>	<u>\$518,237</u>

NOTES TO FINANCIAL STATEMENTS

Note 10. Restricted Assets - Proprietary Fund Type

Restricted assets applicable to customers' deposits at June 30, 1996 and 1995 are as follows:

	<u>1996</u>	<u>1995</u>
Customers' deposits:		
Cash	\$ 28,122	\$ 26,892
Investment, at cost	<u>168,483</u>	<u>165,890</u>
	<u>\$196,605</u>	<u>\$192,782</u>

Note 11. Contingencies

The City of Eunice, Louisiana is the defendant in several pending cases. Their exposure is anticipated to be limited to their deductible of \$5,000 per case.

Note 12. Food Stamp Program

The City began operating the Food Stamp Program during the year ended June 30, 1992, under an agreement with the Louisiana Department of Health and Human Resources. Under this program, the City is responsible for the issuance of food stamps to eligible participants. The value of food stamps on hand, received, and issued is not recorded in the accompanying financial statements. Activity for the year follows:

Balance, July 1, 1995	\$ 412,650
Received	1,092,000
Distributed	<u>1,154,390</u>
Balance, June 30, 1996	<u>\$ 350,260</u>

Note 13. Quality Manufacturing Lease-Purchase Agreement

The City of Eunice has entered into a lease-purchase agreement with Quality Manufacturing of Eunice, Inc. to purchase the Jantzen building and equipment. The City should receive \$4,963 per month from Quality Manufacturing beginning October, 1991. As of June 30, 1996, Quality Manufacturing is in Chapter 11 bankruptcy and is in default on monthly payments in the amount of \$31,850.

NOTES TO FINANCIAL STATEMENTS

Note 14. Operating Lease

The City is committed under a three year lease for a 1995 Ford Crown Victoria which expires April 15, 1998. This lease is considered for accounting purposes to be an operating lease. Lease expenditures for the year ended June 30, 1996 amounted to \$4,135. Future minimum lease payments under this lease are as follows:

1997	\$ 4,135
1998	<u>3,101</u>
	<u>\$ 7,236</u>

Note 15. Contributed Capital

During the period ended June 30, 1996, contributed capital in the Utility Fund was increased by capital outlays made in the Sales Tax Fund of \$112,850 for improvements to the gas lines and for equipment.

Note 16. Enterprise Fund Operations

Operations of the City of Eunice Utility System consist of a gas distribution system and sewer utility.

Operating results of the individual utilities for the years ended June 30, 1996 and 1995 were as follows:

	<u>Year Ended June 30.</u>	<u>Operating Revenue</u>	<u>Operating Expenses</u>	<u>Operating Income (Loss)</u>
Gas Utility	1996	\$1,950,105	\$1,196,282	\$ 753,823
	1995	\$1,709,193	\$1,229,144	\$ 480,049
Sewer Utility	1996	\$1,178,044	\$ 802,411	\$ 375,633
	1995	\$1,194,905	\$ 791,931	\$ 402,974

Operating expenses above include costs which cannot be directly associated with a single department; thus these expenses have been allocated on the basis of gross utility sales. At June 30, 1996, service was provided to the following number of customers:

Gas	4,537
Sewer	4,547

NOTES TO FINANCIAL STATEMENTS

Note 17. Self Insurance Fund

The City has established a risk management program for its group health and life insurance coverage and accounts for it in the Group Insurance Fund. This program provides employees and their dependents health benefits up to \$2,500,000 in a lifetime maximum. The City purchases commercial insurance for claims in excess of \$10,000 per individual per year of coverage provided by the program.

The City adopted the provisions of GASB Statement Number 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues." As required by the statement, a Reconciliation of Claims Liabilities is shown below. Funds of the City participate in the program and make payments to the Group Insurance Fund based on premiums needed to pay prior and current year claims, administrative cost, and commercial insurance premiums. The net claims liability of \$15,661 reported in the fund at June 30, 1996, is based on the requirements of GASB Statement Number 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

In addition to the pension benefits described above, the City provides health care benefits to certain past employees and their dependents who either retired from the City or who are eligible as former employees under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA); the premium is paid in full by the insured.

Unpaid claims at June 30, 1995	\$ 12,007
Claims	59,280
Claim payments	<u>(55,626)</u>
Unpaid claims at June 30, 1996	<u>\$ 15,661</u>

Note 18. Subsequent Events

In September 1996, the City was awarded a rural development grant from the State of Louisiana Division of Administration in the amount of \$40,000 for drainage improvements.

In July 1996, the City was awarded a grant from the Louisiana Department of Transportation and Development in the amount of \$20,000 for airport improvements.

The City was also awarded a grant from the Louisiana Department of Transportation and Development for approximately \$20,000 in September 1994 for sidewalk improvements. However, the project did not begin until after June 30, 1996.

SCHEDULES OF INDIVIDUAL FUNDS AND ACCOUNT GROUPS

GENERAL FUND

The general fund is used to account for resources traditionally associated with governments which are not required legally or by sound financial management to be accounted for in another fund.

CITY OF EUNICE, LOUISIANA
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 1996
With Comparative Actual Amounts for Year Ended June 30, 1995

	<u>1996</u>			<u>1995</u>
	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)	<u>Actual</u>
Revenues:				
Taxes	\$ 751,800	\$ 760,824	\$ 9,024	\$ 765,672
Licenses and permits	320,000	368,794	48,794	344,155
Intergovernmental revenues	180,300	256,431	76,131	195,362
Fines and forfeitures	28,000	33,014	5,014	32,156
Liberty Cajun Music Show	75,000	85,665	10,665	83,351
Interest	5,000	5,822	822	-
Miscellaneous	49,400	66,546	17,146	73,826
	<u>\$1,409,500</u>	<u>\$1,577,096</u>	<u>\$ 167,596</u>	<u>\$1,494,522</u>
Other sources:				
Transfers from other funds	<u>\$2,013,000</u>	<u>\$1,960,362</u>	<u>\$ (52,638)</u>	<u>\$1,979,417</u>
Expenditures:				
Current:				
General government	\$ 742,500	\$ 760,494	\$ (17,994)	\$ 732,579
Public safety	1,538,300	1,564,960	(26,660)	1,610,324
Public works	568,600	575,362	(6,762)	641,357
Health and welfare	15,700	16,010	(310)	12,778
Culture and recreation	329,900	356,351	(26,451)	386,248
Other	20,100	21,188	(1,088)	18,992
Capital outlays	-	8,700	(8,700)	-
	<u>\$3,215,100</u>	<u>\$3,303,065</u>	<u>\$ (87,965)</u>	<u>\$3,402,278</u>
Excess of revenues and other sources over expenditures (subtotals forward)	<u>\$ 207,400</u>	<u>\$ 234,393</u>	<u>\$ 26,993</u>	<u>\$ 71,661</u>

CITY OF EUNICE, LOUISIANA
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 1996

With Comparative Actual Amounts for Year Ended June 30, 1995

	<u>1996</u>		Variance- Favorable (Unfavorable)	<u>1995</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Excess of revenues and other sources over expenditures (subtotals forwarded)	\$ 207,400	\$ 234,393	\$ 26,993	\$ 71,661
Other uses:				
Transfers to other funds	<u>(185,400)</u>	<u>(155,400)</u>	<u>30,000</u>	<u>(177,264)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ 22,000	\$ 78,993	\$ 56,993	\$ (105,603)
Fund balance, beginning	<u>609,648</u>	<u>609,648</u>	<u>-</u>	<u>715,251</u>
Fund balance, ending	<u>\$ 631,648</u>	<u>\$ 688,641</u>	<u>\$ 56,993</u>	<u>\$ 609,648</u>

CITY OF EUNICE, LOUISIANA
GENERAL FUND

STATEMENT OF REVENUES AND OTHER SOURCES COMPARED TO BUDGET (GAAP BASIS)
Year Ended June 30, 1996
With Comparative Actual Amounts for Year Ended June 30, 1995

	<u>1996</u>		Variance- Favorable	<u>1995</u>
	<u>Budget</u>	<u>Actual</u>	<u>(Unfavorable)</u>	<u>Actual</u>
Revenues:				
Taxes:				
Property taxes	\$ 351,000	\$ 359,196	\$ 8,196	\$ 357,649
Interest and penalty	4,000	5,133	1,133	7,266
Franchise fees	396,800	396,495	(305)	400,757
Licenses and permits:				
Occupational licenses	279,000	328,112	49,112	309,634
Liquor licenses	18,000	17,620	(380)	18,260
Building permit fees	23,000	23,062	62	16,261
Intergovernmental revenues:				
Grant revenue	-	14,038	14,038	6,576
Video poker	55,000	96,008	41,008	65,151
Tobacco tax	54,000	54,412	412	54,499
Beer tax	23,000	26,869	3,869	15,937
Correction receipts	24,000	38,283	14,283	28,467
Housing authority payment in lieu of tax	7,300	7,300	-	7,300
Fire insurance tax	17,000	19,521	2,521	17,432
Fines and forfeits:				
Court fines	28,000	33,014	5,014	32,156
Liberty Cajun Music Show	75,000	85,665	10,665	83,351
Interest	5,000	5,822	822	-
Miscellaneous	49,400	66,546	17,146	73,826
	<u>\$1,409,500</u>	<u>\$1,577,096</u>	<u>\$ 167,596</u>	<u>\$1,494,522</u>
Other sources:				
Transfers from:				
Utility Fund	809,800	787,200	(22,600)	814,200
Sales Tax Fund	1,203,200	1,173,162	(30,038)	1,165,217
Total other sources	<u>\$2,013,000</u>	<u>\$1,960,362</u>	<u>\$ (52,638)</u>	<u>\$1,979,417</u>
Total revenues and other sources	<u>\$3,422,500</u>	<u>\$3,537,458</u>	<u>\$ 114,958</u>	<u>\$3,473,939</u>

CITY OF EUNICE, LOUISIANA
GENERAL FUND

STATEMENT OF EXPENDITURES AND OTHER USES COMPARED TO BUDGET (GAAP BASIS)
Year Ended June 30, 1996
With Comparative Actual Amounts for Year Ended June 30, 1995

	<u>1996</u>		Variance-	<u>1995</u>
	<u>Budget</u>	<u>Actual</u>	Favorable	<u>Actual</u>
			(Unfavorable)	
General government:				
Salaries	\$ 289,000	\$ 283,651	\$ 5,349	\$ 254,471
Payroll taxes	30,500	31,939	(1,439)	24,615
Group insurance	31,000	30,373	627	34,314
Professional fees	21,000	21,311	(311)	20,206
Tax roll preparation	2,000	2,111	(111)	4,782
Advertising	15,500	15,060	440	8,487
Utilities and telephone	54,500	52,851	1,649	50,233
Street lighting	88,000	87,728	272	78,477
City Hall maintenance	13,000	16,489	(3,489)	12,620
Office expenses	21,300	21,344	(44)	18,745
Dues	5,000	5,271	(271)	8,297
Travel and meetings	6,000	6,440	(440)	10,371
General insurance	41,200	38,288	2,912	39,467
City Court	70,100	73,109	(3,009)	81,285
Civil Service Board	1,300	1,250	50	1,200
Industrial inducement	7,000	8,014	(1,014)	10,178
Zoning Board	1,000	1,028	(28)	750
Coroner	3,200	3,205	(5)	1,764
Materials and supplies	15,600	7,084	8,516	18,290
Elections	5,000	7,704	(2,704)	9,984
Litigation claims	-	-	-	8,000
Other	<u>21,300</u>	<u>46,244</u>	<u>(24,944)</u>	<u>36,043</u>
Total general government	<u>\$ 742,500</u>	<u>\$ 760,494</u>	<u>\$ (17,994)</u>	<u>\$ 732,579</u>

(Continued)

CITY OF EUNICE, LOUISIANA
GENERAL FUND

STATEMENT OF EXPENDITURES AND OTHER USES COMPARED TO BUDGET (GAAP BASIS)
Year Ended June 30, 1996
With Comparative Actual Amounts for Year Ended June 30, 1995

	<u>1996</u>		<u>Variance- Favorable (Unfavorable)</u>	<u>1995</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Public safety:				
Police -				
Salaries	\$ 631,100	\$ 634,688	\$ (3,588)	\$ 624,823
Payroll taxes	9,500	8,358	1,142	9,077
Retirement and pension	121,200	124,967	(3,767)	128,894
Jail expense	38,200	37,420	780	38,308
Telephone and utilities	6,200	6,148	52	5,259
Supplies and materials	27,400	27,095	305	27,761
General insurance	96,500	90,760	5,740	109,330
Group insurance	34,200	34,462	(262)	41,701
Contract labor	4,000	4,171	(171)	3,115
Transportation	49,200	45,708	3,492	72,035
Other	16,100	29,676	(13,576)	17,892
Total police	<u>\$1,033,600</u>	<u>\$1,043,453</u>	<u>\$ (9,853)</u>	<u>\$1,078,195</u>
Fire -				
Salaries	\$ 320,000	\$ 336,810	\$ (16,810)	\$ 327,249
Volunteer firemen	9,700	9,737	(37)	14,547
Payroll taxes	31,900	33,234	(1,334)	21,710
Telephone and utilities	12,900	10,670	2,230	9,891
Repairs and maintenance	8,300	16,629	(8,329)	25,654
Travel and meetings	200	84	116	124
Transportation	6,200	3,042	3,158	2,681
Supplies and materials	12,700	8,125	4,575	13,801
General insurance	86,300	81,350	4,950	93,486
Group insurance	14,500	14,469	31	21,290
Other	2,000	7,357	(5,357)	1,696
Total fire	<u>\$ 504,700</u>	<u>\$ 521,507</u>	<u>\$ (16,807)</u>	<u>\$ 532,129</u>
Total public safety	<u>\$1,538,300</u>	<u>\$1,564,960</u>	<u>\$ (26,660)</u>	<u>\$1,610,324</u>

(Continued)

CITY OF EUNICE, LOUISIANA
GENERAL FUND

STATEMENT OF EXPENDITURES AND OTHER USES COMPARED TO BUDGET (GAAP BASIS)
Year Ended June 30, 1996
With Comparative Actual Amounts for Year Ended June 30, 1995

	1996		Variance- Favorable (Unfavorable)	1995
	Budget	Actual		Actual
Public works:				
Streets -				
Salaries	\$ 306,000	\$ 303,869	\$ 2,131	\$ 301,762
Payroll taxes	23,800	25,079	(1,279)	20,614
Repairs and maintenance	70,300	74,495	(4,195)	64,084
Signs and materials	45,300	26,029	19,271	76,984
General insurance	97,400	90,729	6,671	103,918
Group insurance	11,600	13,248	(1,648)	20,139
Other	12,200	37,074	(24,874)	32,647
Total streets	<u>\$ 566,600</u>	<u>\$ 570,523</u>	<u>\$ (3,923)</u>	<u>\$ 620,148</u>
Sanitation -				
Salaries	\$ 400	\$ 1,133	\$ (733)	\$ 12,126
Vehicle and equipment maintenance	1,200	2,473	(1,273)	8,956
Retirement contribution	-	-	-	29
Other	400	1,233	(833)	98
Total sanitation	<u>\$ 2,000</u>	<u>\$ 4,839</u>	<u>\$ (2,839)</u>	<u>\$ 21,209</u>
Total public works	<u>\$ 568,600</u>	<u>\$ 575,362</u>	<u>\$ (6,762)</u>	<u>\$ 641,357</u>
Health and welfare:				
Dog pound and rat control	\$ 15,700	\$ 16,010	\$ (310)	\$ 12,778
Culture and recreation:				
Salaries and payroll taxes	\$ 28,500	\$ 27,471	\$ 1,029	\$ 27,820
Telephone and utilities	15,900	17,599	(1,699)	15,376
Supplies	6,400	9,791	(3,391)	21,942
General insurance	12,300	9,854	2,446	13,429
Group insurance	1,800	1,763	37	1,997
Maintenance	23,800	17,246	6,554	22,469
Library maintenance	11,200	13,639	(2,439)	13,379
Neighborhood centers	87,300	90,671	(3,371)	90,520
Contract labor	50,600	55,529	(4,929)	55,595
Subtotals forward	<u>\$ 237,800</u>	<u>\$ 243,563</u>	<u>\$ (5,763)</u>	<u>\$ 262,527</u>

(Continued)

CITY OF EUNICE, LOUISIANA
GENERAL FUND

STATEMENT OF EXPENDITURES AND OTHER USES COMPARED TO BUDGET (GAAP BASIS)
Year Ended June 30, 1996
With Comparative Actual Amounts for Year Ended June 30, 1995

	<u>1996</u>		<u>Variance- Favorable (Unfavorable)</u>	<u>1995</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Culture and recreation:				
Subtotals forwarded	\$ 237,800	\$ 243,563	\$ (5,763)	\$ 262,527
Liberty Cajun Music Show and Liberty Cultural Association	75,000	83,452	(8,452)	105,833
Other	700	8,852	(8,152)	1,172
Museum	<u>16,400</u>	<u>20,484</u>	<u>(4,084)</u>	<u>16,716</u>
Total culture and recreation	<u>\$ 329,900</u>	<u>\$ 356,351</u>	<u>\$ (26,451)</u>	<u>\$ 386,248</u>
Other:				
Airport expenditures	<u>\$ 20,100</u>	<u>\$ 21,188</u>	<u>\$ (1,088)</u>	<u>\$ 18,992</u>
Capital outlay	<u>\$ -</u>	<u>\$ 8,700</u>	<u>\$ (8,700)</u>	<u>\$ -</u>
Total expenditures	\$3,215,100	\$3,303,065	\$ (87,965)	\$3,402,278
Other uses:				
Transfer to other funds	<u>185,400</u>	<u>155,400</u>	<u>30,000</u>	<u>177,264</u>
Total expenditures and other uses	<u>\$3,400,500</u>	<u>\$3,458,465</u>	<u>\$ (57,965)</u>	<u>\$3,579,542</u>

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

SALES TAX FUND -

To account for the receipt and use of proceeds of the City's 2.2% sales and use tax.

SEWER MAINTENANCE FUND -

To account for the receipt and use of proceeds of a 2.26 mill ad valorem tax.

ST. LANDRY & ACADIA PARISH FIRE DISTRICT -

To account for receipt and expenditures associated with the joint fire fighting effort.

SUMMER FOOD PROGRAM -

To account for funds received under Federal grants and expenditures associated with providing meals to school age children during the summer.

DEDICATED ESCROW FUND -

To account for the payment of small liability claims of the City.

PUBLIC SAFETY TESTING FUND -

To account for the receipt and expenditures associated with court fees collected in connection with drug and alcohol related driving offenses.

APPEARANCE BOND FUND -

To account for the receipt and expenditures associated with the receipt of appearance bonds collected on arrests and traffic citations.

COURT WITNESS FEES FUND -

To account for the receipt and expenditures associated with witness fees collected by City Court.

CITY OF EUNICE, LOUISIANA
ALL SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET
June 30, 1996
With Comparative Actual Totals for June 30, 1995

ASSETS	Sales Tax Funds	Sewer Maintenance Fund	St. Landry & Acadia Parish Fire District
Cash	\$411,831	\$ 9,178	\$ 36,449
Investments, at cost	445,575	-	-
Ad valorem taxes receivable (net of allowance for uncollectible taxes of \$179)	-	1,811	-
Due from other governmental units	23,394	-	828
Other receivable	-	-	-
Due from other funds	91,073	-	-
Prepaid insurance	<u>-</u>	<u>-</u>	<u>929</u>
Total assets	<u>\$971,873</u>	<u>\$ 10,989</u>	<u>\$ 38,206</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 58,830	\$ 6,616	\$ -
Accrued liabilities	-	-	-
Deferred grant revenue	-	-	-
Due to other funds	<u>5,065</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>\$ 63,895</u>	<u>\$ 6,616</u>	<u>\$ -</u>
FUND BALANCES			
Reserved for prepaid insurance	\$ -	\$ -	\$ 929
Unreserved, undesignated	<u>907,978</u>	<u>4,373</u>	<u>37,277</u>
Total fund balances	<u>\$907,978</u>	<u>\$ 4,373</u>	<u>\$ 38,206</u>
Total liabilities fund balances	<u>\$971,873</u>	<u>\$ 10,989</u>	<u>\$ 38,206</u>

Summer Food Program	Dedicated Escrow Fund	Public Safety Testing Fund	Appearance Bond Fund	Court Witness Fees Fund	Totals	
					1996	1995
\$ 31,051	\$ 24,429	\$ 1,366	\$ 979	\$ 242	\$ 515,525	\$ 451,541
-	-	-	-	-	445,575	283,727
-	-	-	-	-	1,811	393
-	-	-	-	-	24,222	4,470
-	-	-	-	-	-	600
-	-	-	-	226	91,299	136,305
-	-	-	-	-	929	929
<u>\$ 31,051</u>	<u>\$ 24,429</u>	<u>\$ 1,366</u>	<u>\$ 979</u>	<u>\$ 468</u>	<u>\$1,079,361</u>	<u>\$ 877,965</u>
\$ 25,684	\$ 10,505	\$ -	\$ -	\$ 450	\$ 102,085	\$ 65,164
-	-	-	-	-	-	1,287
5,367	-	-	-	-	5,367	-
-	-	-	-	-	5,065	46,036
<u>\$ 31,051</u>	<u>\$ 10,505</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 450</u>	<u>\$ 112,517</u>	<u>\$ 112,487</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 929	\$ 929
-	13,924	1,366	979	18	965,915	764,549
<u>\$ -</u>	<u>\$ 13,924</u>	<u>\$ 1,366</u>	<u>\$ 979</u>	<u>\$ 18</u>	<u>\$ 966,844</u>	<u>\$ 765,478</u>
<u>\$ 31,051</u>	<u>\$ 24,429</u>	<u>\$ 1,366</u>	<u>\$ 979</u>	<u>\$ 468</u>	<u>\$1,079,361</u>	<u>\$ 877,965</u>

CITY OF EUNICE, LOUISIANA
ALL SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Year Ended June 30, 1996
With Comparative Actual Totals for Year Ended June 30, 1995

	<u>Sales Tax Funds</u>	<u>Sewer Maintenance Fund</u>	<u>St. Landry & Acadia Parish Fire District</u>
Revenues:			
Taxes	\$ 2,382,811	\$ 72,739	\$ -
Intergovernmental revenue	215,791	-	94,960
Fines and bonds	-	-	-
Interest	18,599	392	954
Miscellaneous	-	-	-
Total revenues	<u>\$ 2,617,201</u>	<u>\$ 73,131</u>	<u>\$ 95,914</u>
Expenditures:			
Current -			
General government	\$ 37,558	\$ -	\$ -
Culture and recreation	88,934	-	-
Public works	-	72,195	-
Public safety	-	-	81,879
Health and welfare	-	-	-
Capital outlay	779,590	-	-
Debt service:			
Principal retirement	28,703	-	-
Interest charges	12,473	-	-
Total expenditures	<u>\$ 947,258</u>	<u>\$ 72,195</u>	<u>\$ 81,879</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 1,669,943</u>	<u>\$ 936</u>	<u>\$ 14,035</u>
Other financing sources (uses):			
Proceeds from capital leases	\$ 248,225	\$ -	\$ -
Transfers from other funds	-	-	-
Transfers to other funds	<u>(1,717,872)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>\$ (1,469,647)</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ 200,296	\$ 936	\$ 14,035
Fund balances, beginning	<u>707,682</u>	<u>3,437</u>	<u>24,171</u>
Fund balances, ending	<u>\$ 907,978</u>	<u>\$ 4,373</u>	<u>\$ 38,206</u>

CITY OF EUNICE, LOUISIANA
SPECIAL REVENUE FUNDS
SALES TAX FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 1996
With Comparative Actual Amounts for Year Ended June 30, 1995

	<u>1996</u>		Variance- Favorable (Unfavorable)	<u>1995</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Taxes -				
Sales taxes collected	\$2,334,000	\$2,382,811	\$ 48,811	\$2,293,818
Intergovernmental	185,000	215,791	30,791	32,995
Interest earned	18,000	18,599	599	15,888
Other	<u>5,800</u>	<u>-</u>	<u>(5,800)</u>	<u>12,632</u>
Total revenues	<u>\$2,542,800</u>	<u>\$2,617,201</u>	<u>\$ 74,401</u>	<u>\$2,355,333</u>
Expenditures:				
Current:				
General government - Collection and administrative expenses	\$ 39,800	\$ 37,558	\$ 2,242	\$ 39,238
Culture and recreation - library appropriation	89,900	88,934	966	83,599
Capital outlay -				
Public works projects	128,500	170,361	(41,861)	6,452
Recreation projects	17,500	5,701	11,799	20,897
Airport	189,000	213,962	(24,962)	11,483
Small tools and equipment	-	5,677	(5,677)	2,943
Other	373,600	383,889	(10,289)	111,789
Debt service:				
Principal retirement	-	28,703	(28,703)	6,445
Interest charges	-	12,473	(12,473)	1,073
Total expenditures	<u>\$ 838,300</u>	<u>\$ 947,258</u>	<u>\$ (108,958)</u>	<u>\$ 283,919</u>
Excess of revenues over expenditures (subtotals forward)	<u>\$1,704,500</u>	<u>\$1,669,943</u>	<u>\$ (34,557)</u>	<u>\$2,071,414</u>

(Continued)

CITY OF EUNICE, LOUISIANA
SPECIAL REVENUE FUNDS
SALES TAX FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 1996

With Comparative Actual Amounts for Year Ended June 30, 1995

	1996		Variance - Favorable (Unfavorable)	1995
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Excess of revenues over expenditures (subtotals forwarded)	\$ 1,704,500	\$ 1,669,943	\$ (34,557)	\$ 2,071,414
Other financing sources (uses):				
Proceeds from capital leases	\$ 248,200	\$ 248,225	\$ 25	\$ -
Transfers to other funds -				
General Fund	(1,203,200)	(1,173,162)	30,038	(1,165,217)
Utility Fund	-	-	-	(45,000)
Debt Service Funds	(578,300)	(544,710)	33,590	(600,080)
Total other financing sources (uses)	<u>\$(1,533,300)</u>	<u>\$(1,469,647)</u>	<u>\$ 63,653</u>	<u>\$(1,810,297)</u>
Excess of revenues and other sources over expenditures and other uses	\$ 171,200	\$ 200,296	\$ 29,096	\$ 261,117
Fund balance, beginning	<u>707,682</u>	<u>707,682</u>	<u>-</u>	<u>446,565</u>
Fund balance, ending	<u>\$ 878,882</u>	<u>\$ 907,978</u>	<u>\$ 29,096</u>	<u>\$ 707,682</u>

CITY OF EUNICE, LOUISIANA
SPECIAL REVENUE FUNDS
SEWER MAINTENANCE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 1996
With Comparative Actual Amounts for Year Ended June 30, 1995

	<u>1996</u>			<u>1995</u>
	<u>Budget</u>	<u>Actual</u>	Variance- Favorable <u>(Unfavorable)</u>	<u>Actual</u>
Revenues:				
Taxes:				
Ad valorem Taxes	\$ 71,300	\$ 72,739	\$ 1,439	\$ 72,741
Interest	-	392	392	-
Total revenues	<u>\$ 71,300</u>	<u>\$ 73,131</u>	<u>\$ 1,831</u>	<u>\$ 72,741</u>
Expenditures:				
Current:				
Public works -				
Telephone and utilities	\$ -	\$ -	\$ -	\$ 28,571
Maintenance of vehicles	-	-	-	13,729
Gas and oil	-	-	-	3,175
Materials and supplies	71,300	72,195	(895)	20,448
Insurance	-	-	-	6,293
Total expenditures	<u>\$ 71,300</u>	<u>\$ 72,195</u>	<u>\$ (895)</u>	<u>\$ 72,216</u>
Excess of revenues over expenditures	\$ -	\$ 936	\$ 936	\$ 525
Fund balance, beginning	<u>3,437</u>	<u>3,437</u>	<u>-</u>	<u>2,912</u>
Fund balance, ending	<u>\$ 3,437</u>	<u>\$ 4,373</u>	<u>\$ 936</u>	<u>\$ 3,437</u>

CITY OF EUNICE, LOUISIANA
SPECIAL REVENUE FUNDS
ST. LANDRY & ACADIA PARISH FIRE DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP) BASIS AND ACTUAL
Year Ended June 30, 1996

With Comparative Actual Amounts for Year Ended June 30, 1995

	1996		Variance- Favorable (Unfavorable)	1995
	Budget	Actual		Actual
Revenue:				
Intergovernmental revenue	\$ 94,000	\$ 94,960	\$ 960	\$ 92,999
Interest earned	1,000	954	(46)	755
Total revenues	\$ 95,000	\$ 95,914	\$ 914	\$ 93,754
Expenditures:				
Current:				
Public safety:				
Salaries	\$ 61,200	\$ 51,314	\$ 9,886	\$ 59,511
Payroll taxes	1,000	987	13	289
Insurance	16,500	17,032	(532)	19,433
Utilities	3,000	3,000	-	3,000
Retirement	4,600	4,834	(234)	3,182
Fuel	1,000	1,000	-	1,000
Repairs	500	905	(405)	988
Miscellaneous	300	2,207	(1,907)	826
Professional fees	600	600	-	800
	\$ 88,700	\$ 81,879	\$ 6,821	\$ 89,029
Excess of revenues over expenditures	\$ 6,300	\$ 14,035	\$ 7,735	\$ 4,725
Fund balance, beginning	24,171	24,171	-	19,446
Fund balance, ending	\$ 30,471	\$ 38,206	\$ 7,735	\$ 24,171

CITY OF EUNICE, LOUISIANA
SPECIAL REVENUE FUNDS
SUMMER FOOD PROGRAM

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET (GAAP) BASIS AND ACTUAL
Year Ended June 30, 1996
With Comparative Actual Amounts for Year Ended June 30, 1995

	<u>1996</u>			<u>1995</u>
	<u>Budget</u>	<u>Actual</u>	Variance- Favorable <u>(Unfavorable)</u>	<u>Actual</u>
Revenue:				
Intergovernmental revenue - Grant	\$ 85,700	\$ 77,977	\$ (7,723)	\$ 93,225
Expenditures:				
Current:				
Health and welfare:				
Food	\$ 39,400	\$ 37,164	\$ 2,236	\$ 43,782
Salaries	32,600	28,171	4,429	33,836
Payroll taxes	2,200	2,058	142	2,258
Insurance	2,900	2,521	379	3,852
Utilities	4,800	4,291	509	5,023
Supplies	100	1,827	(1,727)	1,309
Professional fees	600	-	600	636
Rental	1,700	1,560	140	1,736
Miscellaneous	1,400	385	1,015	793
Total expenditures	<u>\$ 85,700</u>	<u>\$ 77,977</u>	<u>\$ 7,723</u>	<u>\$ 93,225</u>
Excess of revenues over expenditures	\$ -	\$ -	\$ -	\$ -
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF EUNICE, LOUISIANA
SPECIAL REVENUE FUNDS
DEDICATED ESCROW FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP) BASIS AND ACTUAL
Year Ended June 30, 1996

With Comparative Actual Amounts for Year Ended June 30, 1995

	<u>1996</u>			<u>1995</u>
	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)	<u>Actual</u>
Revenue:				
Interest earned	\$ 700	\$ 744	\$ 44	\$ 123
Expenditures:				
Current:				
General government:				
Claims	<u>6,500</u>	<u>16,943</u>	<u>(10,443)</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (5,800)</u>	<u>\$ (16,199)</u>	<u>\$ (10,399)</u>	<u>\$ 123</u>
Other financing sources:				
Transfers from other funds:				
General fund	\$ -	\$ -	\$ -	\$ 22,500
Utility fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,500</u>
Total other financing sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,000</u>
Excess (deficiency) of revenue and other financing sources over expenditures	<u>\$ (5,800)</u>	<u>\$ (16,199)</u>	<u>\$ (10,399)</u>	<u>\$ 30,123</u>
Fund balance, beginning	<u>30,123</u>	<u>30,123</u>	<u>-</u>	<u>-</u>
Fund balance, ending	<u>\$ 24,323</u>	<u>\$ 13,924</u>	<u>\$ (10,399)</u>	<u>\$ 30,123</u>

DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources and payment of principal and interest on general obligation bonds.

1988 Certificates of Indebtedness - to accumulate monies for payment of \$1,000,000 of certificates of indebtedness due in various installments and interest rates for the purpose of constructing and acquiring improvements to the sewer system and financed by excess annual revenues.

Public Improvement Bonds - To accumulate monies for the retirement of \$6,260,000 of bonds due in various installments and interest rates for various public improvements and financed by proceeds of sales and use taxes.

State Loan - To accumulate monies for the payment of \$200,000 loan from Louisiana Economic Development Corporation and \$42,420 loan from Louisiana Community Development. Used to purchase a manufacturing facility and equipment located in the City for lease.

CITY OF EUNICE, LOUISIANA
DEBT SERVICE FUNDS

COMBINING BALANCE SHEET
June 30, 1996

With Comparative Totals for the Year Ended June 30, 1995

ASSETS	<u>Certificate of Indebtedness</u>
Bond and interest redemption funds:	
Cash	\$ 6,409
Bond reserve funds:	
Investments, at cost	<u>153,165</u>
Total assets	<u>\$ 159,574</u>
Fund balances:	
Reserved for debt retirement	<u>\$ 159,574</u>

Public Improvement Bonds		State Loan	Totals	
<u>7-1-88</u>	<u>9-1-92</u>		<u>1996</u>	<u>1995</u>
\$ 2,378	\$ 218,830	\$ 62,498	\$ 290,115	\$ 264,705
<u>114,538</u>	<u>606,015</u>	<u>-</u>	<u>873,718</u>	<u>873,718</u>
<u>\$ 116,916</u>	<u>\$ 824,845</u>	<u>\$ 62,498</u>	<u>\$1,163,833</u>	<u>\$1,138,423</u>
<u>\$ 116,916</u>	<u>\$ 824,845</u>	<u>\$ 62,498</u>	<u>\$1,163,833</u>	<u>\$1,138,423</u>

CITY OF EUNICE, LOUISIANA
DEBT SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Year Ended June 30, 1996
With Comparative Actual Amounts for Year Ended June 30, 1995

	<u>Certificate of Indebtedness</u>
Revenues:	
Industrial lease payments	\$ -
Interest earned	9,833
Total revenues	<u>\$ 9,833</u>
Expenditures:	
Debt service:	
Principal retirement	\$ 120,000
Interest paid	35,030
Paying agent fees	1,000
Audit fees	-
Miscellaneous	21
Total expenditures	<u>\$ 156,051</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (146,218)</u>
Other financing sources (uses):	
Operating transfers in	\$ 155,400
Operating transfers out	<u>(8,111)</u>
Total other financing sources (uses)	<u>\$ 147,289</u>
Excess of revenues and other sources over expenditures and other uses	\$ 1,071
Fund balances, beginning	<u>158,503</u>
Fund balances, ending	<u>\$ 159,574</u>

Public Improvement Bonds		State Loan	Totals	
<u>7-1-88</u>	<u>9-1-92</u>		<u>1996</u>	<u>1995</u>
\$ -	\$ -	\$ 32,738	\$ 32,738	\$ 47,550
6,987	38,541	1,537	56,898	54,548
<u>\$ 6,987</u>	<u>\$ 38,541</u>	<u>\$ 34,275</u>	<u>\$ 89,636</u>	<u>\$ 102,098</u>
\$ 40,000	\$ 375,000	\$ 16,080	\$ 551,080	\$ 507,055
72,710	205,350	12,447	325,537	363,902
350	840	-	2,190	2,994
-	-	-	-	-
-	20	21	62	114
<u>\$ 113,060</u>	<u>\$ 581,210</u>	<u>\$ 28,548</u>	<u>\$ 878,869</u>	<u>\$ 874,065</u>
<u>\$ (106,073)</u>	<u>\$ (542,669)</u>	<u>\$ 5,727</u>	<u>\$ (789,233)</u>	<u>\$ (771,967)</u>
\$ 112,710	\$ 592,800	\$ -	\$ 860,910	\$ 874,944
(6,065)	(32,091)	-	(46,267)	(44,518)
<u>\$ 106,645</u>	<u>\$ 560,709</u>	<u>\$ -</u>	<u>\$ 814,643</u>	<u>\$ 830,426</u>
\$ 572	\$ 18,040	\$ 5,727	\$ 25,410	\$ 58,459
116,344	806,805	56,771	1,138,423	1,079,964
<u>\$ 116,916</u>	<u>\$ 824,845</u>	<u>\$ 62,498</u>	<u>\$1,163,833</u>	<u>\$1,138,423</u>

CAPITAL PROJECT FUND

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

City Hall Construction Fund - This fund is used to account for expenditures associated with the maintenance of the Eunice Municipal Complex.

Louisiana Community Block Grant Fund (LCDBG) - This fund is used to account for expenditures associated with street improvements financed by a grant from HUD.

CITY OF EUNICE, LOUISIANA
CAPITAL PROJECT FUNDS

COMBINING BALANCE SHEET

June 30, 1996

With Comparative Totals for the Year Ended June 30, 1995

ASSETS	City Hall Construction Fund	LCDBG Fund	<u>Totals</u>	
			<u>1996</u>	<u>1995</u>
Cash	\$156,343	\$ -	\$156,343	\$ 19,146
Investments, at cost	102,593	-	102,593	291,012
Grant funds receivable	<u>-</u>	<u>271,085</u>	<u>271,085</u>	<u>-</u>
Total assets	<u>\$258,936</u>	<u>\$271,085</u>	<u>\$530,021</u>	<u>\$310,158</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 4,202	\$246,388	\$250,590	\$ 2,704
Retainage payable	<u>-</u>	<u>24,697</u>	<u>24,697</u>	<u>-</u>
	\$ 4,202	\$271,085	\$275,287	\$ 2,704
Fund balances, unreserved	<u>254,734</u>	<u>-</u>	<u>254,734</u>	<u>307,454</u>
Total liabilities and fund balances	<u>\$258,936</u>	<u>\$271,085</u>	<u>\$530,021</u>	<u>\$310,158</u>

CITY OF EUNICE, LOUISIANA
CAPITAL PROJECT FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Year Ended June 30, 1996
With Comparative Totals for the Year Ended June 30, 1995

	City Hall Construction Fund	LCDBG Fund	<u>Totals</u>	
			<u>1996</u>	<u>1995</u>
Revenues:				
Interest earned	\$ 10,211	\$ -	\$ 10,211	\$ 10,960
Grant revenue	-	<u>299,958</u>	<u>299,958</u>	-
Total revenues	<u>\$ 10,211</u>	<u>\$299,958</u>	<u>\$310,169</u>	<u>\$ 10,960</u>
Expenditures:				
Current:				
General government	\$ -	\$ 250	\$ 250	\$ -
Other costs	62,931	-	62,931	35,585
Capital outlay	-	<u>299,708</u>	<u>299,708</u>	-
Total expenditures	<u>\$ 62,931</u>	<u>\$299,958</u>	<u>\$362,889</u>	<u>\$ 35,585</u>
Deficiency of revenues over expenditures	\$(52,720)	\$ -	\$(52,720)	\$(24,625)
Fund balance, beginning	<u>307,454</u>	<u>-</u>	<u>307,454</u>	<u>332,079</u>
Fund balance, ending	<u>\$254,734</u>	<u>\$ -</u>	<u>\$254,734</u>	<u>\$307,454</u>

ENTERPRISE FUND

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the government's council is that the cost of providing goods or service to the general public on a continuing basis be financed or recovered primarily through user charges; or where the government's council has decided that periodic determination of net income is appropriate for accountability purposes.

Utility Fund - To account for the provision of gas and sewer services to residents of the City of Eunice.

CITY OF EUNICE, LOUISIANA
ENTERPRISE FUND
UTILITY FUND

COMPARATIVE BALANCE SHEET
June 30, 1996 and 1995

ASSETS	<u>1996</u>	<u>1995</u>
CURRENT ASSETS		
Cash	\$ 249,824	\$ 121,306
Accounts receivable, (net of allowance for uncollectible accounts of \$26,000 for 1996 and \$17,126 for 1995)	287,560	298,279
Prepaid insurance	66,998	44,996
Due from other funds	540	45,000
Other receivables	<u>671</u>	<u>4,215</u>
Total current assets	<u>\$ 605,593</u>	<u>\$ 513,796</u>
RESTRICTED ASSETS - customers' deposits:		
Cash	\$ 28,122	\$ 26,892
Investments, at cost	<u>168,483</u>	<u>165,890</u>
Total restricted assets	<u>\$ 196,605</u>	<u>\$ 192,782</u>
PLANT AND EQUIPMENT, at cost (net of accumulated depreciation, 1996 - \$4,008,759; 1995 - \$3,691,622)	<u>\$8,588,416</u>	<u>\$8,429,218</u>
Total assets	<u>\$9,390,614</u>	<u>\$9,135,796</u>

LIABILITIES AND FUND EQUITY	<u>1996</u>	<u>1995</u>
CURRENT LIABILITIES (payable from current assets)		
Accounts payable	\$ 78,456	\$ 38,886
Accrued liabilities	2,774	94,773
Compensated absences payable	6,680	4,292
Insurance payable	14,630	26,539
Due to other funds	444,978	462,135
Other payables	2,945	4,836
Capital leases payable	<u>-</u>	<u>12,928</u>
Total current liabilities	\$ 550,463	\$ 644,389
CURRENT LIABILITIES (payable from restricted assets)		
Customers' deposits	<u>194,870</u>	<u>197,565</u>
Total liabilities	<u>\$ 745,333</u>	<u>\$ 841,954</u>
FUND EQUITY		
Contributed equity -		
Contributions from municipality	\$4,691,860	\$4,579,011
Contributions from grants	<u>111,830</u>	<u>111,830</u>
Total contributed equity	\$4,803,690	\$4,690,841
Retained earnings	<u>3,841,591</u>	<u>3,603,001</u>
Total fund equity	<u>\$8,645,281</u>	<u>\$8,293,842</u>
Total liabilities and fund equity	<u>\$9,390,614</u>	<u>\$9,135,796</u>

CITY OF EUNICE, LOUISIANA
ENTERPRISE FUND
UTILITY FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
Years Ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Operating revenues:		
Charges for services	\$3,071,880	\$2,855,770
Other billings to customers	<u>56,269</u>	<u>48,328</u>
Total operating revenues	<u>\$3,128,149</u>	<u>\$2,904,098</u>
Operating expenses:		
Payroll and related benefits	\$ 366,707	\$ 377,893
Gas purchases	712,602	697,683
Supplies and materials	80,342	81,458
Repairs and maintenance	220,140	276,673
Office expenses	28,533	28,399
Professional fees	7,271	13,213
Insurance - general	81,568	79,879
Depreciation	317,137	313,609
Group insurance	18,448	22,224
Bad debts	14,403	7,994
Permits	12,624	14,451
Utilities and telephone	112,634	96,449
Miscellaneous	<u>26,284</u>	<u>11,150</u>
Total operating expenses	<u>\$1,998,693</u>	<u>\$2,021,075</u>
Operating income	<u>\$1,129,456</u>	<u>\$ 883,023</u>
Nonoperating income (expenses):		
Interest earned on investments	\$ 10,052	\$ 9,645
Other revenue	2,061	10,233
EPA fines	-	(30,000)
Interest expense	<u>(1,247)</u>	<u>(2,167)</u>
Total nonoperating income (expenses)	<u>\$ 10,866</u>	<u>\$ (12,289)</u>
Income before operating transfers	<u>\$1,140,322</u>	<u>\$ 870,734</u>
Operating transfers:		
Operating transfers in	\$ 46,268	\$ 89,518
Operating transfers out	<u>(948,000)</u>	<u>(941,800)</u>
Total operating transfers	<u>\$ (901,732)</u>	<u>\$ (852,282)</u>
Net income	\$ 238,590	\$ 18,452
Retained earnings, beginning	<u>3,603,001</u>	<u>3,584,549</u>
Retained earnings, ending	<u>\$3,841,591</u>	<u>\$3,603,001</u>

<u>Gas Department</u>		<u>Sewer Department</u>	
<u>1996</u>	<u>1995</u>	<u>1996</u>	<u>1995</u>
\$1,910,455	\$1,674,725	\$1,161,425	\$1,181,045
<u>39,650</u>	<u>34,468</u>	<u>16,619</u>	<u>13,860</u>
<u>\$1,950,105</u>	<u>\$1,709,193</u>	<u>\$1,178,044</u>	<u>\$1,194,905</u>
\$ 227,041	\$ 249,356	\$ 139,666	\$ 128,537
712,602	697,683	-	-
24,656	27,915	55,686	53,543
54,322	78,554	165,818	198,119
22,655	21,712	5,878	6,687
4,508	6,864	2,763	6,349
26,626	27,609	54,942	52,270
89,082	85,962	228,055	227,647
14,442	17,855	4,006	4,369
14,403	7,994	-	-
-	-	12,624	14,451
1,378	1,436	111,256	95,013
<u>4,567</u>	<u>6,204</u>	<u>21,717</u>	<u>4,946</u>
<u>\$1,196,282</u>	<u>\$1,229,144</u>	<u>\$ 802,411</u>	<u>\$ 791,931</u>
<u>\$ 753,823</u>	<u>\$ 480,049</u>	<u>\$ 375,633</u>	<u>\$ 402,974</u>

INTERNAL SERVICE FUND

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

GROUP INSURANCE INTERNAL SERVICE FUND - To account for the accumulation of funds for the City's self-insurance against health care claims.

CITY OF EUNICE, LOUISIANA
INTERNAL SERVICE FUND
GROUP INSURANCE INTERNAL SERVICE FUND

COMPARATIVE BALANCE SHEET
June 30, 1996 and 1995

ASSETS	<u>1996</u>	<u>1995</u>
Current assets:		
Cash	\$ 83,169	\$ 96,562
Investments	<u>50,198</u>	<u>-</u>
Total assets	<u>\$133,367</u>	<u>\$ 96,562</u>
 LIABILITIES AND FUND EQUITY		
Liabilities:		
Claims in process (net)	\$ 15,661	\$ 12,007
Retained earnings	<u>117,706</u>	<u>84,555</u>
Total liabilities and fund equity	<u>\$133,367</u>	<u>\$ 96,562</u>

CITY OF EUNICE, LOUISIANA
INTERNAL SERVICE FUND
GROUP INSURANCE INTERNAL SERVICE FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
Years Ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Operating revenues:		
Charges for services -		
Group insurance	<u>\$163,643</u>	<u>\$185,199</u>
Operating expenses:		
Insurance premiums	\$ 70,898	\$ 77,488
Administrative fees	512	447
Claims (net)	<u>59,280</u>	<u>87,913</u>
Total operating expenses	<u>\$130,690</u>	<u>\$165,848</u>
Operating income	\$ 32,953	\$ 19,351
Nonoperating income:		
Interest income	<u>198</u>	<u>-</u>
Net income	\$ 33,151	\$ 19,351
Retained earnings, beginning	<u>84,555</u>	<u>65,204</u>
Retained earnings, ending	<u>\$117,706</u>	<u>\$ 84,555</u>

FIDUCIARY FUND TYPES

Fiduciary Fund Types are used to account for assets held by governments in a fiduciary capacity.

Payroll Fund - This fund is used to account for the payroll of the City Employees.

CITY OF EUNICE, LOUISIANA
 FIDUCIARY FUND TYPE
 PAYROLL FUND

COMPARATIVE BALANCE SHEET
 June 30, 1996 and 1995

ASSETS	<u>1996</u>	<u>1995</u>
Cash	\$ 63,894	\$ 67,238
Due from other funds	<u>7,961</u>	<u>2,676</u>
Total assets	<u>\$ 71,855</u>	<u>\$ 69,914</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$ -	\$ -
Accrued liabilities	<u>71,855</u>	<u>69,914</u>
Total liabilities	<u>\$ 71,855</u>	<u>\$ 69,914</u>

CITY OF EUNICE, LOUISIANA
 FIDUCIARY FUND TYPE
 PAYROLL FUND

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 Year Ended June 30, 1996

ASSETS	Balance June 30, <u>1995</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>1996</u>
Cash	\$ 67,238	\$2,655,058	\$2,658,402	\$ 63,894
Due from other funds	<u>2,676</u>	<u>2,646,088</u>	<u>2,640,803</u>	<u>7,961</u>
Total assets	<u>\$ 69,914</u>	<u>\$5,301,146</u>	<u>\$5,299,205</u>	<u>\$ 71,855</u>
 LIABILITIES				
Accrued liabilities	<u>\$ 69,914</u>	<u>\$5,301,146</u>	<u>\$5,299,205</u>	<u>\$ 71,855</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

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

CITY OF EUNICE, LOUISIANA
GENERAL FIXED ASSETS ACCOUNT GROUP

STATEMENT OF CHANGES IN GENERAL FIXED ASSETS
Year Ended June 30, 1996

	<u>Land and Buildings</u>	<u>Industrial Facilities</u>	<u>Autos, Equipment and Fixtures</u>	<u>Total</u>
General fixed assets, July 1, 1995	\$5,748,940	\$1,175,184	\$1,631,377	\$8,555,501
Additions	6,000	-	377,697	383,697
Deductions	<u>-</u>	<u>-</u>	<u>25,574</u>	<u>25,574</u>
General fixed assets, June 30, 1996	<u>\$5,754,940</u>	<u>\$1,175,184</u>	<u>\$1,983,500</u>	<u>\$8,913,624</u>

GENERAL LONG-TERM DEBT ACCOUNT GROUP

To account for unmatured principal amounts on general long-term debt expected to be financed from governmental type funds.

CITY OF EUNICE, LOUISIANA

COMBINING STATEMENT OF GENERAL LONG-TERM DEBT
 June 30, 1996
 With Comparative Totals for June 30, 1995

	Certificate of <u>Indebtedness</u>	<u>Public Improvement Bonds</u>	
		<u>7-1-88</u>	<u>9-1-92</u>
<u>AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE PAYMENT OF GENERAL LONG-TERM DEBT</u>			
Amount available in Debt Service Funds for debt retirement	\$ 159,574	\$ 116,916	\$ 824,845
Amount to be provided from:			
Sale and use taxes	-	728,084	2,535,155
Industrial lease payments	-	-	-
Excess annual revenue	<u>110,426</u>	<u>-</u>	<u>-</u>
Total available and to be provided	<u>\$ 270,000</u>	<u>\$ 845,000</u>	<u>\$3,360,000</u>
 <u>GENERAL LONG-TERM DEBT PAYABLE</u>			
Bonds payable:			
Due within one year	\$ 130,000	\$ 40,000	\$ 400,000
Due after one year	140,000	805,000	2,960,000
General long-term debt	<u>-</u>	<u>-</u>	<u>-</u>
Total general long-term debt payable	<u>\$ 270,000</u>	<u>\$ 845,000</u>	<u>\$3,360,000</u>

<u>State Loan</u>	<u>Sales Tax Fund Installment Purchase Contract</u>	<u>Liability Insurance Claims Payable</u>	<u>Totals</u>	
			<u>1996</u>	<u>1995</u>
\$ 62,498	\$ -	\$ -	\$1,163,833	\$1,138,423
-	-	-	3,263,239	3,928,348
123,907	-	-	123,907	145,715
<u>-</u>	<u>226,484</u>	<u>39,277</u>	<u>376,187</u>	<u>6,961</u>
<u>\$ 186,405</u>	<u>\$ 226,484</u>	<u>\$ 39,277</u>	<u>\$4,927,166</u>	<u>\$5,219,447</u>
\$ -	\$ -	\$ -	\$ 570,000	\$ 530,000
-	-	-	3,905,000	4,480,000
<u>186,405</u>	<u>226,484</u>	<u>39,277</u>	<u>452,166</u>	<u>209,447</u>
<u>\$ 186,405</u>	<u>\$ 226,484</u>	<u>\$ 39,277</u>	<u>\$4,927,166</u>	<u>\$5,219,447</u>

OTHER SUPPLEMENTARY INFORMATION

CITY OF EUNICE, LOUISIANA

SCHEDULE OF PER DIEM PAID TO MEMBERS OF THE COUNCIL
Year Ended June 30, 1996

Hubert Rougeau, Mayor	\$ 22,614
Gil Young: Alderman	6,527
Mayor	2,056
Nolton Anderson, Alderman	7,120
Jack Burson, Alderman at large	13,700
James Dupre, Alderman	593
Louis Pavur, Alderman	7,120
Harry Summerlin, Alderman	<u>7,120</u>
	<u>\$ 66,850</u>



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INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF
FEDERAL FINANCIAL ASSISTANCE

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New Iberia, LA
(318) 364-4554

Church Point, LA
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Eunice, LA
(318) 457-0071

The Honorable Gilbert Young
and Members of the Council
City of Eunice, Louisiana

We have audited the general purpose financial statements of the City of Eunice, Louisiana as of and for the year ended June 30, 1996, and have issued our report thereon dated November 25, 1996. These general purpose financial statements are the responsibility of the City of Eunice, Louisiana's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

Larry G. Broussard, CPA*
Lawrence A. Cramer, CPA*
Eugene C. Gilder, CPA*
Donald W. Kelley, CPA*
Herbert Lemoine II, CPA*
Frank A. Stagno, CPA*
Scott J. Broussard, CPA*
L. Charles Abshire, CPA*
Kenneth R. Dugas, CPA*
P. John Blanchet III, CPA*
Stephen L. Lambousy, CPA*
Craig C. Babineaux, CPA*
Peter C. Borrello, CPA*
Michael P. Crochet, CPA*
George J. Trappey III, CPA*
Daniel E. Gilder, CPA*
Gregory B. Milton, CPA*
S. Scott Soileau, CPA*

Karl G. Guidry, CPA*

Retired:

Sidney L. Broussard, CPA 1980
Leon K. Poché, CPA 1984
James H. Breaux, CPA 1987
Erma R. Walton, CPA 1988
George A. Lewis, CPA* 1992
Geraldine J. Wimberley, CPA* 1995
Rodney L. Savoy, CPA* 1996

*Members of American Institute of
Certified Public Accountants
Society of Louisiana Certified
Public Accountants*

The Honorable Gilbert Young
and Members of the Council
City of Eunice, Louisiana

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the City of Eunice, 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.

BROUSSARD, POCHÉ, LEWIS & BREAUX

Eunice, Louisiana
November 25, 1996

CITY OF EUNICE, LOUISIANA

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
Year Ended June 30, 1996

<u>Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Receipts or Revenue Recognized</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Agriculture</u>			
Passed through Louisiana Department of Health and Human Services:			
Food Stamp Program*	10.551	\$1,092,000	\$1,154,390
State Administrative Matching Grant for Food Stamp Program	10.561	4,314	4,314
Passed through Louisiana Department of Agriculture:			
Food Distribution	10.550	763	763
Passed through Louisiana Department of Education:			
Summer Food Program	10.559	77,214	77,214
<u>U.S. Department of Housing and Urban Development</u>			
Passed through Louisiana Division of Administration Office of Community Development:			
Community Development Block Grant	14.219	299,958	299,958
<u>U.S. Department of Interior National Park Service</u>			
Liberty Theater Programs	-	<u>36,790</u>	<u>36,790</u>
Subtotals forward		<u>\$1,511,039</u>	<u>\$1,573,429</u>

(Continued)

CITY OF EUNICE, LOUISIANA

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
Year Ended June 30, 1996

<u>Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Receipts or Revenue Recognized</u>	<u>Disbursements/ Expenditures</u>
Subtotals forwarded		\$1,511,039	\$1,573,429
<u>U.S. Department of Transportation</u>			
Airport Improvement Program	20.106	187,379	187,379
Passed through Louisiana Department of Public Safety and Corrections: Summertime Holiday - Safe and Sober Campaign	-	2,679	2,679
<u>U.S. Department of Justice</u>			
Passed through Louisiana Commission On Law Enforcement: Home Detention Program	16.540	6,055	6,055
Criminal Records Improvement	-	<u>990</u>	<u>990</u>
Total federal financial assistance		<u>\$1,708,142</u>	<u>\$1,770,532</u>

*Indicates grants regarded as major federal financial assistance programs.



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

The Honorable Gilbert Young
and Members of the Council
City of Eunice, Louisiana

We have audited the general purpose financial statements of the City of Eunice, Louisiana as of and for the year ended June 30, 1996, and have issued our report thereon dated November 25, 1996.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of 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 the general purpose financial statements are free of material misstatement.

The management of the City of Eunice, 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 cost 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 general purpose 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.

The Honorable Gilbert Young
and Members of the Council
City of Eunice, Louisiana

In planning and performing our audit of the general purpose financial statements of the City of Eunice, Louisiana for the year ended June 30, 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 general purpose 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 entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

Inadequate Segregation of Accounting Functions

Finding: The City did not have adequate segregation of duties within the accounting system.

Cause: Inadequate segregation of duties exists due to the limited number of personnel performing the administrative functions.

Suggestion and response: The City has evaluated this inadequacy and concluded the related costs versus benefits to be achieved does not justify the additional personnel it would require to establish an adequate segregation.

Permits Department

Finding: In reviewing various permits issued during the year, we were unable to trace approximately \$3,000 of receipts into the City's bank account.

Cause: It appears that the permit clerk was not turning over all collections to the City Treasurer for deposit. A report of the activity in the permit department was prepared and matched with the amount of funds deposited, but this report did not include 100% of the activity.

Recommendation: The actual deposits should be reconciled with the original permit receipts issued at the time a customer purchases their permit.

Response: Procedures have been implemented to reconcile the receipts in the permit department with the deposits.

The Honorable Gilbert Young
and Members of the Council
City of Eunice, Louisiana

A material weakness is a reportable condition in which the design or operation of one or more the 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 believe the reportable conditions described above to be material weaknesses. These conditions were considered in determining the nature, timing, and extent of the procedures to be performed in our audit of the financial statements of the City of Eunice, Louisiana for the year ended June 30, 1996.

This report is intended for the information of management and the Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

BROUSSARD, POCHÉ, LEWIS & BREAUX

Eunice, Louisiana
November 25, 1996



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

The Honorable Gilbert Young
and Members of the Council
City of Eunice, Louisiana

We have audited the general purpose financial statements of the City of Eunice, Louisiana as of and for the year ended June 30, 1996, and have issued our report thereon dated November 25, 1996. We have also audited the City of Eunice, Louisiana's compliance with requirements applicable to major federal financial assistance programs and have issued our report thereon dated November 25, 1996.

We conducted our audits in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of 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 the general purpose financial statements are free of material misstatement and about whether the City of Eunice, 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 of the general purpose financial statements of the City of Eunice, Louisiana, for the year ended June 30, 1996, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and on the compliance requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-128. 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 internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated November 25, 1996.

The Honorable Gilbert Young
and Members of the Council
City of Eunice, Louisiana

The management of the City of Eunice, 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 and that federal financial assistance programs are managed in compliance with laws and regulations. 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.

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:

Accounting

- . Treasury or financing
- . Revenue/receipts
- . Expenditures/disbursements
- . External financial reporting

General requirements

- . Political Activity
- . Davis-Bacon
- . Civil rights
- . Cash management
- . Federal financial reports
- . Allowable costs/cost principles
- . Drug-free Workplace Act
- . Administrative requirements

Specific requirements

- . Eligibility
- . Types of services allowed or unallowed
- . Matching, level of effort, and/or earmarking requirements
- . Special reporting requirements
- . Special tests and provisions
- . Requirements governing claims for advances and reimbursements

For all of the control categories listed above, 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.

The Honorable Gilbert Young
and Members of the Council
City of Eunice, Louisiana

During the year ended June 30, 1996, the City of Eunice, Louisiana, expended 65 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 and amounts claimed or used for matching that are applicable to the City's major federal financial assistance program, which is 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.

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 administer federal financial assistance programs in accordance with applicable laws and regulations.

Inadequate Segregation of Accounting Functions

Finding: The City did not have adequate segregation of duties within the accounting system.

Cause: Inadequate segregation of duties exists due to the limited number of personnel performing the administrative functions.

Suggestion and response: The City has evaluated this inadequacy and concluded the related costs versus benefits to be achieved does not justify the additional personnel it would require to establish an adequate segregation.

Reporting

Finding: For the administrative expenditure reports filed for reimbursement in connection with the Food Stamp Program, budgeted amounts were used instead of actual amounts for several categories

Cause: The client failed to use actual amounts on the reports for reimbursement.

Recommendation: Actual amounts should be used in reporting.

Response: The City will amend the reports for this year using actual amounts and will continue to use actual amounts in the future.



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN
AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN
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The Honorable Gilbert Young
and Members of the Council
City of Eunice, Louisiana

We have audited the general purpose financial statements of the City of Eunice, Louisiana as of and for the year ended June 30, 1996, and have issued our report thereon dated November 25, 1996.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of 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 the financial statements are free of material misstatement.

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

The results of our tests disclosed the following instances of noncompliance that are required to be reported herein under Government Auditing Standards.

Budget

Finding: For the year ended June 30, 1996, the budgets for the Sales Tax Fund and Dedicated Escrow Fund were not amended when actual expenditures exceeded budgeted expenditures by more than five percent. Louisiana Revised Statute (LSA - R.S.) 39:1310 requires that a budget be amended if actual expenditures exceed budgeted expenditures by five percent or more.

The Honorable Gilbert Young
and Members of the Council
City of Eunice, Louisiana

Cause: The City failed to amend the budget when actual expenditures exceeded budgeted appropriations by more than five percent.

Recommendation: We recommend that the City amend the budget as needed.

Response: The overexpenditures were the result of purchases near the end of the year and the recording of a liability at year-end.

Independent Contractors

Finding: In reviewing the City's procedures concerning payment of services, we believe that the City needs to review the classification procedures in determining independent contractor status.

Cause: The City did not fully understand the regulations concerning the classification of independent contractors.

Suggestion: A review should be made of all persons receiving payments from the City to determine if classification status is correct.

Response: The City will review their procedures concerning independent contractors.

Bids

Finding: The City did not obtain bids for the purchase of equipment in the amount of \$22,500.

Cause: Bids were not obtained because the City classified the purchase as an operating lease.

Suggestion: We recommend that the City obtain bids on all applicable purchases.

Response: The City will obtain bids as required.

We considered these instances of noncompliance in forming our opinion on whether the City of Eunice, Louisiana's 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 25, 1996, on those general purpose financial statements.

We noted a certain immaterial instance of noncompliance that we have reported to the management of the City of Eunice in a separate letter dated November 25, 1996.

The Honorable Gilbert Young
and Members of the Council
City of Eunice, Louisiana

This report is intended for the information of management and the Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

BROUSSARD, POCHÉ, LEWIS & BREUX

Eunice, Louisiana
November 25, 1996



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH SPECIFIC REQUIREMENTS APPLICABLE
TO MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS

The Honorable Gilbert Young
and Members of the Council
City of Eunice, Louisiana

We have audited the general purpose financial statements of the City of Eunice, Louisiana as of and for the year ended June 30, 1996, and have issued our report thereon dated November 25, 1996.

We have also audited the City of Eunice, Louisiana's compliance with the requirements governing special reporting requirements that are applicable to its major federal financial assistance program, which is identified in the accompanying schedule of federal financial assistance, for the year ended June 30, 1996. The management is responsible for the City of Eunice, Louisiana'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 of compliance with those requirements 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 Eunice, Louisiana's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the City of Eunice, Louisiana complied, in all material respects, with the requirements governing reporting that are applicable to its major federal financial assistance programs for the year ended June 30, 1996.

The Honorable Gilbert Young
and Members of the Council
City of Eunice, Louisiana

This report is intended for the information of management and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

BROUSSARD, POCHÉ, LEWIS & BREAUX

Eunice, Louisiana
November 25, 1996



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH THE GENERAL REQUIREMENTS APPLICABLE TO
FEDERAL FINANCIAL ASSISTANCE PROGRAMS

The Honorable Gilbert Young
and Members of the Council
City of Eunice, Louisiana

We have audited the general purpose financial statements of the City of Eunice, Louisiana as of and for the year ended June 30, 1996, and have issued our report thereon dated November 25, 1996.

We have applied procedures to test the City of Eunice, Louisiana's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the schedule of federal financial assistance, for the year ended June 30, 1996: Political activity, Davis-Bacon Act, civil rights, cash management, federal financial reports, allowable costs/cost principles, Drug-Free Workplace Act, and 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 City of Eunice, Louisiana's 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 did not disclose any material instance of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the City of Eunice, Louisiana had not complied, in all material respects, with those requirements.

The Honorable Gilbert Young
and Members of the Council
City of Eunice, Louisiana

This report is intended for the information of management and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

BROUSSARD, POCHÉ, LEWIS & BREAVX

Eunice, Louisiana
November 25, 1996



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

The Honorable Gilbert Young
and Members of the Council
City of Eunice, Louisiana

We have audited the general purpose financial statements of the City of Eunice, Louisiana as of and for the year ended June 30, 1996, and have issued our report thereon dated November 25, 1996.

In connection with our audit of the general purpose financial statements of the City of Eunice, Louisiana, and with our consideration of the City's control structure 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 June 30, 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 special tests and provisions 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's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures did not disclose any 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 the City of Eunice, Louisiana had not complied, in all material respects, with those requirements.

The Honorable Gilbert Young
and Members of the Council
City of Eunice, Louisiana

This report is intended for the information of management and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

BROUSSARD, POCHÉ, LEWIS ? BREUX

Eunice, Louisiana
November 25, 1996



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Daniel E. Gilder, CPA*
Gregory B. Milton, CPA*
S. Scott Soileau, CPA*

Karl G. Guidry, CPA*

Retired:

Sidney L. Broussard, CPA 1980
Leon K. Poché, CPA 1984
James H. Breaux, CPA 1987
Erna R. Walton, CPA 1988
George A. Lewis, CPA* 1992
Geraldine J. Wimberley, CPA* 1995
Rodney L. Savoy, CPA* 1996

*Members of American Institute of
Certified Public Accountants
Society of Louisiana Certified
Public Accountants*

The Honorable Gilbert Young, Mayor,
and the Board of Aldermen
City of Eunice, Louisiana

We have examined the general purpose financial statements of the City of Eunice, Louisiana, for the year ended June 30, 1996, and have issued our report dated November 25, 1996. During our examination, we noted an immaterial reportable condition or violation of certain requirements which we would like to share with you.

Budget Compliance

In reviewing budget compliance, we found that budgets were not adopted for the Public Safety Testing Fund, Appearance Bond Fund and Court Witness Fees Fund for the year ended June 30, 1996. As new special revenue funds, budgets should have been adopted in the current year.

We are pleased to be of service to you. Also, we appreciate the assistance given to us by management and employees in conjunction with performing the audit.

If you desire any further information concerning the above, or if we can be of further assistance, please feel free to call upon us.

BROUSSARD, POCHE', LEWIS & BREAUX
Certified Public Accountants

BROUSSARD, POCHE', LEWIS & BREAUX