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CITY OF EUNICE, LOUISIANA

Financial Report

Year Ended June 30, 1998

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Release Date JAN 13 1999

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Darnall, Sikes & Frederick

(A Corporation of Certified Public Accountants)

Eugene H. Darnall, CPA, Retired 1990

E. Larry Sikes, CPA, CVA
Danny P. Frederick, CPA
Clayton L. Darnall, CPA
Eugene H. Darnall, III, CPA
Paula D. Bihm, CPA
Stephanie M. Higginbotham, CPA

Lloyd E. Dore, Jr., CPA

Kathleen L. Darnall, CPA
Jennifer S. Ziegler, CPA
Stephen R. Dischler, MBA, CPA
Chris A. Miller, CPA
Alan M. Taylor, CPA
Christine A. Raspberry, CPA
John P. Armaté, CPA
Steven G. Moosa, CPA
Erich G. Loewer, Jr., CPA
Tamera T. Landry, CPA
Erich G. Loewer, III, CPA
Kelley D. Hawkins, CPA
Carla R. Fontenot, CPA

Independent Auditor's Report

The Honorable Mayor Kenneth J. Peart
and Members of the Council
City of Eunice, Louisiana

Offices:

125 Rue Beauregard
Lafayette, LA 70508
318.232.3312

1231 E. Laurel Avenue
Eunice, LA 70535
318.457.4146

1201 Brashear Avenue
Suite 304
Morgan City, LA 70380
504.384.6264

404 Pere Meuret
Abbeville, LA 70510
318.893.5470

dsfcpas.com

We have audited the accompanying general purpose financial statements of the City of Eunice, Louisiana, as of and for the year ended June 30, 1998, 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, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations". Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Eunice, Louisiana, as of June 30, 1998, 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.

In accordance with Government Auditing Standards, we have also issued our reported dated September 2, 1998, on our consideration of the City of Eunice, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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

Our audit was performed 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

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expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations", and the supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

Darnall, Sikes & Frederick

A Corporation of Certified Public Accountants

Bunice, Louisiana
September 2, 1998

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

CITY OF EUNICE, LOUISIANA

Combined Balance Sheet - All Fund Types and Account Groups
June 30, 1998

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS				
Cash and cash equivalents	\$ 998,631	\$ 1,006,450	\$ 385,449	\$ 3,219
Investments, at cost	-	504,082	716,685	201,270
Receivables (net of allowance for uncollectibles):				
Accounts	-	-	-	-
Taxes	852	175	-	-
Other	3,500	1,500	-	-
Due from governmental units	26,310	9,689	-	-
Due from other funds	6,363	87,781	-	-
Prepaid items	60,579	2,405	-	-
Restricted assets:				
Cash	-	-	-	-
Investments, at cost	-	-	-	-
Land and buildings	-	-	-	-
Industrial facilities	-	-	-	-
Autos, equipment, furniture and fixtures	-	-	-	-
Utility, 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	<u>\$ 1,096,235</u>	<u>\$ 1,612,082</u>	<u>\$ 1,102,134</u>	<u>\$ 204,489</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$ 90,383	\$ 56,248	\$ -	\$ 1,960
Accrued liabilities	96,436	8,455	-	-
Deferred grant revenue	1,200	20,224	-	-
Due to other governmental units	-	-	-	-
Due to other funds	121,446	5,975	-	659
Payable from restricted assets -				
Customers' deposits	-	-	-	-
General long-term debt	-	-	-	-
General obligation bonds payable	-	-	-	-
Capital leases payable	-	-	-	-
Total liabilities	<u>309,465</u>	<u>90,902</u>	<u>-</u>	<u>2,619</u>
Fund equity:				
Contributed capital	-	-	-	-
Investment in general fixed assets	-	-	-	-
Retained earnings -				
Unreserved	-	-	-	-
Fund balances:				
Reserved for prepaid items	60,579	2,405	-	-
Reserved for debt service	-	-	1,102,134	-
Unreserved, undesignated	726,191	1,518,775	-	201,870
Total fund equity	<u>786,770</u>	<u>1,521,180</u>	<u>1,102,134</u>	<u>201,870</u>
Total liabilities and fund equity	<u>\$ 1,096,235</u>	<u>\$ 1,612,082</u>	<u>\$ 1,102,134</u>	<u>\$ 204,489</u>

The accompanying notes are an integral part of this statement.

Proprietary Fund Type		Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)	
Enterprise	Internal Service	Agency	General Fixed Assets	General Long-Term Debt	1998	1997
\$ 173,964	\$ 25,140	\$ 81,708	\$ -	\$ -	\$ 2,674,561	\$ 1,962,113
-	65,236	-	-	-	1,487,273	1,519,837
251,920	-	-	-	-	251,920	234,790
-	-	-	-	-	1,027	5,248
-	-	-	-	-	5,000	19,819
-	-	-	-	-	35,999	28,633
823	-	38,183	-	-	133,150	332,239
17,458	-	-	-	-	80,442	146,651
36,888	-	-	-	-	36,888	28,852
179,860	-	-	-	-	179,860	173,951
-	-	-	5,754,940	-	5,754,940	5,754,940
-	-	-	1,175,184	-	1,175,184	1,175,184
-	-	-	2,094,173	-	2,094,173	2,026,107
12,947,460	-	-	-	-	12,947,460	12,819,007
(4,659,137)	-	-	-	-	(4,659,137)	(4,328,632)
-	-	-	-	1,102,134	1,102,134	1,058,569
-	-	-	-	2,615,185	2,615,185	3,165,125
<u>\$ 8,949,236</u>	<u>\$ 90,376</u>	<u>\$ 119,891</u>	<u>\$ 9,024,297</u>	<u>\$ 3,717,319</u>	<u>\$ 25,916,059</u>	<u>\$ 26,122,433</u>
\$ 39,914	\$ -	\$ -	\$ -	\$ -	\$ 188,505	\$ 223,707
3,894	-	119,891	-	-	228,676	240,256
-	-	-	-	-	21,424	7,915
-	-	-	-	-	-	1,093
5,070	-	-	-	-	133,150	332,239
200,520	-	-	-	-	200,520	194,715
-	-	-	-	227,234	227,234	217,540
-	-	-	-	3,335,000	3,335,000	3,815,000
-	-	-	-	155,085	155,085	191,154
<u>249,398</u>	<u>-</u>	<u>119,891</u>	<u>-</u>	<u>3,717,319</u>	<u>4,489,594</u>	<u>5,223,619</u>
4,927,524	-	-	-	-	4,927,524	4,927,524
-	-	-	9,024,297	-	9,024,297	8,956,231
3,772,314	90,376	-	-	-	3,862,690	3,879,947
-	-	-	-	-	62,984	109,504
-	-	-	-	-	1,102,134	1,081,659
-	-	-	-	-	2,446,836	1,943,949
<u>8,699,838</u>	<u>90,376</u>	<u>-</u>	<u>9,024,297</u>	<u>-</u>	<u>21,426,465</u>	<u>20,898,814</u>
<u>\$ 8,949,236</u>	<u>\$ 90,376</u>	<u>\$ 119,891</u>	<u>\$ 9,024,297</u>	<u>\$ 3,717,319</u>	<u>\$ 25,916,059</u>	<u>\$ 26,122,433</u>

CITY OF EUNICE, LOUISIANA

Combined Statement of Revenues, Expenditures and Changes in
Fund Balances - All Governmental Fund Types
Year Ended June 30, 1998

	Governmental Fund Types				Total (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects	1998	1997
Revenues:						
Taxes	\$ 828,644	\$ 3,016,983	\$ -	\$ -	\$ 3,845,627	\$ 3,461,999
Licenses and permits	378,319	-	-	-	378,319	371,512
Intergovernmental revenues	252,404	156,615	-	-	409,019	474,342
Fines, forfeitures and bonds	23,190	4,474	-	-	27,664	31,528
Liberty Cajun Music Show	86,006	-	-	-	86,006	86,352
Interest	-	35,459	53,453	8,876	97,788	100,284
Miscellaneous	199,388	7,607	48,000	-	254,995	174,005
Total revenues	<u>1,767,951</u>	<u>3,221,138</u>	<u>101,453</u>	<u>8,876</u>	<u>5,099,418</u>	<u>4,700,022</u>
Expenditures:						
Current -						
General government	794,627	90,176	-	-	884,803	834,386
Public safety	1,798,690	120,050	-	-	1,918,740	1,784,569
Public works	788,061	50,110	-	-	838,171	753,026
Health and welfare	19,119	64,234	-	-	83,353	100,988
Culture and recreation	459,899	103,082	-	-	562,981	459,280
Other	23,756	-	-	37,622	61,378	55,391
Capital outlay	48,054	370,746	-	-	418,800	508,160
Debt service:						
Principal retirement	-	36,069	491,780	-	527,849	785,904
Interest and fiscal charges	-	12,806	215,792	-	228,598	288,471
Total expenditures	<u>3,932,206</u>	<u>847,273</u>	<u>707,572</u>	<u>37,622</u>	<u>5,524,673</u>	<u>5,570,175</u>
Excess (deficiency) of revenues over expenditures	<u>(2,164,255)</u>	<u>2,373,865</u>	<u>(606,119)</u>	<u>(28,746)</u>	<u>(425,255)</u>	<u>(870,153)</u>
Other financing sources (uses):						
Proceeds of refunding debt	-	-	-	-	-	810,000
Operating transfers in	2,217,930	51,394	688,406	-	2,957,730	2,991,412
Payment to refunded debt escrow agent	-	-	-	-	-	(841,667)
Operating transfers out	<u>(34,500)</u>	<u>(1,959,321)</u>	<u>(61,812)</u>	<u>-</u>	<u>(2,055,633)</u>	<u>(2,029,433)</u>
Total other financing sources (uses)	<u>2,183,430</u>	<u>(1,907,927)</u>	<u>626,594</u>	<u>-</u>	<u>902,097</u>	<u>930,312</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	19,175	465,938	20,475	(28,746)	476,842	60,159
Fund balances, beginning	<u>767,595</u>	<u>1,055,242</u>	<u>1,081,659</u>	<u>230,616</u>	<u>3,135,112</u>	<u>3,074,953</u>
Fund balances, ending	<u>\$ 786,770</u>	<u>\$ 1,521,180</u>	<u>\$ 1,102,134</u>	<u>\$ 201,870</u>	<u>\$ 3,611,954</u>	<u>\$ 3,135,112</u>

The accompanying notes are an integral part of this statement.

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, 1998

	General Fund		Variance - Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Taxes	\$ 827,600	\$ 828,644	\$ 1,044
Licenses and permits	392,500	378,319	(14,181)
Intergovernmental revenues	214,100	252,404	38,304
Fines, forfeitures and bonds	22,300	23,190	890
Liberty Cajun Music Show	87,255	86,006	(1,249)
Interest	-	-	-
Miscellaneous	<u>134,200</u>	<u>199,388</u>	<u>65,188</u>
Total revenues	<u>1,677,955</u>	<u>1,767,951</u>	<u>89,996</u>
Expenditures:			
Current -			
General government	774,000	794,627	(20,627)
Public safety	1,788,200	1,798,690	(10,490)
Public works	779,900	788,061	(8,161)
Health and welfare	16,100	19,119	(3,019)
Culture and recreation	385,806	459,899	(74,093)
Other	23,100	23,756	(656)
Capital outlay	-	48,054	(48,054)
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>3,767,106</u>	<u>3,932,206</u>	<u>(165,100)</u>
Excess (deficiency) of revenues over expenditures	<u>(2,089,151)</u>	<u>(2,164,255)</u>	<u>(75,104)</u>
Other financing sources (uses):			
Operating transfers in	2,178,700	2,217,930	39,230
Operating transfers out	<u>(55,200)</u>	<u>(34,500)</u>	<u>20,700</u>
Total other financing sources (uses)	<u>2,123,500</u>	<u>2,183,430</u>	<u>59,930</u>
Excess of revenues and other sources over expenditures and other uses	34,349	19,175	(15,174)
Fund balances, beginning	<u>767,595</u>	<u>767,595</u>	<u>-</u>
Fund balances, ending	<u>\$ 801,944</u>	<u>\$ 786,770</u>	<u>\$ (15,174)</u>

Special Revenue Funds			Totals (Memorandum Only)		
Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
\$ 2,874,900	\$ 3,016,983	\$ 142,083	\$ 3,702,500	\$ 3,845,627	\$ 143,127
-	-	-	392,500	378,319	(14,181)
196,991	128,295	(68,696)	411,091	380,699	(30,392)
4,540	4,474	(66)	26,840	27,664	824
-	-	-	87,255	86,006	(1,249)
34,564	35,459	895	34,564	35,459	895
6,540	7,098	558	140,740	206,486	65,746
<u>3,117,535</u>	<u>3,192,309</u>	<u>74,774</u>	<u>4,795,490</u>	<u>4,960,260</u>	<u>164,770</u>
88,652	90,176	(1,524)	862,652	884,803	(22,151)
101,161	108,514	(7,353)	1,889,361	1,907,204	(17,843)
77,400	50,110	27,290	857,300	838,171	19,129
54,367	64,234	(9,867)	70,467	83,353	(12,886)
104,600	103,082	1,518	490,406	562,981	(72,575)
-	-	-	23,100	23,756	(656)
618,400	348,059	270,341	618,400	396,113	222,287
36,700	36,069	631	36,700	36,069	631
14,600	12,806	1,794	14,600	12,806	1,794
<u>1,095,880</u>	<u>813,050</u>	<u>282,830</u>	<u>4,862,986</u>	<u>4,745,256</u>	<u>117,730</u>
<u>2,021,655</u>	<u>2,379,259</u>	<u>357,604</u>	<u>(67,496)</u>	<u>215,004</u>	<u>282,500</u>
106,000	46,000	(60,000)	2,284,700	2,263,930	(20,770)
<u>(1,921,200)</u>	<u>(1,959,321)</u>	<u>(38,121)</u>	<u>(1,976,400)</u>	<u>(1,993,821)</u>	<u>(17,421)</u>
<u>(1,815,200)</u>	<u>(1,913,321)</u>	<u>(98,121)</u>	<u>308,300</u>	<u>270,109</u>	<u>(38,191)</u>
206,455	465,938	259,483	240,804	485,113	244,309
<u>1,055,242</u>	<u>1,055,242</u>	<u>-</u>	<u>1,822,837</u>	<u>1,822,837</u>	<u>-</u>
<u>\$ 1,261,697</u>	<u>\$ 1,521,180</u>	<u>\$ 259,483</u>	<u>\$ 2,063,641</u>	<u>\$ 2,307,950</u>	<u>\$ 244,309</u>

CITY OF EUNICE, LOUISIANA

Combined Statement of Revenues, Expenditures and Changes in
Retained Earnings - All Proprietary Fund Types
Year Ended June 30, 1998

	Enterprise Fund	Internal Service Fund	Totals (Memorandum Only)	
			1998	1997
Operating revenues:				
Charges for services	\$ 2,694,401	\$ 216,656	\$ 2,911,057	\$ 2,924,262
Other billings to customers	<u>48,117</u>	<u>-</u>	<u>48,117</u>	<u>50,663</u>
Total operating revenues	<u>2,742,518</u>	<u>216,656</u>	<u>2,959,174</u>	<u>2,974,925</u>
Operating expenses:				
Payroll and related benefits	371,231	239,439	610,670	531,420
Gas purchases	639,234	-	639,234	635,375
Supplies and materials	93,399	-	93,399	81,596
Repairs and maintenance	102,046	-	102,046	187,180
Office expenses	30,531	-	30,531	32,709
Professional fees	10,967	-	10,967	9,985
Insurance	99,964	-	99,964	120,058
Depreciation	335,462	-	335,462	346,302
Bad debts	5,504	-	5,504	16,002
Permits	13,633	-	13,633	10,405
Utilities and telephone	134,070	-	134,070	116,190
Miscellaneous	<u>19,163</u>	<u>-</u>	<u>19,163</u>	<u>24,294</u>
Total operating expenses	<u>1,855,204</u>	<u>239,439</u>	<u>2,094,643</u>	<u>2,111,516</u>
Operating income (loss)	<u>887,314</u>	<u>(22,783)</u>	<u>864,531</u>	<u>863,409</u>
Nonoperating income:				
Interest earned on investments	16,607	2,215	18,822	16,295
Other income	<u>2,851</u>	<u>-</u>	<u>2,851</u>	<u>2,924</u>
Total nonoperating income	<u>19,458</u>	<u>2,215</u>	<u>21,673</u>	<u>19,219</u>
Income (loss) before operating transfers	<u>906,772</u>	<u>(20,568)</u>	<u>886,204</u>	<u>882,628</u>
Operating transfers:				
Operating transfers in	41,063	-	41,063	19,222
Operating transfers out	<u>(925,148)</u>	<u>(19,376)</u>	<u>(944,524)</u>	<u>(981,200)</u>
Total operating transfers	<u>(884,085)</u>	<u>(19,376)</u>	<u>(903,461)</u>	<u>(961,978)</u>
Net income (loss)	22,687	(39,944)	(17,257)	(79,350)
Retained earnings, beginning	<u>3,749,627</u>	<u>130,320</u>	<u>3,879,947</u>	<u>3,959,297</u>
Retained earnings, ending	<u>\$ 3,772,314</u>	<u>\$ 90,376</u>	<u>\$ 3,862,690</u>	<u>\$ 3,879,947</u>

The accompanying notes are an integral part of this statement.

CITY OF EUNICE, LOUISIANA

Combined Statement of Cash Flows - All Proprietary Fund Types
Year Ended June 30, 1998

	Enterprise Fund	Internal Service Fund	Total (Memorandum Only)	
			1998	1997
<i>Cash flows from operating activities:</i>				
Operating income (loss)	\$ 887,314	\$ (22,783)	\$ 864,531	\$ 863,409
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	335,462	-	335,462	346,302
Provision for uncollectible accounts	(4,500)	-	(4,500)	6,000
(Increase) decrease in current assets:				
Accounts receivable	(12,630)	-	(12,630)	46,770
Prepaid items	19,689	-	19,689	29,851
Due from other funds	781	-	781	(393)
Increase (decrease) in current liabilities:				
Accounts payable	(24,563)	-	(24,563)	(24,771)
Accrued liabilities	(15,653)	-	(15,653)	(15,168)
Due to other funds	(230,867)	-	(230,867)	(209,041)
Other payables	(754)	-	(754)	3,571
Customers' deposits	<u>5,805</u>	<u>-</u>	<u>5,805</u>	<u>(155)</u>
Net cash provided (used) by operating activities	<u>960,084</u>	<u>(22,783)</u>	<u>937,301</u>	<u>1,046,375</u>
<i>Cash flows from noncapital financing activities:</i>				
Operating transfers in from other funds	41,063	-	41,063	19,222
Operating transfers out to other funds	<u>(925,148)</u>	<u>(19,376)</u>	<u>(944,524)</u>	<u>(981,200)</u>
Net cash used by noncapital financing activities	<u>(884,085)</u>	<u>(19,376)</u>	<u>(903,461)</u>	<u>(961,978)</u>
<i>Cash flows from capital and related financing activities:</i>				
Acquisition of plant and equipment	(133,410)	-	(133,410)	(124,565)
Other	<u>2,851</u>	<u>-</u>	<u>2,851</u>	<u>2,924</u>
Net cash used by capital and related financing activities	<u>(130,559)</u>	<u>-</u>	<u>(130,559)</u>	<u>(121,641)</u>
<i>Cash flows from investing activities:</i>				
Interest on investments	16,607	2,215	18,822	16,295
Purchase of investments	(326,749)	(65,236)	(391,985)	(427,569)
Proceeds from maturities of investments	<u>320,840</u>	<u>82,398</u>	<u>403,238</u>	<u>390,039</u>
Net cash provided (used) by investing activities	<u>10,698</u>	<u>19,377</u>	<u>30,075</u>	<u>(21,235)</u>
Net decrease in cash and cash equivalents	(43,862)	(22,782)	(66,644)	(58,479)
Cash and cash equivalents, beginning	<u>254,714</u>	<u>47,922</u>	<u>302,636</u>	<u>361,115</u>
Cash and cash equivalents, ending	<u>\$ 210,852</u>	<u>\$ 25,140</u>	<u>\$ 235,992</u>	<u>\$ 302,636</u>

The accompanying notes are an integral part of this statement.

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 accounting and reporting policies of the City of Eunice conform to generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units, published by the American Institute of Certified Public Accountants.

The following is a summary of the more significant accounting policies:

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.*

B. Fund Accounting

The government 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.

CITY OF EUNICE, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Fund Types

Governmental fund types 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 Fund Types

Proprietary funds which includes 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 for 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.

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 Fund Types

Fiduciary fund types 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

CITY OF EUNICE, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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

Fines and permit revenues 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.

CITY OF EUNICE, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 1998, actual expenditures in the Summer Food Program Fund, Dedicated Escrow Fund and Law Enforcement Block Grant Fund exceeded budgeted appropriations 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 in the City's name.

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, 1998, are recorded as prepaid items.

II. 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
Sewerage system	40-67 years
Meters & regulators	25 years
Vehicle & other equipment	4-10 years

CITY OF EUNICE, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 appropriated 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. 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 financial position 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.

N. Comparative Data

Comparative total data for the prior year has 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 has not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

CITY OF EUNICE, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

O. Statement of Cash Flows

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

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. At June 30, 1998, the City has cash and interest-bearing deposits (book balances) totaling \$4,378,582 as follows:

Demand deposits	\$ 54,413
Time deposits	<u>4,324,169</u>
Total	<u>\$4,378,582</u>

CITY OF EUNICE, LOUISIANA

Notes to Financial Statements

NOTE 3 CASH AND INTEREST-BEARING DEPOSITS (CONTINUED)

These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 1998, are secured as follows:

Bank balances	<u>\$ 4,496,548</u>
Federal deposit insurance	\$ 713,695
Pledged securities (Category 3)	<u>4,857,181</u>
Total	<u>5,570,876</u>
Excess	<u>\$ 1,074,328</u>

Pledged securities in Category 3 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 3) 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.

NOTE 4 RECEIVABLES

Receivables at June 30, 1998, consist of the following:

	General	Special Revenue	Enterprise	Total
Taxes	\$ 1,065	\$ 219	\$ -	\$ 1,284
Accounts	-	-	279,420	279,420
Other	-	1,500	-	1,500
Gross receivables	<u>1,065</u>	<u>1,719</u>	<u>279,420</u>	<u>282,204</u>
Less: allowance for uncollectibles	<u>213</u>	<u>44</u>	<u>27,500</u>	<u>27,757</u>
Net total receivables	<u>\$ 852</u>	<u>\$ 1,675</u>	<u>\$ 251,920</u>	<u>\$ 254,447</u>

Accounts receivable in the Enterprise Fund consists of billed and unbilled receivables relating to gas and sewerage services. Accounts receivable are divided into two billing cycles. Cycle 1 is billed on the first day of the month for the period ending on the 15th of the prior month. Cycle 2 is billed on the 10th day of the month for the period ending on the 23rd of the prior month. Billed receivables at June 30, 1998 were \$163,401 and unbilled receivables were \$116,019.

CITY OF EUNICE, LOUISIANA

Notes to Financial Statements

NOTE 4 RECEIVABLES (CONTINUED)

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 Parish and Acadia Parish.

For the year ended June 30, 1998, taxes of 13.29 mills were levied on property with an assessed valuation totaling \$33,533,650 and were dedicated as follows:

General corporate tax	6.17 mills
Street maintenance	4.86 mills
Sewer maintenance	2.26 mills

Total taxes levied were \$445,662. Taxes receivable at June 30, 1998, were \$1,284.

NOTE 5 FIXED ASSETS

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

	Balance June 30, 1997	Additions	Deletions	Balance June 30, 1998
Land and buildings	\$ 5,754,940	\$ -	\$ -	\$ 5,754,940
Industrial facilities	1,175,184	-	-	1,175,184
Autos and equipment	<u>2,026,107</u>	<u>189,124</u>	<u>121,058</u>	<u>2,094,173</u>
	<u>\$ 8,956,231</u>	<u>\$ 189,124</u>	<u>\$ 121,058</u>	<u>\$ 9,024,297</u>

The following is a summary of proprietary fund type fixed assets at June 30, 1998:

	<u>Cost</u>
Gas system	\$ 4,610,538
Sewage system	7,497,085
Autos and trucks	81,080
Equipment	311,892
Meters and regulators	<u>446,865</u>
	12,947,460
Accumulated depreciation	<u>(4,659,137)</u>
Total	<u>\$ 8,288,323</u>

CITY OF EUNICE, LOUISIANA

Notes to Financial Statements

NOTE 6 LONG-TERM DEBT

The following is a summary of debt transactions of the City of Eunice for the year ended June 30, 1998:

	June 30, 1997	Additions	Retirements	June 30, 1998
State loan	\$ 145,823	\$ -	\$ 11,781	\$ 134,042
General obligations bonds	3,815,000	-	480,000	3,335,000
Capital leases, sales tax fund	191,154	-	36,069	155,085
Other - liability insurance claims payable	<u>71,717</u>	<u>-</u>	<u>27,440</u>	<u>44,277</u>
	<u>\$ 4,223,694</u>	<u>\$ -</u>	<u>\$ 555,290</u>	<u>\$ 3,668,404</u>

State loan:

The City of Eunice received a loan from the Louisiana Economic Development Corporation for \$200,000. The mortgage is to be paid out of the \$4,000 per month rent the City should receive from Quality Manufacturing of Eunice, Inc. The City will pay \$1,736 per month to LEDC and deposit the remaining in an escrow fund

\$ 134,042

Bonds payable at June 30, 1998, is comprised of the following individuals 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

\$ 1,090,000

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

1,445,000

Public Improvements Bonds, Series ST-1997, dated 5/1/97, original issue of \$810,000, retired annually in various installment amounts, interest rates of 4.10% to 5.40% per annum, final maturity at 7/1/08

800,000

\$ 3,335,000

CITY OF EUNICE, LOUISIANA

Notes to Financial Statements

NOTE 6 LONG-TERM DEBT (CONTINUED)

Capital leases:

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	\$ 67,692
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>87,393</u>
	<u>\$ 155,085</u>

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	<u>\$ 44,277</u>
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The annual requirements to amortize all debt outstanding at June 30, 1998, including interest payments of \$683,693 are as follows:

Year Ending June 30,	General Obligation	State Loan	Capital Leases	Other	Total
1999	\$ 601,448	\$ 20,827	\$ 41,300	\$ 24,000	\$ 687,575
2000	683,330	20,827	41,300	20,277	765,734
2001	691,661	110,924	41,300	-	843,885
2002	687,632	-	30,831	-	718,463
2003	691,277	-	19,700	-	710,977
Thereafter	<u>618,899</u>	<u>-</u>	<u>6,564</u>	<u>-</u>	<u>625,463</u>
	<u>\$ 3,974,247</u>	<u>\$ 152,578</u>	<u>\$ 180,995</u>	<u>\$ 44,277</u>	<u>\$ 4,352,097</u>

\$1,102,134 is available in the Debt Service Fund to service these debts.

CITY OF EUNICE, LOUISIANA

Notes to Financial Statements

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.

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 abilities; 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.

CITY OF EUNICE, LOUISIANA

Notes to Financial Statements

NOTE 7 FLOW OF FUNDS - RESTRICTIONS ON USE - SALES TAX REVENUES (CONTINUED)

- 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.

A reserve fund is established by monthly transfers from the sales tax fund of \$1,000 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.

CITY OF EUNICE, LOUISIANA

Notes to Financial Statements

NOTE 8 PENSION COST (CONTINUED)

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

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 5.75% 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, 1998 was \$105,371, equal to the required contributions for the year.

CITY OF EUNICE, LOUISIANA

Notes to Financial Statements

NOTE 8 PENSION COST (CONTINUED)

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 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 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, P.O. Box 94095, Capital Station, Baton Rouge, LA 70809-9095.

Funding policy:

Plan members are required to contribute 9.0% of their annual covered salary and the City is required to contribute 7.5% as established by the state statute. The City's contributions to the System for the year ended June 30, 1998 was \$51,236, 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 credit service, or at or after age 55 with at least 12 years of

CITY OF EUNICE, LOUISIANA

Notes to Financial Statements

NOTE 8 PENSION COST (CONTINUED)

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 9.0% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 8.0% 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, 1998 was \$29,672, 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 13.0% of the Judge's compensation. The City's contribution for the current year amounted to \$1,979.

NOTE 9 INTERFUND RECEIVABLES, PAYABLES

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 6,363	\$ 121,446
Special revenue funds -		
Sales Tax Fund	87,555	5,065
Court Witness Fees Fund	226	-
Summer Food Program Fund	-	910
Enterprise Fund -		
Utility Fund	823	5,070
Fiduciary Fund -		
Payroll Fund	38,183	-
Capital Projects Fund -		
LCDBG Street Project	-	659
	<u>\$ 133,150</u>	<u>\$ 133,150</u>

CITY OF EUNICE, LOUISIANA

Notes to Financial Statements

NOTE 10 RESTRICTED ASSETS - PROPRIETARY FUND TYPE

Restricted assets applicable to customers' deposits at June 30, 1998 and 1997 are as follows:

	<u>1998</u>	<u>1997</u>
Customers' deposits:		
Cash	\$ 36,888	\$ 28,852
Investments, at cost	<u>179,860</u>	<u>173,951</u>
	<u>\$ 216,748</u>	<u>\$ 202,803</u>

NOTE 11 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 City officially closed the Food Stamp Issuing Office November 18, 1997. 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, 1997	\$ 199,706
Received	78,500
Distributed	<u>(278,206)</u>
Balance, June 30, 1998	<u>\$ -</u>

NOTE 12 OPERATING LEASE

The City is committed under various two year leases for vehicles. The leases are considered for accounting purposes to be operating leases. Total lease expenditures for the year ended June 30, 1998, amounted to \$21,785. Future minimum lease payments under these leases are as follows:

	<u>Future Lease Payments</u>	<u>Lease Payments 1999</u>
1997 Chevrolet pickup	\$ 2,715	\$ 2,715
1997 GMC pickup	2,706	2,706
1997 Mercury Sable	2,908	2,908
1997 Chevrolet pickup	2,751	2,751
1996 Pontiac Grand Am	<u>2,668</u>	<u>2,668</u>
Total	<u>\$ 13,748</u>	<u>\$ 13,748</u>

CITY OF EUNICE, LOUISIANA

Notes to Financial Statements

NOTE 13 CONTRIBUTED CAPITAL

During the period ended June 30, 1998, contributed capital in the Utility Fund was increased by capital outlays made in the Sales Tax Fund of \$44,582 for improvements to the gas lines and for equipment.

NOTE 14 ENTERPRISE FUND OPERATIONS

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

Operating results of the individual utilities for the years ended June 30, 1998 and 1997 were as follows:

	Year Ended June 30,	Operating Revenue	Operating Expenses	Operating Income
Gas Utility	1998	\$ 1,582,643	\$ 1,171,274	\$ 411,369
	1997	\$ 1,647,080	\$ 1,169,493	\$ 477,587
Sewer Utility	1998	\$ 1,159,875	\$ 683,930	\$ 475,945
	1997	\$ 1,157,074	\$ 781,665	\$ 375,409

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, 1998, services were provided to the following number of customers:

Gas	4,302
Sewer	4,502

NOTE 15 SELF INSURANCE FUND

The City has established a risk management program for its group health and life insurance coverage and accounts for its in the Group Insurance Fund, an Internal Service 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. GASB Statement Number 10 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. The net claims liability at June 30, 1998 is \$-0-.

CITY OF EUNICE, LOUISIANA

Notes to Financial Statements

NOTE 16 DEFEASED DEBT

On May 1, 1997, the City issued general obligation refunding bonds of \$810,000 (par value) with interest rates varying from 4.1% to 5.4% over the 10 year life of the bonds. The bonds were issued to advance refund \$760,000 (par value) general obligation bonds, series ST-1988 with interest rates varying from 7.75% to 11.0% over the 20 year life of the bonds.

The refunding bonds were issued at face and the net proceeds of \$810,000 were used to pay issuance costs of \$20,113 and to purchase U.S. Government Securities which were placed in an irrevocable trust with an escrow agent to provide for debt service payments until the remaining bonds become callable on July 1, 2008.

The advance refunding met the requirements of an in-substance debt defeasance and the general obligation bonds, series ST-1988, were removed from the City's general long-term debt account group.

As a result of the advance refunding, the City reduced its total debt service requirements by \$136,695, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$109,738.

NOTE 17 LEASE AGREEMENT

The City of Eunice entered into a two year lease agreement with Louisiana Sewn Products, Inc. on January 1, 1997 for the lease of the Jantzen building and equipment at \$4,000 and \$963 per month, respectively. The equipment was subsequently purchased by Louisiana Sewn Products, Inc. on February 18, 1997 for \$24,022.

NOTE 18 FUND BALANCE DEFICIT

The Summer Food Program Fund and the LCDBG Fund have fund balance deficits of \$910 and \$659, respectively, for the year ended June 30, 1998.

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

Comparative Balance Sheets
June 30, 1998 and 1997

ASSETS

	1998	1997
Cash	\$ 998,631	\$ 664,354
Ad valorem taxes receivable (net of allowance for uncollectible taxes of \$213 at 1998 and \$458 at 1997)	852	1,830
Other receivables	3,500	-
Due from other funds	6,363	252,484
Due from other governmental units	26,310	26,383
Prepaid items	60,579	107,099
Total assets	\$ 1,096,235	\$ 1,052,150

LIABILITIES AND FUND BALANCE

Liabilities:		
Accounts payable	\$ 90,383	\$ 72,120
Accrued liabilities	87,367	74,846
Insurance payable	9,069	59,551
Deferred revenue	1,200	-
Due to other governmental units	-	1,093
Due to other funds	121,446	76,945
Total liabilities	309,465	284,555
Fund balance:		
Reserved for prepaid items	60,579	107,099
Unreserved, undesignated	726,191	660,496
	786,770	767,595
Total liabilities and fund balance	\$ 1,096,235	\$ 1,052,150

CITY OF EUNICE, LOUISIANA
General Fund

Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (GAAP Basis) and Actual
Year Ended June 30, 1998
With Comparative Actual Amounts for the Year Ended June 30, 1997

	1998		Variance - Favorable (Unfavorable)	1997
	Budget	Actual		
Revenues:				
Taxes	\$ 827,600	\$ 828,644	\$ 1,044	\$ 815,749
Licenses and permits	392,500	378,319	(14,181)	371,512
Intergovernmental revenues	214,100	252,404	38,304	236,965
Fines and forfeitures	22,300	23,190	890	26,307
Liberty Cajun Music Show	87,255	86,006	(1,249)	86,352
Interest	-	-	-	6,299
Miscellaneous	<u>134,200</u>	<u>199,388</u>	<u>65,188</u>	<u>96,343</u>
Total revenues	<u>1,677,955</u>	<u>1,767,951</u>	<u>89,996</u>	<u>1,639,527</u>
Expenditures:				
Current -				
General government	774,000	794,627	(20,627)	763,637
Public safety	1,788,200	1,798,690	(10,490)	1,661,115
Public works	779,900	788,061	(8,161)	677,469
Health and welfare	16,100	19,119	(3,019)	16,492
Culture and recreation	385,806	459,899	(74,093)	361,747
Other	23,100	23,756	(656)	21,791
Capital outlay	<u>-</u>	<u>48,054</u>	<u>(48,054)</u>	<u>-</u>
Total expenditures	<u>3,767,106</u>	<u>3,932,206</u>	<u>(165,100)</u>	<u>3,502,251</u>
Deficiency of revenues over expenditures	<u>(2,089,151)</u>	<u>(2,164,255)</u>	<u>(75,104)</u>	<u>(1,862,724)</u>
Other financing sources (uses):				
Operating transfers in	2,178,700	2,217,930	39,230	2,096,478
Operating transfers out	<u>(55,200)</u>	<u>(34,500)</u>	<u>20,700</u>	<u>(154,800)</u>
Total other financing sources (uses)	<u>2,123,500</u>	<u>2,183,430</u>	<u>59,930</u>	<u>1,941,678</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	34,349	19,175	(15,174)	78,954
Fund balance, beginning	<u>767,595</u>	<u>767,595</u>	<u>-</u>	<u>688,641</u>
Fund balance, ending	<u>\$ 801,944</u>	<u>\$ 786,770</u>	<u>\$ (15,174)</u>	<u>\$ 767,595</u>

CITY OF EUNICE, LOUISIANA
General Fund

Statement of Revenues and Other Sources
Compared to Budget (GAAP Basis)
Year Ended June 30, 1998
With Comparative Actual Amounts for the Year Ended June 30, 1997

	1998		Variance - Favorable (Unfavorable)	1997
	Budget	Actual		
Revenues:				
Taxes -				
Property taxes	\$ 365,300	\$ 366,033	\$ 733	\$ 363,436
Interest and penalty	13,700	14,011	311	5,553
Franchise fees	448,600	448,600	-	446,760
Licenses and permits -				
Occupational licenses	354,700	337,358	(17,342)	328,828
Liquor licenses	21,400	21,899	499	17,680
Building permit fees	16,400	19,062	2,662	25,004
Intergovernmental revenues -				
Grant revenue	6,100	5,684	(416)	16,178
Video poker	79,900	106,381	26,481	84,245
Tobacco tax	54,400	54,412	12	54,412
Beer tax	20,300	21,135	835	24,104
Correction receipts	27,100	38,262	11,162	31,269
Housing authority payment in lieu of tax	7,300	7,590	290	7,590
Fire insurance tax	19,000	18,940	(60)	19,167
Fines and forfeits -				
Court fines	22,300	23,190	890	26,307
Liberty Cajun Music Show	87,255	86,006	(1,249)	86,352
Interest and penalty	-	-	-	6,229
Miscellaneous	134,200	199,388	65,188	96,343
Total revenues	<u>1,677,955</u>	<u>1,767,951</u>	<u>89,996</u>	<u>1,639,457</u>
Other sources:				
Transfers from -				
Utility Fund	850,000	850,000	-	791,600
Sales Tax Fund	1,328,700	1,367,930	39,230	1,304,878
Total other sources	<u>2,178,700</u>	<u>2,217,930</u>	<u>39,230</u>	<u>2,096,478</u>
Total revenues and other sources	<u>\$ 3,856,655</u>	<u>\$ 3,985,881</u>	<u>\$ 129,226</u>	<u>\$ 3,735,935</u>

CITY OF EUNICE, LOUISIANA
General Fund

Statement of Expenditures and Other Uses
Compared to Budget (GAAP Basis)
Year Ended June 30, 1998

With Comparative Actual Amounts for the Year Ended June 30, 1997

	1998		Variance - Favorable (Unfavorable)	1997
	Budget	Actual		
General government:				
Salaries	\$ 276,900	\$ 281,339	\$ (4,439)	\$ 286,155
Payroll taxes	23,500	31,274	(7,774)	29,035
Group insurance	39,400	41,830	(2,430)	34,748
Professional fees	16,700	16,039	661	16,375
Tax roll preparation	10,600	10,660	(60)	6,477
Advertising	12,000	13,601	(1,601)	17,323
Utilities and telephone	52,800	56,652	(3,852)	54,038
Street lighting	95,800	95,637	163	94,334
City Hall maintenance	24,000	25,937	(1,937)	13,900
Office expenses	22,900	20,543	2,357	21,938
Dues	5,200	5,556	(356)	5,946
Travel and meetings	10,000	9,873	127	8,426
General insurance	43,200	34,008	9,192	36,156
City Court	69,900	73,696	(3,796)	75,243
Civil Service Board	1,800	1,800	-	1,800
Drug testing	1,400	1,338	62	-
Industrial inducement	7,000	5,956	1,044	9,918
Zoning Board	800	768	32	762
Coroner	7,200	9,496	(2,296)	401
Materials and supplies	14,800	15,692	(892)	12,237
Elections	12,100	12,087	13	2,551
Litigation claims	-	-	-	2,538
Other	26,000	30,845	(4,845)	33,336
Total government	<u>774,000</u>	<u>794,627</u>	<u>(20,627)</u>	<u>763,637</u>
Public safety:				
Police -				
Salaries	699,200	703,569	(4,369)	679,449
Payroll taxes	8,300	7,660	640	7,362
Retirement and pension	128,700	130,092	(1,392)	130,504
Jail expense	51,100	82,502	(31,402)	39,096
Telephone and utilities	9,300	10,665	(1,365)	9,448
Supplies and materials	26,000	28,955	(2,955)	26,760
General insurance	148,100	127,336	20,764	97,357
Group insurance	52,900	54,174	(1,274)	43,470
Contract labor	100	1,249	(1,149)	1,676
Transportation	63,000	65,964	(2,964)	61,107
Drug testing	500	434	66	-
Other	41,000	49,147	(8,147)	48,365
Total police	<u>1,228,200</u>	<u>1,261,747</u>	<u>(33,547)</u>	<u>1,144,594</u>

(Continued)

CITY OF EUNICE, LOUISIANA
General Fund

Statement of Expenditures and Other Uses
Compared to Budget (GAAP Basis) (Continued)
Year Ended June 30, 1998

With Comparative Actual Amounts for the Year Ended June 30, 1997

	1998		Variance - Favorable (Unfavorable)	1997
	Budget	Actual		
Fire -				
Salaries	350,300	345,958	4,342	337,380
Volunteer firemen	10,400	12,264	(1,864)	12,290
Payroll taxes	28,000	29,269	(1,269)	32,972
Telephone and utilities	13,700	11,182	2,518	10,253
Repairs and maintenance	13,700	19,632	(5,932)	16,906
Travel and meetings	100	39	61	527
Transportation	7,300	3,076	4,224	2,817
Supplies and materials	14,300	14,885	(585)	12,784
Drug testing	300	207	93	-
General insurance	93,600	72,566	21,034	71,172
Group insurance	26,700	27,096	(396)	17,328
Other	<u>1,600</u>	<u>769</u>	<u>831</u>	<u>2,092</u>
Total fire	<u>560,000</u>	<u>536,943</u>	<u>23,057</u>	<u>516,521</u>
Total public safety	<u>1,788,200</u>	<u>1,798,690</u>	<u>(10,490)</u>	<u>1,661,115</u>
Public works:				
Streets -				
Salaries	373,500	385,368	(11,868)	341,299
Payroll taxes	23,900	25,044	(1,144)	26,126
Repairs and maintenance	68,600	106,235	(37,635)	88,537
Signs and materials	46,200	48,557	(2,357)	44,326
General and insurance	118,900	96,871	22,029	99,024
Group insurance	14,800	15,084	(284)	11,289
Drug testing	1,500	746	754	-
Other	<u>89,100</u>	<u>63,970</u>	<u>25,130</u>	<u>46,937</u>
Total streets	<u>736,500</u>	<u>741,875</u>	<u>(5,375)</u>	<u>657,538</u>
Sanitation -				
Salaries	8,500	8,519	(19)	9,989
Vehicles and equipment maintenance	31,700	37,617	(5,917)	9,942
Other	<u>3,200</u>	<u>50</u>	<u>3,150</u>	<u>-</u>
Total sanitation	<u>43,400</u>	<u>46,186</u>	<u>(2,786)</u>	<u>19,931</u>
Total public works	<u>779,900</u>	<u>788,061</u>	<u>(8,161)</u>	<u>677,469</u>
Health and welfare:				
Animal control	<u>16,100</u>	<u>19,119</u>	<u>(3,019)</u>	<u>16,492</u>

(Continued)

CITY OF EUNICE, LOUISIANA
General Fund

Statement of Expenditures and Other Uses
Compared to Budget (GAAP Basis) (Continued)
Year Ended June 30, 1998

With Comparative Actual Amounts for the Year Ended June 30, 1997

	1998		Variance - Favorable (Unfavorable)	1997
	Budget	Actual		
Culture and recreation:				
Salaries and payroll taxes	23,000	27,443	(4,443)	23,820
Telephone and utilities	18,300	18,585	(285)	17,735
Supplies	7,300	9,777	(2,477)	8,170
General insurance	9,500	7,874	1,626	10,477
Group insurance	2,300	2,380	(80)	1,914
Maintenance	35,900	32,333	3,567	20,408
Library maintenance	11,800	13,361	(1,561)	11,622
Neighborhood centers	105,000	109,988	(4,988)	99,512
Contract labor	49,000	63,801	(14,801)	54,755
Liberty Cajun Music Show and Liberty Cultural Association	90,806	93,925	(3,119)	83,778
Other	9,700	32,957	(23,257)	9,183
Museum	23,200	22,690	510	20,373
Festival expenses	-	24,785	(24,785)	-
Total culture and recreation	<u>385,806</u>	<u>459,899</u>	<u>(74,093)</u>	<u>361,747</u>
Other:				
Airport expenditures	<u>23,100</u>	<u>23,756</u>	<u>(656)</u>	<u>21,791</u>
Capital outlay	<u>-</u>	<u>48,054</u>	<u>(48,054)</u>	<u>-</u>
Total expenditures	3,767,106	3,932,206	(165,100)	3,502,251
Other uses:				
Transfer to other funds	<u>55,200</u>	<u>34,500</u>	<u>20,700</u>	<u>154,800</u>
Total expenditures and other uses	<u>\$ 3,822,306</u>	<u>\$ 3,966,706</u>	<u>\$ (144,400)</u>	<u>\$ 3,657,051</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.

LAW ENFORCEMENT BLOCK GRANT

To account for the receipt and expenditures associated with funds received from the Bureau of Justice for the hiring of non-administrative law enforcement officers and support personnel.

CRIMINAL TASK FORCE GRANT

To account for the receipts and expenditures associated with funds received from the United States Department of Justice for the purchase of police equipment and payment of overtime for police officers.

CITY OF EUNICE, LOUISIANA
All Special Revenue Funds

Combining Balance Sheet
June 30, 1998
With Comparative Actual Totals for June 30, 1997

	Sales Tax Fund	Sewer Maintenance Fund	St. Landry & Acadia Parish Fire District	Summer Food Program	Dedicated Escrow Fund
ASSETS					
Cash	\$ 864,320	\$ 30,562	\$ 26,940	\$ 6,156	\$ 50,949
Investments, at cost	504,082	-	-	-	-
Ad valorem taxes receivable (net of allowance for uncollectible taxes of \$44)	-	175	-	-	-
Other receivables	1,500	-	-	-	-
Due from other governmental units	-	-	-	9,689	-
Due from other funds	87,555	-	-	-	-
Prepaid items	1,500	-	905	-	-
Total assets	<u>\$ 1,458,957</u>	<u>\$ 30,737</u>	<u>\$ 27,845</u>	<u>\$ 15,845</u>	<u>\$ 50,949</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 33,408	\$ 1,436	\$ -	\$ 15,845	\$ 5,149
Accrued liabilities	8,455	-	-	-	-
Deferred grant revenue	-	-	-	-	-
Due to other funds	5,065	-	-	910	-
Total liabilities	<u>46,928</u>	<u>1,436</u>	<u>-</u>	<u>16,755</u>	<u>5,149</u>
Fund balances (deficits):					
Reserved for prepaid items	1,500	-	905	-	-
Unserved, undesignated	1,410,529	29,301	26,940	(910)	45,800
Total fund balances (deficits)	<u>1,412,029</u>	<u>29,301</u>	<u>27,845</u>	<u>(910)</u>	<u>45,800</u>
Total liabilities and fund balances	<u>\$ 1,458,957</u>	<u>\$ 30,737</u>	<u>\$ 27,845</u>	<u>\$ 15,845</u>	<u>\$ 50,949</u>

Public Safety Testing Fund	Court Appearance Bond Fund	Witness Fees Fund	Law Enforcement Block Grant	Criminal Task Force Grant	Totals	
					1998	1997
\$ 3,681	\$ 2,308	\$ 1,310	\$ -	\$ 20,224	\$ 1,006,450	\$ 572,650
-	-	-	-	-	504,082	490,330
-	-	-	-	-	175	3,418
-	-	-	-	-	1,500	2,250
-	-	-	-	-	9,689	19,148
-	-	226	-	-	87,781	60,101
-	-	-	-	-	2,405	2,405
<u>\$ 3,681</u>	<u>\$ 2,308</u>	<u>\$ 1,536</u>	<u>\$ -</u>	<u>\$ 20,224</u>	<u>\$ 1,612,082</u>	<u>\$ 1,150,302</u>
\$ 140	\$ 270	\$ -	\$ -	\$ -	\$ 56,248	\$ 67,788
-	-	-	-	-	8,455	-
-	-	-	-	20,224	20,224	7,915
-	-	-	-	-	5,975	19,357
<u>140</u>	<u>270</u>	<u>-</u>	<u>-</u>	<u>20,224</u>	<u>90,902</u>	<u>95,060</u>
-	-	-	-	-	2,405	2,405
<u>3,541</u>	<u>2,038</u>	<u>1,536</u>	<u>-</u>	<u>-</u>	<u>1,518,775</u>	<u>1,052,837</u>
<u>3,541</u>	<u>2,038</u>	<u>1,536</u>	<u>-</u>	<u>-</u>	<u>1,521,180</u>	<u>1,055,242</u>
<u>\$ 3,681</u>	<u>\$ 2,308</u>	<u>\$ 1,536</u>	<u>\$ -</u>	<u>\$ 20,224</u>	<u>\$ 1,612,082</u>	<u>\$ 1,150,302</u>

CITY OF EUNICE, LOUISIANA
All Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 1998
With Comparative Actual Totals for June 30, 1997

	Sales Tax Fund	Sewer Maintenance Fund	St. Landry & Acadia Parish Fire District	Summer Food Program
Revenues:				
Taxes	\$ 2,856,273	\$ 73,673	\$ 87,037	\$ -
Intergovernmental revenues	46,000	-	-	63,920
Fines and bonds	-	-	-	-
Interest	33,104	33	864	-
Miscellaneous	6,507	-	-	-
Total revenues	<u>2,941,884</u>	<u>73,706</u>	<u>87,901</u>	<u>63,920</u>
Expenditures:				
Current -				
General government	68,162	-	-	-
Public safety	-	-	92,299	-
Public works	-	50,110	-	-
Health and welfare	-	-	-	64,234
Culture and recreation	103,082	-	-	-
Capital outlay	348,059	-	-	-
Debt service -				
Principal retirement	36,069	-	-	-
Interest charges	12,806	-	-	-
Total expenditures	<u>568,178</u>	<u>50,110</u>	<u>92,299</u>	<u>64,234</u>
Excess (deficiency) of revenues over expenditures	<u>2,373,706</u>	<u>23,596</u>	<u>(4,398)</u>	<u>(314)</u>
Other financing sources (uses):				
Transfers from other funds	-	-	-	-
Transfers to other funds	(1,959,321)	-	-	-
Total other financing sources (uses)	<u>(1,959,321)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	414,385	23,596	(4,398)	(314)
Fund balances (deficits), beginning	<u>997,644</u>	<u>5,705</u>	<u>32,243</u>	<u>(596)</u>
Fund balances (deficits), ending	<u>\$ 1,412,029</u>	<u>\$ 29,301</u>	<u>\$ 27,845</u>	<u>\$ (910)</u>

Dedicated Escrow Fund	Public Safety Testing Fund	Court Appearance Bond Fund	Witness Fees Fund	Law Enforcement Block Grant	Criminal Task Force Grant	Totals	
						1998	1997
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,016,983	\$ 2,646,250
-	4,235	-	6,225	7,915	28,320	156,615	228,405
-	-	4,474	-	-	-	4,474	5,221
1,293	82	-	32	51	-	35,459	27,977
-	500	91	-	-	509	7,607	2,903
<u>1,293</u>	<u>4,817</u>	<u>4,565</u>	<u>6,257</u>	<u>7,966</u>	<u>28,829</u>	<u>3,221,138</u>	<u>2,910,756</u>
15,850	-	-	6,164	-	-	90,176	70,749
-	4,200	3,887	-	8,128	11,536	120,050	123,454
-	-	-	-	-	-	50,110	75,557
-	-	-	-	-	-	64,234	84,496
-	-	-	-	-	-	103,082	97,533
-	-	-	-	-	22,687	370,746	499,188
-	-	-	-	-	-	36,069	35,321
-	-	-	-	-	-	12,806	16,079
<u>15,850</u>	<u>4,200</u>	<u>3,887</u>	<u>6,164</u>	<u>8,128</u>	<u>34,223</u>	<u>847,273</u>	<u>1,002,377</u>
(14,557)	617	678	93	(162)	(5,394)	2,373,865	1,908,379
46,000	-	-	-	-	5,394	51,394	18,817
-	-	-	-	-	-	(1,959,321)	(1,839,699)
<u>46,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,394</u>	<u>(1,907,927)</u>	<u>(1,820,882)</u>
31,443	617	678	93	(162)	-	465,938	87,497
<u>14,357</u>	<u>2,924</u>	<u>1,360</u>	<u>1,443</u>	<u>162</u>	<u>-</u>	<u>1,055,242</u>	<u>967,745</u>
<u>\$ 45,800</u>	<u>\$ 3,541</u>	<u>\$ 2,038</u>	<u>\$ 1,536</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,521,180</u>	<u>\$ 1,055,242</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, 1998
With Comparative Actual Amounts for the Year Ended June 30, 1997

	1998		Variance - Favorable (Unfavorable)	1997
	Budget	Actual		
Revenues:				
Taxes -				
Sales taxes collected	\$ 2,797,200	\$ 2,856,273	\$ 59,073	\$ 2,569,721
Intergovernmental revenues	46,000	46,000	-	29,065
Interest	32,300	33,104	804	25,884
Miscellaneous	6,500	6,507	7	2,887
Total revenues	<u>2,882,000</u>	<u>2,941,884</u>	<u>59,884</u>	<u>2,627,557</u>
Expenditures:				
Current -				
General government:				
Collection and administrative expenses	72,200	68,162	4,038	65,784
Culture and recreation:				
Library appropriation	104,600	103,082	1,518	97,533
Capital outlay -				
Public works projects	431,600	115,124	316,476	153,374
Recreation projects	61,200	82,782	(21,582)	34,715
Airport	-	7,355	(7,355)	20,863
Small tools and equipment	-	7,409	(7,409)	6,559
Other	125,600	135,389	(9,789)	283,677
Debt service -				
Principal retirement	36,700	36,069	631	35,321
Interest charges	14,600	12,806	1,794	16,079
Total expenditures	<u>846,500</u>	<u>568,178</u>	<u>278,322</u>	<u>713,905</u>
Excess of revenues over expenditures	<u>2,035,500</u>	<u>2,373,706</u>	<u>338,206</u>	<u>1,913,652</u>
Other financing sources (uses):				
Transfers from (to) other funds -				
General Fund	(1,325,700)	(1,329,169)	(3,469)	(1,304,878)
Debt Service Funds	(595,500)	(624,758)	(29,258)	(516,004)
Other funds	60,000	(5,394)	(65,394)	(3,104)
Total other financing sources (uses)	<u>(1,861,200)</u>	<u>(1,959,321)</u>	<u>(98,121)</u>	<u>(1,823,986)</u>
Excess of revenues and other sources over expenditures and other uses	174,300	414,385	240,085	89,666
Fund balance, beginning	<u>997,644</u>	<u>997,644</u>	<u>-</u>	<u>907,978</u>
Fund balance, ending	<u>\$ 1,171,944</u>	<u>\$ 1,412,029</u>	<u>\$ 240,085</u>	<u>\$ 997,644</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, 1998
With Comparative Actual Amounts for the Year Ended June 30, 1997

	1998		Variance - Favorable (Unfavorable)	1997
	Budget	Actual		
Revenues:				
Taxes -				
Ad valorem taxes	\$ 77,700	\$ 73,673	\$ (4,027)	\$ 76,529
Interest	-	33	33	360
Total revenues	<u>77,700</u>	<u>73,706</u>	<u>(3,994)</u>	<u>76,889</u>
Expenditures:				
Current -				
Public works:				
Materials and supplies	<u>77,400</u>	<u>50,110</u>	<u>27,290</u>	<u>75,557</u>
Excess of revenues over expenditures	300	23,596	23,296	1,332
Fund balance, beginning	<u>5,705</u>	<u>5,705</u>	-	<u>4,373</u>
Fund balance, ending	<u>\$ 6,005</u>	<u>\$ 29,301</u>	<u>\$ 23,296</u>	<u>\$ 5,705</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, 1998

With Comparative Actual Amounts for the Year Ended June 30, 1997

	1998		Variance - Favorable (Unfavorable)	1997
	Budget	Actual		
Revenues:				
Intergovernmental revenue	\$ 84,400	\$ 87,037	\$ 2,637	\$ 86,950
Interest	<u>800</u>	<u>864</u>	<u>64</u>	<u>1,066</u>
Total revenues	<u>85,200</u>	<u>87,901</u>	<u>2,701</u>	<u>88,016</u>
Expenditures:				
Current -				
Public safety:				
Salaries	59,400	64,160	(4,760)	61,745
Insurance	17,000	16,174	826	8,330
Payroll taxes	1,800	1,869	(69)	10,195
Utilities	3,000	2,000	1,000	3,000
Retirement	5,000	5,449	(449)	5,227
Fuel	1,200	1,000	200	1,200
Repairs	3,000	299	2,701	3,670
Miscellaneous	400	748	(348)	12
Professional fees	<u>600</u>	<u>600</u>	<u>-</u>	<u>600</u>
Total expenditures	<u>91,400</u>	<u>92,299</u>	<u>(899)</u>	<u>93,979</u>
Excess (deficiency) of revenues over expenditures	(6,200)	(4,398)	1,802	(5,963)
Fund balance, beginning	<u>32,243</u>	<u>32,243</u>	<u>-</u>	<u>38,206</u>
Fund balance, ending	<u>\$ 26,043</u>	<u>\$ 27,845</u>	<u>\$ 1,802</u>	<u>\$ 32,243</u>

CITY OF EUNICE, LOUISIANA
Special Revenue Funds
Summer Food Program

Statement of Revenues, Expenditures and Changes
in Fund Balance -7 Budget (GAAP Basis) and Actual
Year Ended June 30, 1998
With Comparative Actual Amounts for the Year Ended June 30, 1997

	1998		Variance - Favorable (Unfavorable)	1997
	Budget	Actual		
Revenue:				
Intergovernmental revenue - Grant	\$ 54,967	\$ 63,920	\$ 8,953	\$ 83,900
Expenditures:				
Current -				
Health and welfare:				
Food	30,045	30,252	(207)	37,065
Salaries	16,043	22,401	(6,358)	32,945
Payroll taxes	-	1,425	(1,425)	2,354
Insurance	1,683	1,671	12	3,507
Utilities	2,392	3,123	(731)	4,490
Supplies	1,040	1,947	(907)	1,254
Professional fees	600	1,300	(700)	1,000
Rental	2,495	2,100	395	1,650
Miscellaneous	69	15	54	231
Total expenditures	<u>54,367</u>	<u>64,234</u>	<u>(9,867)</u>	<u>84,496</u>
Excess (deficiency) of revenues over expenditures	600	(314)	(914)	(596)
Fund balance (deficit), beginning	<u>(596)</u>	<u>(596)</u>	<u>-</u>	<u>-</u>
Fund balance (deficit), ending	<u>\$ 4</u>	<u>\$ (910)</u>	<u>\$ (914)</u>	<u>\$ (596)</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, 1998
With Comparative Actual Amounts for the Year Ended June 30, 1997

	1998		Variance - Favorable (Unfavorable)	1997
	Budget	Actual		
Revenue:				
Interest earned	\$ 1,298	\$ 1,293	\$ (5)	\$ 433
Expenditures:				
Current -				
General government:				
Claims	<u>10,102</u>	<u>15,850</u>	<u>(5,748)</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(8,804)	(14,557)	(5,753)	433
Other financing sources:				
Transfers from other funds	<u>46,000</u>	<u>46,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures	37,196	31,443	(5,753)	433
Fund balance, beginning	<u>14,357</u>	<u>14,357</u>	<u>-</u>	<u>13,924</u>
Fund balance, ending	<u>\$ 51,553</u>	<u>\$ 45,800</u>	<u>\$ (5,753)</u>	<u>\$ 14,357</u>

CITY OF EUNICE, LOUISIANA
Special Revenue Funds
Public Safety Testing Fund

Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
Year Ended June 30, 1998

With Comparative Actual Amounts for the Year Ended June 30, 1997

	1998		Variance - Favorable (Unfavorable)	1997
	Budget	Actual		
Revenues:				
Intergovernmental revenue -				
Drug testing receipts	\$ 4,818	\$ 4,235	\$ (583)	\$ 3,010
Interest	83	82	(1)	44
Miscellaneous	-	500	500	-
Total revenues	<u>4,901</u>	<u>4,817</u>	<u>(84)</u>	<u>3,054</u>
Expenditures:				
Current -				
Public safety:				
Undercover fees	1,200	1,100	100	1,035
Miscellaneous	<u>3,561</u>	<u>3,100</u>	<u>461</u>	<u>461</u>
Total expenditures	<u>4,761</u>	<u>4,200</u>	<u>561</u>	<u>1,496</u>
Excess of revenues over expenditures	140	617	477	1,558
Fund balance, beginning	<u>2,924</u>	<u>2,924</u>	-	<u>1,366</u>
Fund balance, ending	<u>\$ 3,064</u>	<u>\$ 3,541</u>	<u>\$ 477</u>	<u>\$ 2,924</u>

CITY OF EUNICE, LOUISIANA
Special Revenue Funds
Appearance Bond Fund

Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
Year Ended June 30, 1998

With Comparative Actual Amounts for the Year Ended June 30, 1997

	1998		Variance - Favorable (Unfavorable)	1997
	Budget	Actual		
Revenues:				
Fines and bonds -				
Appearance Bond receipts	\$ 4,540	\$ 4,474	\$ (66)	\$ 5,221
Miscellaneous	40	91	51	16
Total revenues	<u>4,580</u>	<u>4,565</u>	<u>(15)</u>	<u>5,237</u>
Expenditures:				
Current -				
Public safety:				
Miscellaneous	<u>4,787</u>	<u>3,887</u>	<u>900</u>	<u>4,856</u>
Excess (deficiency) of revenues over expenditures	(207)	678	885	381
Fund balance, beginning	<u>1,360</u>	<u>1,360</u>	<u>-</u>	<u>979</u>
Fund balance, ending	<u>\$ 1,153</u>	<u>\$ 2,038</u>	<u>\$ 885</u>	<u>\$ 1,360</u>

CITY OF EUNICE, LOUISIANA
Special Revenue Funds
Court Witness Fees Fund

Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
Year Ended June 30, 1998
With Comparative Actual Amounts for the Year Ended June 30, 1997

	1998		Variance - Favorable (Unfavorable)	1997
	Budget	Actual		
Revenues:				
Intergovernmental revenues -				
Court witness fees	\$ 6,806	\$ 6,225	\$ (581)	\$ 5,461
Interest	<u>32</u>	<u>32</u>	<u>-</u>	<u>28</u>
Total revenue	<u>6,838</u>	<u>6,257</u>	<u>(581)</u>	<u>5,489</u>
Expenditures:				
Current -				
General government:				
Witness fees	6,350	6,150	200	4,950
Miscellaneous	<u>-</u>	<u>14</u>	<u>(14)</u>	<u>15</u>
Total expenditures	<u>6,350</u>	<u>6,164</u>	<u>186</u>	<u>4,965</u>
Excess of revenues over expenditures	488	93	(395)	524
Fund balance, beginning	<u>1,443</u>	<u>1,443</u>	<u>-</u>	<u>919</u>
Fund balance, ending	<u>\$ 1,931</u>	<u>\$ 1,536</u>	<u>\$ (395)</u>	<u>\$ 1,443</u>

CITY OF EUNICE, LOUISIANA
Special Revenue Funds
Law Enforcement Block Grant

Statement of Revenues, Expenditures and Changes
In Fund Balance – Budget (GAAP Basis) and Actual
Year Ended June 30, 1998
With Comparative Actual Amounts for the Year Ended June 30, 1997

	1998		Variance - Favorable (Unfavorable)	1997
	Budget	Actual		
Revenues:				
Intergovernmental revenue	\$ -	\$ 7,915	\$ 7,915	\$ 20,019
Interest	51	51	-	162
Total revenues	<u>51</u>	<u>7,966</u>	<u>7,915</u>	<u>20,181</u>
Expenditures:				
Current -				
Public safety:				
Salaries	213	8,004	(7,791)	3,052
Payroll taxes	-	89	(89)	44
Repairs	-	-	-	20,027
Miscellaneous	-	35	(35)	-
Total expenditures	<u>213</u>	<u>8,128</u>	<u>(7,915)</u>	<u>23,123</u>
Deficiency of revenues over expenditures	(162)	(162)	-	(2,942)
Other financing sources:				
Transfers from other funds	-	-	-	3,104
Excess (deficiency) of revenues and other sources over expenditures	(162)	(162)	-	162
Fund balance, beginning	<u>162</u>	<u>162</u>	<u>-</u>	<u>-</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 162</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 \$7,070,000 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 used to purchase a manufacturing facility located in the City for lease.

CITY OF EUNICE, LOUISIANA
Debt Service Funds

Combining Balance Sheet
June 30, 1998
With Comparative Actual Amounts for the Year Ended June 30, 1997

	Certificate of Indebtedness	Public Improvement Bonds		State Loan	Totals	
		7/1/88	9/1/92		1998	1997
ASSETS						
Bond and interest redemption funds:						
Cash and cash equivalents	\$ -	\$ 11,010	\$ 256,856	\$ 117,583	\$ 385,449	\$ 364,974
Bond reserve funds:						
Investments, at cost	-	110,670	606,015	-	716,685	716,685
Total assets	<u>\$ -</u>	<u>\$ 121,680</u>	<u>\$ 862,871</u>	<u>\$ 117,583</u>	<u>\$ 1,102,134</u>	<u>\$ 1,081,659</u>
Fund balances:						
Reserved for debt service	<u>\$ -</u>	<u>\$ 121,680</u>	<u>\$ 862,871</u>	<u>\$ 117,583</u>	<u>\$ 1,102,134</u>	<u>\$ 1,081,659</u>

CITY OF EUNICE, LOUISIANA
Debt Service Funds

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Year Ended June 30, 1998
With Comparative Actual Amounts for the Year Ended June 30, 1997

	Certificate of Indebtedness	Public Improvement Bonds		State Loan	Totals	
		7/1/88	9/1/92		1998	1997
Revenues:						
Interest	\$ 56	\$ 10,562	\$ 40,125	\$ 2,710	\$ 53,453	\$ 56,526
Miscellaneous - Industrial lease payments	-	-	-	48,000	48,000	74,759
Total revenues	56	10,562	40,125	50,710	101,453	131,285
Expenditures -						
Debt service:						
Principal retirement	-	55,000	425,000	11,780	491,780	750,583
Interest paid	-	44,040	161,433	9,047	214,520	264,652
Paying agent fees	-	750	522	-	1,272	7,740
Total expenditures	-	99,790	586,955	20,827	707,572	1,022,975
Excess (deficiency) of revenues over expenditures	56	(89,228)	(546,830)	29,883	(606,119)	(891,690)
Other financing sources (uses):						
Proceeds of refunding debt	-	-	-	-	-	810,000
Operating transfers in	-	90,794	597,612	-	688,406	876,117
Payment to refunded debt escrow agent	-	-	-	-	-	(841,667)
Operating transfers out	(23,146)	(5,971)	(32,695)	-	(61,812)	(34,934)
Total other financing sources (uses)	(23,146)	84,823	564,917	-	626,594	809,516
Excess (deficiency) of revenues and other sources over expenditures and other uses	(23,090)	(4,405)	18,087	29,883	20,475	(82,174)
Fund balances, beginning	23,090	126,085	844,784	87,700	1,081,659	1,163,833
Fund balances, ending	\$ -	\$ 121,680	\$ 862,871	\$ 117,583	\$ 1,102,134	\$ 1,081,659

CAPITAL PROJECT FUNDS

Capital Project Funds are used to account for the acquisition and construction of major 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, 1998
With Comparative Totals for the Year Ended June 30, 1997

	Construction Fund	LCDGB Fund	Totals	
			1998	1997
ASSETS				
Cash	\$ 3,219	\$ -	\$ 3,219	\$ 2,480
Investments, at cost	<u>201,270</u>	<u>-</u>	<u>201,270</u>	<u>230,424</u>
Total assets	<u>\$ 204,489</u>	<u>\$ -</u>	<u>\$ 204,489</u>	<u>\$ 232,904</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 1,960	\$ -	\$ 1,960	\$ 2,288
Due to other funds	<u>-</u>	<u>659</u>	<u>659</u>	<u>-</u>
Total liabilities	<u>1,960</u>	<u>659</u>	<u>2,619</u>	<u>2,288</u>
Fund balances (deficit):				
Unreserved, undesignated	<u>202,529</u>	<u>(659)</u>	<u>201,870</u>	<u>230,616</u>
Total liabilities and fund balances	<u>\$ 204,489</u>	<u>\$ -</u>	<u>\$ 204,489</u>	<u>\$ 232,904</u>

CITY OF EUNICE, LOUISIANA
Capital Project Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
June 30, 1998
With Comparative Totals for the Year Ended June 30, 1997

	City Hall Construction Fund	LCDBG Fund	Totals	
			1998	1997
Revenues:				
Intergovernmental revenues -				
Grant revenue	\$ -	\$ -	\$ -	\$ 8,972
Interest	8,876	-	8,876	9,482
Total revenues	<u>8,876</u>	<u>-</u>	<u>8,876</u>	<u>18,454</u>
Expenditures:				
Current -				
Other	36,963	659	37,622	33,600
Capital outlay	-	-	-	8,972
Total expenditures	<u>36,963</u>	<u>659</u>	<u>37,622</u>	<u>42,572</u>
Deficiency of revenues over expenditures	(28,087)	(659)	(28,746)	(24,118)
Fund balances, beginning	<u>230,616</u>	<u>-</u>	<u>230,616</u>	<u>254,734</u>
Fund balances (deficit), ending	<u>\$ 202,529</u>	<u>\$ (659)</u>	<u>\$ 201,870</u>	<u>\$ 230,616</u>

ENTERPRISE FUND

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to provide 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 Sheets
June 30, 1998 and 1997

	1998	1997
ASSETS		
Current assets:		
Cash	\$ 173,964	\$ 225,862
Accounts receivable, (net of allowance for uncollectible accounts of \$27,500 for 1998 and \$32,000 for 1997)	251,920	234,790
Due from other funds	823	1,604
Prepaid expenses	<u>17,458</u>	<u>37,147</u>
Total current assets	<u>444,165</u>	<u>499,403</u>
Restricted assets - customers' deposits:		
Cash	36,888	28,852
Investments, at cost	<u>179,860</u>	<u>173,951</u>
Total restricted assets	<u>216,748</u>	<u>202,803</u>
Plant and equipment, at cost (net of accumulated depreciation 1998 -\$4,659,137; 1997 -\$4,328,632)	<u>8,288,323</u>	<u>8,490,375</u>
Total assets	<u>\$ 8,949,236</u>	<u>\$ 9,192,581</u>
LIABILITIES AND FUND EQUITY		
Current liabilities (payable from current assets)		
Accounts payable	\$ 29,122	\$ 53,685
Compensated absences payable	5,964	5,417
Insurance payable	3,023	19,850
Other payables	1,805	2,559
Accrued liabilities	3,894	3,267
Due to other funds	<u>5,070</u>	<u>235,937</u>
Total current liabilities	<u>48,878</u>	<u>320,715</u>
Current liabilities (payable from restricted assets)		
Customers' deposits	<u>200,520</u>	<u>194,715</u>
Total liabilities	<u>249,398</u>	<u>515,430</u>
Fund equity:		
Contributed equity -		
Contributions from municipality	4,691,860	4,691,860
Contributions from grants	<u>235,664</u>	<u>235,664</u>
Total contributed equity	<u>4,927,524</u>	<u>4,927,524</u>
Retained earnings	<u>3,772,314</u>	<u>3,749,627</u>
Total fund equity	<u>8,699,838</u>	<u>8,677,151</u>
Total liabilities and fund equity	<u>\$ 8,949,236</u>	<u>\$ 9,192,581</u>

CITY OF EUNICE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statements of Revenues, Expenses and
Changes in Retained Earnings
Years Ended June 30, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Operating revenues:		
Charges for services	\$ 2,694,401	\$ 2,753,491
Other billings to customers	<u>48,117</u>	<u>50,663</u>
Total operating revenues	<u>2,742,518</u>	<u>2,804,154</u>
Operating expenses:		
Payroll and related benefits	371,231	371,062
Gas purchases	639,234	635,375
Supplies and materials	93,399	81,596
Repairs and maintenance	102,046	187,180
Office expenses	30,531	32,709
Professional fees	10,967	9,985
Insurance - general	77,243	100,056
Depreciation	335,462	346,302
Group insurance	22,721	20,002
Bad debts	5,504	16,002
Permits	13,633	10,405
Utilities and telephone	134,070	116,190
Miscellaneous	<u>19,163</u>	<u>24,294</u>
Total operating expenses	<u>1,855,204</u>	<u>1,951,158</u>
Operating income	<u>887,314</u>	<u>852,996</u>
Nonoperating income (expenses):		
Interest earned on investments	16,607	14,094
Other revenue	<u>2,851</u>	<u>2,924</u>
Total nonoperating income (expenses)	<u>19,458</u>	<u>17,018</u>
Income before operating transfers	<u>906,772</u>	<u>870,014</u>
Operating transfers:		
Operating transfers in	41,063	19,222
Operating transfers out	<u>(925,148)</u>	<u>(981,200)</u>
Total operating transfers	<u>(884,085)</u>	<u>(961,978)</u>
Net income (loss)	22,687	(91,964)
Retained earnings, beginning	<u>3,749,627</u>	<u>3,841,591</u>
Retained earnings, ending	<u>\$ 3,772,314</u>	<u>\$ 3,749,627</u>

Gas Department		Sewer Department	
1998	1997	1998	1997
\$ 1,546,351	\$ 1,608,667	\$ 1,148,050	\$ 1,144,824
<u>36,292</u>	<u>38,413</u>	<u>11,825</u>	<u>12,250</u>
<u>1,582,643</u>	<u>1,647,080</u>	<u>1,159,875</u>	<u>1,157,074</u>
238,436	225,144	132,795	145,918
639,234	635,375	-	-
38,181	31,452	55,218	50,144
60,906	58,434	41,140	128,746
25,190	27,115	5,341	5,594
7,010	5,688	3,957	4,297
28,785	33,767	48,458	66,289
102,035	113,783	233,427	232,519
16,929	13,390	5,792	6,612
5,504	16,002	-	-
-	-	13,633	10,405
2,226	2,239	131,844	113,951
<u>6,838</u>	<u>7,104</u>	<u>12,325</u>	<u>17,190</u>
<u>1,171,274</u>	<u>1,169,493</u>	<u>683,930</u>	<u>781,665</u>
<u>\$ 411,369</u>	<u>\$ 477,587</u>	<u>\$ 475,945</u>	<u>\$ 375,409</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 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 Fund

Comparative Balance Sheets
June 30, 1998 and 1997

	1998	1997
ASSETS		
Current assets:		
Cash	\$ 25,140	\$ 47,922
Investments	<u>65,236</u>	<u>82,398</u>
Total assets	<u>\$ 90,376</u>	<u>\$ 130,320</u>
LIABILITIES AND FUND EQUITY		
Retained earnings	<u>\$ 90,376</u>	<u>\$ 130,320</u>
Total liabilities and fund equity	<u>\$ 90,376</u>	<u>\$ 130,320</u>

CITY OF EUNICE, LOUISIANA
Internal Service Fund
Group Insurance Fund

Comparative Statements of Revenues, Expenses and
Changes in Retained Earnings
Years Ended June 30, 1998 and 1997

	1998	1997
Operating revenues:		
Charge for services - Group insurance	<u>\$ 216,656</u>	<u>\$ 170,771</u>
Operating expenses:		
Insurance premiums	99,012	78,217
Claims (net)	<u>140,427</u>	<u>82,141</u>
Total operating expenses	<u>239,439</u>	<u>160,358</u>
Operating income (loss)	(22,783)	10,413
Nonoperating income:		
Interest income	2,215	2,201
Operating transfers:		
Operating transfers out	<u>(19,376)</u>	<u>-</u>
Net income (loss)	(39,944)	12,614
Retained earnings, beginning	<u>130,320</u>	<u>117,706</u>
Retained earnings, ending	<u>\$ 90,376</u>	<u>\$ 130,320</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 Sheets
June 30, 1998 and 1997

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash	\$ 81,708	\$ 83,871
Due from other funds	<u>38,183</u>	<u>18,721</u>
Total assets	<u>\$ 119,891</u>	<u>\$ 102,592</u>
LIABILITIES		
Accrued liabilities	<u>\$ 119,891</u>	<u>\$ 102,592</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, 1998

	Land and Buildings	Industrial Facilities	Autos, Equipment, Furniture and Fixtures	Total
General fixed assets, July 1, 1997	\$ 5,754,940	\$ 1,175,184	\$ 2,026,107	\$ 8,956,231
Additions	-	-	189,124	189,124
Deductions	-	-	121,058	121,058
General fixed assets, June 30, 1998	<u>\$ 5,754,940</u>	<u>\$ 1,175,184</u>	<u>\$ 2,094,173</u>	<u>\$ 9,024,297</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
General Long-Term Debt Account Group

Combining Statement of General Long-Term Debt
June 30, 1998
With Comparative Totals for June 30, 1997

	Public Improvement Bonds		State Loan	Sales Tax Fund Installment Purchase Contract	Liability Insurance Claims Payable	Totals	
	7/1/88	9/1/92				1998	1997
Amount Available and to be Provided for the Payment of General Long-Term Debt							
Amount available in Debt Service Funds for debt retirement	\$ 121,680	\$ 862,871	\$ 117,583	\$ -	\$ -	\$ 1,102,134	\$ 1,058,569
Amount to be provided from -							
Sale and use taxes	678,320	1,672,129	-	-	-	2,350,449	2,844,131
Industrial lease payments	-	-	16,459	-	-	16,459	58,123
Excess annual revenue	-	-	-	155,085	93,192	248,277	262,871
	<u>\$ 800,000</u>	<u>\$ 2,535,000</u>	<u>\$ 134,042</u>	<u>\$ 155,085</u>	<u>\$ 93,192</u>	<u>\$ 3,717,319</u>	<u>\$ 4,223,694</u>
General Long-Term Debt Payable							
Bonds payable	\$ 800,000	\$ 2,535,000	\$ -	\$ -	\$ -	\$ 3,335,000	\$ 3,815,000
Estimated liability for claims and judgments	-	-	-	-	48,915	48,915	28,000
General long-term debt	-	-	134,042	155,085	44,277	333,404	380,694
Total general long-term debt payable	<u>\$ 800,000</u>	<u>\$ 2,535,000</u>	<u>\$ 134,042</u>	<u>\$ 155,085</u>	<u>\$ 93,192</u>	<u>\$ 3,717,319</u>	<u>\$ 4,223,694</u>

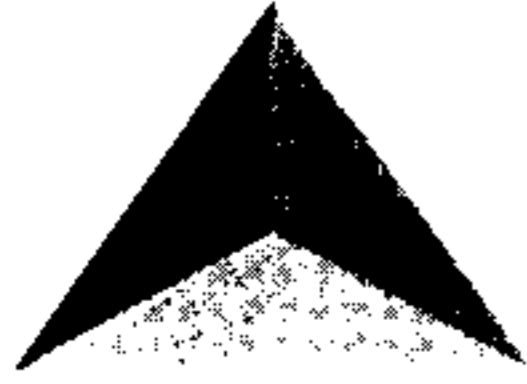
OTHER SUPPLEMENTARY INFORMATION

CITY OF EUNICE, LOUISIANA

Schedule of Per Diem Paid to Members of the Council
Year Ended June 30, 1998

Kenneth J. Peart, Mayor	\$ 2,447
Nolton Anderson	71
Louis Pavur	71
I. Jackson Burson	<u>71</u>
	<u>\$ 2,660</u>

INTERNAL CONTROL, COMPLIANCE
AND
OTHER GRANT INFORMATION



Darnall, Sikes & Frederick

(A Corporation of Certified Public Accountants)

Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of General Purpose Financial Statements Performed in Accordance with Government Auditing Standards

The Honorable Mayor Kenneth J. Peart
and Members of the Council
City of Eunice, Louisiana

Eugene H. Darnall, CPA, Retired 1990

E. Larry Sikes, CPA, CVA
Danny P. Frederick, CPA
Clayton E. Darnall, CPA
Eugene H. Darnall, III, CPA
Paula D. Bilim, CPA
Stephanie M. Hippibotham, CPA

Floyd L. Doré, Jr., CPA

Kathleen T. Darnall, CPA
Jennifer S. Ziegler, CPA
Stephen R. Dirschler, MBA, CPA
Chris A. Miller, CPA
Alan M. Taylor, CPA
Christine A. Raspberry, CPA
John P. Armato, CPA
Steven G. Moosa, CPA
Erich G. Loewer, Jr., CPA
Tamera T. Landry, CPA
Erich G. Loewer, III, CPA
Kelley D. Hawkins, CPA
Celia R. Fontenot, CPA

Offices:

125 Rue Bennegard
Lafayette, LA 70508
318.232.3312

12311 Laurel Avenue
Eunice, LA 70535
318.457.4116

1201 Brashear Avenue
Suite 301
Morgan City, LA 70380
504.384.6264

404 Pere Meuret
Abbeville, LA 70510
318.893.5470

dstepas.com

We have audited the general purpose financial statements of the City of Eunice, Louisiana, as of and for the year ended June 30, 1998, and have issued our report thereon dated September 2, 1998. We have conducted our audit in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations".

Compliance

As part of obtaining reasonable assurance about whether the City of Eunice, Louisiana's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance that are required to be reported under Government Auditing Standards, which are described in the accompanying schedule of findings and questioned costs as items 98-2 and 98-3.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Eunice, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the City of Eunice, Louisiana's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 98-1.

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Society of Louisiana
Certified Public Accountants

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the 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 over financial reporting 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 condition described in the schedule of findings and questioned costs as item 98-1 is a material weakness.

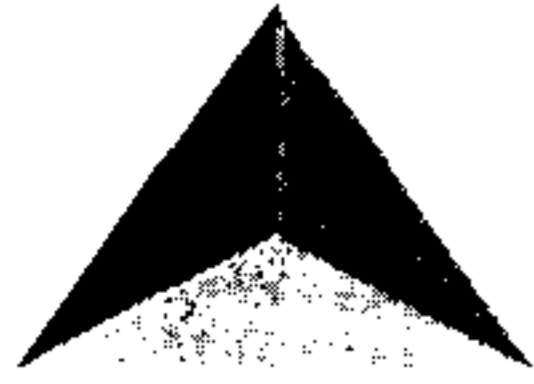
This report is intended for the information of the City Council and management. However, this report is a matter of public record and its distribution is not limited.

Dannall, Sikes & Frederick

A Corporation of Certified Public Accountants

Monroe, Louisiana

September 2, 1998



Darnall, Sikes & Frederick

(A Corporation of Certified Public Accountants)

Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133

Eugene H. Darnall, CPA, Retired 1990

E. Larry Sikes, CPA, CVA
Danny P. Frederick, CPA
Clayton E. Darnall, CPA
Eugene H. Darnall, III, CPA
Paula D. Bihm, CPA
Stephanie M. Higinbotham, CPA

Floyd L. Dore, Jr., CPA

Kathleen L. Darnall, CPA
Jennifer S. Ziegler, CPA
Stephen R. Dischler, MBA, CPA
Chris A. Miller, CPA
Alan M. Taylor, CPA
Christine A. Raspberry, CPA
John P. Amato, CPA
Steven G. Mousa, CPA
Erich G. Loewer, Jr., CPA
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Kelley D. Hawkins, CPA
Culla R. Fontenot, CPA

Offices:

125 Rue Beauregard
Lafayette, LA 70508
318.232.3312

12311 Laurel Avenue
Lunice, LA 70535
318.457.4146

1201 Brashear Avenue
Suite 301
Morgan City, LA 70380
504.384.6264

404 Pere Meget
Abbeville, LA 70510
318.893.5470

The Honorable Mayor Kenneth J. Peart
and Members of the Council
City of Eunice, Louisiana

Compliance

We have audited the compliance of the City of Eunice, Louisiana with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended June 30, 1998. The City of Eunice, Louisiana's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the City of Eunice, Louisiana's management. Our responsibility is to express an opinion on the City of Eunice, Louisiana's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations". Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Eunice, Louisiana's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Eunice, Louisiana's compliance with those requirements.

In our opinion, the City of Eunice, Louisiana complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 1998.

Internal Control Over Compliance

The management of the City of Eunice, Louisiana is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants

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applicable to federal programs. In planning and performing our audit, we considered the City of Eunice, Louisiana's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order determine our auditing procedures for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted a certain matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the City of Eunice, Louisiana's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 98-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not disclose all reportable conditions that are considered to be material weaknesses. However, we believe the reportable condition described in the accompanying schedule of findings and questioned costs as item 98-1 is a material weakness.

This report is intended for the information of the City Council, management and federal awarding agencies. However, this report is a matter of public record and its distribution is not limited.

Darnall, Sikes & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana
September 2, 1998

CITY OF EUNICE, LOUISIANA

Summary Schedule of Prior Year Findings
Year Ended June 30, 1998

97-1 Finding: Inadequate Segregation of Accounting Functions

Status: This finding is unresolved. See current year finding 98-1.

97-2 Finding: Budget Compliance

Status: This finding was resolved relative to the particular funds for which the city was cited. However, during the current year other funds failed to comply with the budget laws. See current year findings 98-2 and 98-3.

CITY OF EUNICE, LOUISIANA
Schedule of Findings and Questioned Costs
Year Ended June 30, 1998

Part 1 Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report

An unqualified opinion has been issued on the City of Eunice, Louisiana's general purpose financial statements as of and for the year ended June 30, 1998.

Reportable Conditions – Financial Reporting

One reportable condition in internal control over financial reporting was disclosed during the audit of the financial statements and is shown as items 98-1 in Part 2 and is considered a material weakness.

Material Noncompliance – Financial Reporting

There were two instances of noncompliance material to the financial statements disclosed during the audit of the financial statement as reported in Part 2 as items 98-2 and 98-3.

FEDERAL AWARDS

Major Program Identification

The City of Eunice, Louisiana at June 30, 1998, had one major program: Food Stamp Program, which received funds from the Department of Agriculture "passed through" the Louisiana Department of Health and Human Services.

Low-Risk Auditee

The City of Eunice, Louisiana is not considered a low-risk auditee for the year ended June 30, 1998.

Major Program – Threshold

The dollar threshold to distinguish Type A and Type B programs is \$300,000 for the year ended June 30, 1998.

Auditor's Report – Major Program

An unqualified opinion has been issued on the City of Eunice, Louisiana's compliance for its major program as of and for the year ended June 30, 1998.

Reportable Conditions – Major Program

There were one reportable condition as shown in Part 3 as item 98-1, noted during the audit of the major federal program. This reportable condition is considered a material weakness.

CITY OF EUNICE, LOUISIANA

Schedule of Findings and Questioned Costs
Year Ended June 30, 1998

Part 1 Summary of Auditor's Results (Continued)

Compliance Finding Related to Major Program

The audit did not disclose any material noncompliance or questioned costs relative to its federal program.

Part 2 Findings Relating to an Audit in Accordance with Government Auditing Standards

98-1 Individual Segregation of Accounting Functions

Finding:

Due to the small number of accounting personnel, the City did not have adequate segregation of functions within the accounting system.

Recommendation:

Based on the size of the operation and the cost-benefit of additional accounting personnel, it may not be feasible to achieve complete segregation of duties.

98-2 Budget Compliance

Criteria:

La. R.S. 39:1304 requires that the city prepare and adopt a budget for all special revenue funds.

Finding:

The City of Eunice, Louisiana, failed to adopt a budget for the Criminal Task Force Grant Program, a special revenue fund.

Recommendation:

The City should implement procedures to insure that budgets are adopted for all special revenue funds.

98-3 Budgets

Criteria:

La. R.S. 39:1310 requires that a budget be amended when actual revenues fail to meet estimated annual budgeted revenues by five percent or more or when actual expenditures exceed budgeted expenditures by five percent or more.

CITY OF EUNICE, LOUISIANA

Schedule of Findings and Questioned Costs
Year Ended June 30, 1998

Part 2 Findings Relating to an Audit in Accordance with Government Auditing Standards (Continued)

Finding:

For the year ended June 30, 1998, the budgets for the Summer Food Program, the Dedicated Escrow Fund and the Law Enforcement Block Grant Fund were not amended when actual expenditures exceeded budgeted expenditures by more than five percent.

Recommendation:

The City of Eunice should amend the budgets as needed.

Part 3 Findings and Questioned Costs Relating to the Federal Programs

98-1 See description of finding in Part 2.

CITY OF EUNICE, LOUISIANA

Management's Corrective Action Plan for Current Year Findings
Year Ended June 30, 1998

Response to finding 98-1:

A complete segregation of duties is not feasible due to the cost-benefit of hiring additional personnel and the size of the City.

Response to finding 98-2:

Procedures will be implemented in the future to insure that budgets will be adopted for all special revenue funds.

Response to finding 98-3:

The City of Eunice, Louisiana will implement procedures to insure that budgets are amended in accordance with La. R.S. 39:1310.

CITY OF EUNICE, LOUISIANA

Schedule of Expenditures of Federal Awards
Year Ended June 30, 1998

<u>Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Disbursements/ Expenditures</u>	<u>Amounts to Subrecipients</u>
<u>U.S. Department of Agriculture:</u>			
Passed through Louisiana Department of Health and Human Services:			
Food Stamp Program	10.551	\$ 199,706	\$ -
State Administrative Matching Grant for Food Stamp Program	10.561	1,636	-
Passed through Louisiana Department of Agriculture:			
Food Distribution	10.550	361	-
Passed through Louisiana Department of Education:			
Summer Food Program	10.559	63,559	-
<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	46,000	-
<u>U.S. Department of Interior National Park Service:</u>			
Liberty Theater Programs	N/A	6,400	-
<u>U.S. Department of Justice</u>			
Local Law Enforcement Block Grant Program	16.592	36,235	-
Passed through Louisiana Commission on Law Enforcement:			
Home Detention Program	16.540	4,048	-
Total expenditures of federal awards		<u>\$ 357,945</u>	<u>\$ -</u>