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TOWN OF GUEYDAN, LOUISIANA
FINANCIAL REPORT
DECEMBER 31, 1998

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

Release Date 7-21-99

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The Honorable Manson Saltzman, Mayor,
and the Board of Aldermen
Town of Gueydan, Louisiana

We have audited the accompanying general purpose financial statements of the Town of Gueydan, Louisiana as of December 31, 1998 and for the year then ended. These general purpose financial statements are the responsibility of the Town'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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Gueydan, Louisiana, as of December 31, 1998, and the results of its operations and the cash flows of its proprietary fund type for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated March 5, 1999 on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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The Honorable Manson Saltzman, Mayor,
and the Board of Aldermen
Town of Gueydan, Louisiana

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Town of Gueydan, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

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

BROUSSARD, POCHÉ, LEWIS & BREUX, L.L.P.

Crowley, Louisiana
March 5, 1999

GENERAL PURPOSE FINANCIAL STATEMENTS
(Combined Statements - Overview)

TOWN OF GUEYDAN, LOUISIANA

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
December 31, 1998

With Comparative Totals for December 31, 1997

ASSETS	Governmental Fund Types			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Cash	\$563,787	\$ 67,561	\$ 24,918	\$ -
Investments, at cost	58,185	260,438	-	-
Receivables (net of allowance for uncollectibles):				
Accounts	-	-	-	-
Ad valorem tax	8,814	-	-	-
Accrued interest	877	2,409	-	-
Grant receivable	25,000	-	-	-
Due from other governments	2,863	10,572	-	-
Unbilled revenue	-	-	-	-
Prepaid expenses	-	-	-	-
Due from other funds	-	-	-	-
Restricted assets (customer deposits):				
Cash	-	-	-	-
Investments, at cost	-	-	-	-
Fixed assets (net of depreciation)	-	-	-	-
	<u>\$659,526</u>	<u>\$340,980</u>	<u>\$ 24,918</u>	<u>\$ -</u>

See Notes to Financial Statements.

Exhibit A

<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Account Group</u>	<u>Totals</u>	
			<u>(Memorandum Only)</u>	
<u>Enterprise</u>	<u>Agency</u>	<u>General Fixed Assets</u>	<u>1998</u>	<u>1997</u>
\$ 805,275	\$ -	\$ -	\$1,461,541	\$1,462,757
275,603	-	-	594,226	565,860
113,789	-	-	113,789	133,895
-	-	-	8,814	8,725
3,440	-	-	6,726	6,002
-	-	-	25,000	-
-	-	-	13,435	15,573
68,703	-	-	68,703	65,327
7,819	-	-	7,819	14,835
40,939	-	-	40,939	41,585
18,425	-	-	18,425	15,725
27,331	-	-	27,331	26,277
<u>3,670,783</u>	<u>-</u>	<u>1,188,180</u>	<u>4,858,963</u>	<u>4,685,501</u>
<u>\$5,032,107</u>	<u>\$ -</u>	<u>\$1,188,180</u>	<u>\$7,245,711</u>	<u>\$7,042,062</u>

(Continued)

TOWN OF GUEYDAN, LOUISIANA

COMBINED BALANCE SHEET -
 ALL FUND TYPES AND ACCOUNT GROUPS (CONTINUED)
 December 31, 1998
 With Comparative Totals for December 31, 1997

LIABILITIES AND FUND EQUITY	Governmental Fund Types			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
LIABILITIES				
Accounts payable	\$ -	\$ 7,815	\$ -	\$ -
Retainage payable	-	22,366	-	-
Accrued liabilities	39	-	-	-
Due to other funds	40,322	617	-	-
Payable from restricted assets:				
Customers deposits	-	-	-	-
Total liabilities	<u>\$ 40,361</u>	<u>\$ 30,798</u>	<u>\$ -</u>	<u>\$ -</u>
FUND EQUITY				
Contributed capital	\$ -	\$ -	\$ -	\$ -
Investment in general fixed assets	-	-	-	-
Retained earnings:				
Unreserved	-	-	-	-
Fund balance:				
Reserved for street improvements	-	-	-	-
Reserved for gas system and street improvements	-	-	-	-
Reserved for sewer and waterworks system improvements	-	-	24,918	-
Unreserved	619,165	310,182	-	-
Total fund equity	<u>\$619,165</u>	<u>\$310,182</u>	<u>\$ 24,918</u>	<u>\$ -</u>
	<u>\$659,526</u>	<u>\$340,980</u>	<u>\$ 24,918</u>	<u>\$ -</u>

See Notes to Financial Statements.

Exhibit A
(Continued)

<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Account Group</u> <u>General Fixed Assets</u>	<u>Totals</u> <u>(Memorandum Only)</u>	
			<u>1998</u>	<u>1997</u>
<u>Enterprise</u>	<u>Agency</u>			
\$ 93,596	\$ -	\$ -	\$ 101,411	\$ 79,620
3,194	-	-	25,560	-
39	-	-	78	196
-	-	-	40,939	41,585
<u>25,725</u>	<u>-</u>	<u>-</u>	<u>25,725</u>	<u>23,370</u>
<u>\$ 122,554</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 193,713</u>	<u>\$ 144,771</u>
\$3,279,485	\$ -	\$ -	\$3,279,485	\$3,031,021
-	-	1,188,180	1,188,180	1,149,004
1,630,068	-	-	1,630,068	1,604,473
-	-	-	-	1,641
-	-	-	-	15,899
-	-	-	24,918	24,918
-	-	-	929,347	1,070,335
<u>\$4,909,553</u>	<u>\$ -</u>	<u>\$1,188,180</u>	<u>\$7,051,998</u>	<u>\$6,897,291</u>
<u>\$5,032,107</u>	<u>\$ -</u>	<u>\$1,188,180</u>	<u>\$7,245,711</u>	<u>\$7,042,062</u>

TOWN OF GUEYDAN, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
Year Ended December 31, 1998

With Comparative Totals for Year Ended December 31, 1997

General

Revenues:

Taxes	\$ 21,794
Licenses and permits	49,656
Intergovernmental	78,456
Charges for services	2,370
Fines and forfeits	4,182
Interest	15,180
Other	<u>12,120</u>
	<u>\$ 183,758</u>

Expenditures:

Current:

General government	\$ 97,428
Public safety	181,883
Public works	169,974
Culture and recreation	-
Capital outlays	199,995
Debt service:	
Principal retirement	-
Interest and fiscal charges	-
	<u>\$ 649,280</u>

Excess (deficiency) of revenues over expenditures

\$ (465,522)

Other financing sources (uses):

Operating transfers out	\$ -
Operating transfers in	<u>451,200</u>
Total other financing sources (uses)	<u>\$ 451,200</u>

Excess (deficiency) of revenues and other
sources over expenditures and other uses

\$ (14,322)

Fund balances - beginning

633,487

Fund balances - ending

\$ 619,165

See Notes to Financial Statements.

<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total (Memorandum Only)</u>	
			<u>1998</u>	<u>1997</u>
\$ 126,555	\$ -	\$ -	\$ 148,349	\$ 136,756
-	-	-	49,656	50,240
3,475	-	-	81,931	310,004
-	-	-	2,370	3,180
-	-	-	4,182	6,919
12,180	-	-	27,360	27,821
3,624	-	-	15,744	13,912
<u>\$ 145,834</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 329,592</u>	<u>\$ 548,832</u>
\$ 1,133	\$ -	\$ -	\$ 98,561	\$ 108,427
890	-	-	182,773	189,846
-	-	-	169,974	172,573
9,013	-	-	9,013	-
248,464	-	-	448,459	502,447
-	-	-	-	-
<u>\$ 259,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 908,780</u>	<u>\$ 973,293</u>
<u>\$ (113,666)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (579,188)</u>	<u>\$ (424,461)</u>
\$ (13,000)	\$ (17,540)	\$ -	\$ (30,540)	\$ (214,890)
-	-	-	451,200	680,284
<u>\$ (13,000)</u>	<u>\$ (17,540)</u>	<u>\$ -</u>	<u>\$ 420,660</u>	<u>\$ 465,394</u>
\$ (126,666)	\$ (17,540)	\$ -	\$ (158,528)	\$ 40,933
<u>436,848</u>	<u>42,458</u>	<u>-</u>	<u>1,112,793</u>	<u>1,071,860</u>
<u>\$ 310,182</u>	<u>\$ 24,918</u>	<u>\$ -</u>	<u>\$ 954,265</u>	<u>\$1,112,793</u>

TOWN OF GUEYDAN, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL - GENERAL AND
SPECIAL REVENUE FUND TYPES
Year Ended December 31, 1998

	<u>General Fund</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:			
Taxes	\$ 17,000	\$ 21,794	\$ 4,794
Licenses and permits	44,000	49,656	5,656
Intergovernmental	43,400	78,456	35,056
Charges for services	-	2,370	2,370
Fines and forfeits	2,730	4,182	1,452
Interest	7,000	15,180	8,180
Other	3,000	12,120	9,120
	<u>\$ 117,130</u>	<u>\$ 183,758</u>	<u>\$ 66,628</u>
Expenditures:			
Current:			
General government	\$ 109,000	\$ 97,428	\$ 11,572
Public safety	196,215	181,883	14,332
Public works	196,714	169,974	26,740
Culture and recreation	-	-	-
Capital outlays	102,821	199,995	(97,174)
	<u>\$ 604,750</u>	<u>\$ 649,280</u>	<u>\$ (44,530)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (487,620)</u>	<u>\$ (465,522)</u>	<u>\$ 22,098</u>
Other financing sources (uses):			
Operating transfers in	\$ 451,200	\$ 451,200	\$ -
Operating transfers out	-	-	-
Total other financing sources (uses)	<u>\$ 451,200</u>	<u>\$ 451,200</u>	<u>\$ -</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (36,420)</u>	<u>\$ (14,322)</u>	<u>\$ 22,098</u>
Fund balances - beginning	<u>633,487</u>	<u>633,487</u>	<u>-</u>
Fund balances - ending	<u>\$ 597,067</u>	<u>\$ 619,165</u>	<u>\$ 22,098</u>

See Notes to Financial Statements.

<u>Special Revenue Funds</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
\$ 112,981	\$ 126,555	\$ 13,574
-	-	-
3,500	3,475	(25)
-	-	-
-	-	-
-	12,180	12,180
-	3,624	3,624
<u>\$ 116,481</u>	<u>\$ 145,834</u>	<u>\$ 29,353</u>
\$ -	\$ 1,133	\$ (1,133)
1,006	890	116
-	-	-
8,700	9,013	(313)
<u>266,000</u>	<u>248,464</u>	<u>17,536</u>
<u>\$ 275,706</u>	<u>\$ 259,500</u>	<u>\$ 16,206</u>
<u>\$ (159,225)</u>	<u>\$ (113,666)</u>	<u>\$ 45,559</u>
\$ -	\$ -	\$ -
(13,000)	(13,000)	-
<u>\$ (13,000)</u>	<u>\$ (13,000)</u>	<u>\$ -</u>
\$ (172,225)	\$ (126,666)	\$ 45,559
<u>436,848</u>	<u>436,848</u>	<u>-</u>
<u>\$ 264,623</u>	<u>\$ 310,182</u>	<u>\$ 45,559</u>

TOWN OF GUEYDAN, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
PROPRIETARY FUND TYPE

Year Ended December 31, 1998

With Comparative Totals for Year Ended December 31, 1997

	<u>Public Utility Fund</u>	
	<u>1998</u>	<u>1997</u>
Operating revenues:		
Charges for services	\$1,769,063	\$1,825,508
Other	<u>10,977</u>	<u>8,894</u>
	<u>\$1,780,040</u>	<u>\$1,834,402</u>
Operating expenses:		
Personal services	\$ 156,263	\$ 151,738
Fuel purchased	835,075	863,749
Supplies and materials	57,491	59,257
Heat, light and power	61,452	64,448
Depreciation	178,578	174,853
Insurance	16,765	20,220
Miscellaneous	7,377	5,982
Printing, stationery and supplies	2,929	4,122
Auditing and accounting	5,200	4,920
Auto and truck	15,824	37,466
Repairs	16,734	12,967
Seminars and workshops	1,467	52
Testing and reporting	<u>5,588</u>	<u>4,821</u>
	<u>\$1,360,743</u>	<u>\$1,404,595</u>
Operating income	<u>\$ 419,297</u>	<u>\$ 429,807</u>
Non-operating income (expense):		
Interest income	\$ 27,568	\$ 23,132
Loss on sale of equipment	<u>(611)</u>	<u>-</u>
	<u>\$ 26,957</u>	<u>\$ 23,132</u>
Income before other operating transfers	<u>\$ 446,254</u>	<u>\$ 452,939</u>
Operating transfers in (out):		
Operating transfers in	\$ 11,500	\$ 48,500
Operating transfers out	<u>(432,159)</u>	<u>(513,894)</u>
	<u>\$ (420,659)</u>	<u>\$ (465,394)</u>
Net income (loss)	\$ 25,595	\$ (12,455)
Retained earnings, beginning	<u>1,604,473</u>	<u>1,616,928</u>
Retained earnings, ending	<u>\$1,630,068</u>	<u>\$1,604,473</u>
See Notes to Financial Statements.		

TOWN OF GUEYDAN, LOUISIANA

COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE

Year Ended December 31, 1998

With Comparative Totals for Year Ended December 31, 1997

	<u>Public Utility Fund</u>	
	<u>1998</u>	<u>1997</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income	\$ 419,297	\$ 429,807
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	178,578	174,853
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	20,106	(4,096)
(Increase) decrease in accrued interest receivable	(811)	(173)
(Increase) decrease in prepaid expenses	7,016	3,712
(Increase) decrease in unbilled revenue	(3,376)	14,751
(Increase) decrease in due from other funds	646	(2,584)
(Increase) decrease in due from other governments	1,906	(1,906)
Increase (decrease) in accounts payable	22,351	(2,564)
Increase (decrease) in customer deposits	2,355	(1,455)
Increase (decrease) in accrued liabilities	(59)	-
Increase (decrease) in retainage payable	<u>3,194</u>	<u>-</u>
Net cash provided by operating activities	<u>\$ 651,203</u>	<u>\$ 610,345</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating transfers out to other funds	\$ (432,159)	\$ (513,894)
Operating transfers in from other funds	<u>11,500</u>	<u>48,500</u>
Net cash used by noncapital financing activities	<u>\$ (420,659)</u>	<u>\$ (465,394)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	\$ (65,566)	\$ (45,630)
Proceeds from sale of fixed assets	<u>555</u>	<u>-</u>
Net cash used by capital and related financing activities	<u>\$ (65,011)</u>	<u>\$ (45,630)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	\$ 27,568	\$ 23,132
Proceeds from maturities of certificates of deposit	299,881	203,660
Purchase of certificates of deposit	<u>(409,015)</u>	<u>(212,164)</u>
Net cash provided (used) by investing activities	<u>\$ (81,566)</u>	<u>\$ 14,628</u>
Net increase in cash (subtotals forward)	<u>\$ 83,967</u>	<u>\$ 113,949</u>

TOWN OF GUEYDAN, LOUISIANA

COMBINED STATEMENT OF CASH FLOWS (CONTINUED)
 PROPRIETARY FUND TYPE
 Year Ended December 31, 1998
 With Comparative Totals for Year Ended December 31, 1997

	<u>Public Utility Fund</u>	
	<u>1998</u>	<u>1997</u>
Net increase in cash (subtotals forwarded)	\$ 83,967	\$ 113,949
Cash, beginning	<u>739,733</u>	<u>625,784</u>
Cash, ending	<u>\$ 823,700</u>	<u>\$ 739,733</u>
Noncash capital and financing activities:		
Contribution of fixed assets from government	<u>\$ 248,464</u>	<u>\$ -</u>

See Notes to Financial Statements.

TOWN OF GUEYDAN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The Town of Gueydan was incorporated in 1899, under the provisions of the Lawrason Act. The Town operates under a Mayor - Board of Aldermen form of government and provides the following services as authorized by its charter: public safety, police, fire and civil defense, highways and streets, sanitation, culture - recreation, public improvements, planning and zoning, and general administrative services.

The accounting policies of the Town conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

- A. Reporting Entity - In evaluating how to define the Town 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 Town is able to exercise oversight responsibilities.

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

The Gueydan Housing Authority's Board of Directors is appointed by the Mayor and Board of Aldermen. However, the Town's oversight responsibilities in the management of operations and financial accountability is remote.

The Town of Gueydan has no authority over nor is it involved with the record keeping of the Volunteer Fire Department.

NOTES TO FINANCIAL STATEMENTS

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

GOVERNMENTAL FUNDS

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

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

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

Capital Projects Funds - Capital project funds are used to account for financial resources to be used for acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

PROPRIETARY FUNDS

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

NOTES TO FINANCIAL STATEMENTS

FIDUCIARY FUNDS

Agency Funds

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

- C. Fixed Assets and Long-Term liabilities - The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in governmental funds. General fixed assets including buildings and other improvements are capitalized, whereas items such as roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are not. No depreciation has been provided on general fixed assets.

All purchased fixed assets are valued at historical cost. Donated fixed assets are valued at their estimated fair value on the date donated.

Long-term liabilities expected to be financed from governmental funds are accounted for in the general long-term debt account group, not in the governmental funds.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the general long-term debt account group.

NOTES TO FINANCIAL STATEMENTS

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or non-current) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations.

Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight line method. The estimated useful lives are as follows:

Water works plant and equipment	10 - 30 years
Power plant and equipment	10 - 20 years
Gas plant and equipment	10 - 40 years
Sewer plant and equipment	10 - 30 years

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

All governmental funds and agency funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

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

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

NOTES TO FINANCIAL STATEMENTS

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, APB 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 Town have elected not to apply FASB Statements and Interpretations issued after November 30, 1989, unless they are adopted by GASB.

E. Budgets and Budgetary Accounting - The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to January 1, the Mayor submits to the Town Council a proposed operating budget for the ensuing year. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at the Town Hall to obtain taxpayer comments.
3. The budget is legally enacted through passage of a resolution.
4. An amendment involving the transfer of monies from one department to another or from one program or function to another, or any other increases in expenditures exceeding amounts estimated, must be approved by the council.
5. Budgets for the general, special revenue, and enterprise funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).
6. The budget is employed as a management control device during the year for the general fund, special revenue funds, and enterprise fund.

All budget appropriations lapse at year end.

The budget as shown is as amended by the Board of Aldermen in open meeting. Expenditures may not legally exceed budgeted appropriations by more than 5% at the individual fund level. Special revenue funds with anticipated expenditures of \$250,000 or less and special revenue funds whose expenditures drive revenue recognition (primarily federal funds) are exempted from the amendment requirements by state law. General fund expenditures exceeded budgeted amounts by more than 5%.

NOTES TO FINANCIAL STATEMENTS

- F. Investments - Investments are stated at cost or amortized cost, which approximates market.
- G. Comparative Data - Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Town's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read. Immaterial amounts have been reclassified in the prior year data to be consistent with current year classifications.
- H. Bad Debts - Uncollectible amounts due from customers' utility receivables are recognized as bad debts through the adjustment of an allowance account to the balance of individual accounts.
- I. Compensated Absences - Sick leave and vacation leave are awarded on a calendar year basis and cannot be carried over to the next year. Therefore, no liability for compensated absences is recorded in the financial statements.
- J. Unbilled Revenue - This amount represents revenue earned in the current year but not billed until the next billing cycle.
- K. Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
- L. Cash and Cash Equivalents - For reporting purposes, cash and cash equivalents include demand deposits and certificates of deposit with an original maturity of 90 days or less.
- M. Total Columns on Combined Statements - Overview - Total columns on the Combined Statements - Overview are captioned Memorandum Only to indicate that they are presented to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTES TO FINANCIAL STATEMENTS

Note 2. Property Taxes

Property taxes attach as an enforceable lien on property as of March 1. Taxes are levied on December 1 and are payable by February 28. The Town bills and collects its own property taxes. Town property tax revenues are recognized when levied to the extent that they result in current receivables.

The Town levies taxes at 4.49 mills on the dollar of assessed valuation of property. For the year ended December 31, 1998, the assessed valuation of property amounted to \$3,624,130. Taxes levied are dedicated to general corporate purposes.

Note 3. Fixed Assets

A summary of changes in general fixed assets follows:

	Balance Jan. 1, <u>1998</u>	<u>Additions</u>	<u>Deletions</u>	Balance Dec. 31, <u>1998</u>
Land	\$ 26,949	\$ -	\$ -	\$ 26,949
Buildings	347,695	-	-	347,695
Improvements other than buildings	178,384	38,688	-	217,072
Equipment	<u>595,976</u>	<u>488</u>	-	<u>596,464</u>
	<u>\$1,149,004</u>	<u>\$ 39,176</u>	<u>\$ -</u>	<u>\$1,188,180</u>

A summary of proprietary fund type property, plant, and equipment at December 31, 1998 follows:

	<u>Public Utility Fund</u>
Waterworks	\$ 1,667,747
Power and light system	1,443,175
Sewerage plant	2,372,644
Gas plant	1,007,766
Construction in progress-sewer ext.	<u>173,917</u>
Total	\$ 6,665,249
Less accumulated depreciation	<u>(2,994,466)</u>
Net	<u>\$ 3,670,783</u>

NOTES TO FINANCIAL STATEMENTS

Note 4. Interfund Receivables, Payables

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General fund	\$ -	\$ 40,322
Special revenue fund - Sales Tax Fund	-	617
Enterprise fund - Public Utility Fund	<u>40,939</u>	<u>-</u>
	<u>\$ 40,939</u>	<u>\$ 40,939</u>

Note 5. Allowance for Uncollectibles

The receivable recorded for utility customers is net of allowance for uncollectibles of \$2,118 and \$117 in 1998 and 1997, respectively.

Note 6. Retirement Commitments

Most all employees of the Town of Gueydan are members of the federal social security system; however, a few are members of the Municipal Police Employees' Retirement System.

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 officers 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 have been members of the System for one year, and retire at or after age 50 with at least 20 years of credited service, or at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit payable monthly for life, equal to 3-1/3 percent of their average final compensation multiplied by the employee's years of credited service. Final compensation is the employee's monthly earnings during the 36 consecutive or joined months that produce the highest average. The System also provides death and disability benefits. Benefits are established by state statute.

The Municipal Police Employee's Retirement System issues a publicly available report that includes financial statements and required supplemental information. That report may be obtained by writing to Municipal Police Employee's Retirement System, 8401 United Plaza Blvd., Suite 270, Baton Rouge, LA 70809-7107.

NOTES TO FINANCIAL STATEMENTS

Funding Policy:

Plan members are required to contribute 7.5% of their annual covered salary and the Town is required to contribute 9.0% as established by the state statute. The Town's contributions to the System for the years ended December 31, 1998, 1997, and 1996 were \$1,443, \$1,319 and \$955, respectively, equal to the required contributions for each year.

Note 7. Dedication of Proceeds and Flow of Funds - 1% Sales and Use Tax

Proceeds of a 1% sales and use tax levied by the Town of Gueydan are dedicated to the following purposes: paying the capital cost of constructing, acquiring, extending and improving the Town's natural gas system, waterworks system and sewer system, or for any one or more of said purposes, including the payment of principal and interest on any bonded or funded indebtedness of the Town incurred for any of said purposes; and the town shall be further authorized to fund the proceeds of the tax into bonds from time to time for any one or more of the aforesaid purposes.

Note 8. Enterprise Fund Operations

Operations of the Town of Gueydan Utility System consist of electric and gas distribution systems and of water and sewer utilities. The Town purchases electricity and gas for resale in its distribution systems from Entergy and Louisiana Municipal Distributors Association, respectively.

Plant and equipment acquired by the utilities fund in years prior to 1978 have not been segregated on the accounting records in such a manner that the actual investment in each of the operating utility systems can be determined. For financial statement purposes, depreciation on such plant and equipment during those fiscal years were allocated to the individual operating departments on the ratio of gross utility sales in each department. Depreciation on additions to plant and equipment since 1978 have been charged directly to the applicable department. Other operating revenues and expenses which cannot be identified as applicable to a single department have been allocated on the basis of gross utility sales or, if associated with payroll, on the basis of payroll costs in the individual departments.

NOTES TO FINANCIAL STATEMENTS

Operating results of the individual utilities for the years ended December 31, 1998 and 1997 were as follows:

		<u>Charges for Services</u>	<u>Other Operating Revenue</u>	<u>Operating Expenses</u>	<u>Operating Income (Loss)</u>
Electric Utility	1998	\$1,274,119	\$ 8,422	\$ 881,324	\$ 401,217
	1997	\$1,274,534	\$ 6,210	\$ 905,953	\$ 374,791
Gas Utility	1998	\$ 342,892	\$ 1,701	\$ 239,602	\$ 104,991
	1997	\$ 397,463	\$ 1,936	\$ 272,949	\$ 126,450
Water Utility	1998	\$ 69,173	\$ 443	\$ 96,820	\$ (27,204)
	1997	\$ 69,887	\$ 340	\$ 85,149	\$ (14,922)
Sewer Utility	1998	\$ 82,879	\$ 411	\$ 142,997	\$ (59,707)
	1997	\$ 83,624	\$ 408	\$ 140,544	\$ (56,512)
Total Public Utility	1998	\$1,769,063	\$ 10,977	\$1,360,743	\$ 419,297
	1997	\$1,825,508	\$ 8,894	\$1,404,595	\$ 429,807

At December 31, 1998, service was provided to the following number of customers:

Electricity	836 Customers
Gas	668 Customers
Water	737 Customers
Sewer	732 Customers

Current rates charged to customers for these services have been in effect since the following dates:

Electric rates	January 1998
Water and sewer rates	March 1991
Gas rates	July 1994

Note 9. Gueydan Community Center

On September 17, 1998, the State Bond Commission granted a cash line of credit to Facility Planning and Control on behalf of the Town of Gueydan and authorization of the sale of general obligation bonds for the Gueydan Community Center planning and construction in the amount of \$70,000. This project was contained in Priority 2 of the Capital Outlay Act No. 29 of 1998.

NOTES TO FINANCIAL STATEMENTS

Note 10. Cash and Investments

For reporting purposes, cash and investments include cash and certificates of deposit. The Town may invest in United States bonds, treasury notes, or certificates, or time certificates of deposit of state banks having their principal office in the State of Louisiana, or any other federally insured investment. The Town may also invest in shares of any homestead and building and loan association in any amount not exceeding the federally insured amount. The deposits at December 31, 1998 were secured as follows:

	<u>Bank Balance</u>	<u>FDIC Insurance</u>	<u>Balance</u>
Checking	\$1,462,295	\$ 100,000	\$1,362,295
Savings and certificates of deposits	<u>641,651</u>	<u>157,341</u>	<u>484,310</u>
Total	<u>\$2,103,946</u>	<u>\$ 257,341</u>	<u>\$1,846,605</u>
Securities pledged and held by the custodial bank in the bank's name (Category III)			<u>2,032,955</u>
Excess of FDIC insurance plus pledged securities over cash and investments			<u>\$ 186,350</u>

Note 11. Rural Development Grants

During the year ended December 31, 1998, the Town of Gueydan received a rural development grant from the State of Louisiana in the amount of \$25,000 for construction of a gazebo at City Hall. The grant was expended during fiscal year 1998.

The Town was also awarded \$30,000 in rural development grants for drainage projects. The grants were expended during fiscal year 1998.

Note 12. Subsequent Events

On April 16, 1999, the Town of Gueydan was awarded a FY 1999 Louisiana Community Development Block Grant (LCDBG) for water improvements in the amount of \$417,189.

NOTES TO FINANCIAL STATEMENTS

Note 13. Year 2000

As of December 31, 1998, the Town of Gueydan is in the "assessment stage" in relation to the year 2000 issue. The Town performed an in-house assessment and plans to consult with an outside computer consultant, and to purchase new hardware and software for accounting systems.

We do not provide assurance that the Town of Gueydan is or will become year 2000 compliant, that the Town of Gueydan's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Town does business are or will become year 2000 compliant.

FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS

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GENERAL FUND

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

TOWN OF GUEYDAN, LOUISIANA
GENERAL FUND

BALANCE SHEET
December 31, 1998
With Comparative Amounts for December 31, 1997

ASSETS	<u>1998</u>	<u>1997</u>
Cash	\$563,787	\$520,044
Investments	58,185	149,540
Receivables:		
Ad valorem tax	8,814	8,725
Accrued interest	877	1,079
Grant receivable	25,000	-
Due from other governments	<u>2,863</u>	<u>3,540</u>
	<u>\$659,526</u>	<u>\$682,928</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable	\$ -	\$ 8,375
Accrued liabilities	39	98
Due to other funds	<u>40,322</u>	<u>40,968</u>
	<u>\$ 40,361</u>	<u>\$ 49,441</u>
FUND BALANCE - UNRESERVED	<u>619,165</u>	<u>633,487</u>
	<u>\$659,526</u>	<u>\$682,928</u>

TOWN OF GUEYDAN, LOUISIANA
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 1998

With Comparative Actual Amounts for Year Ended December 31, 1997

	<u>1998</u>			<u>1997</u>
	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)	<u>Actual</u>
Revenues:				
Taxes:				
Ad valorem taxes	\$ 12,000	\$ 16,206	\$ 4,206	\$ 16,357
2% Fire insurance tax	<u>5,000</u>	<u>5,588</u>	<u>588</u>	<u>5,399</u>
	<u>\$ 17,000</u>	<u>\$ 21,794</u>	<u>\$ 4,794</u>	<u>\$ 21,756</u>
Licenses and permits:				
Occupational licenses	<u>\$ 44,000</u>	<u>\$ 49,656</u>	<u>\$ 5,656</u>	<u>\$ 50,240</u>
Intergovernmental:				
Department of Interior - Land and Water Conservation Grant	\$ -	\$ -	\$ -	\$ 1,125
Rural Development Grant	25,000	55,000	30,000	15,000
Beer tax	2,000	3,625	1,625	3,404
Tobacco tax	7,000	8,381	1,381	8,381
Fire protection program	<u>9,400</u>	<u>11,450</u>	<u>2,050</u>	<u>11,450</u>
	<u>\$ 43,400</u>	<u>\$ 78,456</u>	<u>\$ 35,056</u>	<u>\$ 39,360</u>
Charges for services:				
Court cost	<u>\$ -</u>	<u>\$ 2,370</u>	<u>\$ 2,370</u>	<u>\$ 3,180</u>
Fines and forfeits	<u>\$ 2,730</u>	<u>\$ 4,182</u>	<u>\$ 1,452</u>	<u>\$ 6,919</u>
Interest income	<u>\$ 7,000</u>	<u>\$ 15,180</u>	<u>\$ 8,180</u>	<u>\$ 16,296</u>
Other:				
Cable franchise fee	\$ -	\$ 6,118	\$ 6,118	\$ 5,435
Miscellaneous	<u>3,000</u>	<u>6,002</u>	<u>3,002</u>	<u>8,477</u>
	<u>\$ 3,000</u>	<u>\$ 12,120</u>	<u>\$ 9,120</u>	<u>\$ 13,912</u>
 Total revenues (totals forward)	 <u>\$ 117,130</u>	 <u>\$ 183,758</u>	 <u>\$ 66,628</u>	 <u>\$ 151,663</u>

(Continued)

TOWN OF GUEYDAN, LOUISIANA
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (CONTINUED)
Year Ended December 31, 1998

With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance- Favorable (Unfavorable)	1997
	Budget	Actual		Actual
Total revenues (totals forwarded)	\$ 117,130	\$ 183,758	\$ 66,628	\$ 151,663
Expenditures:				
Current:				
General government	\$ 109,000	\$ 97,428	\$ 11,572	\$ 107,499
Public safety	196,215	181,883	14,332	188,280
Public works	196,714	169,974	26,740	172,532
Capital outlays	<u>102,821</u>	<u>199,995</u>	<u>(97,174)</u>	<u>67,890</u>
Total expenditures	\$ 604,750	\$ 649,280	\$ (44,530)	\$ 536,201
Deficiency of revenues over expenditures	\$ (487,620)	\$ (465,522)	\$ 22,098	\$ (384,538)
Other financing sources (uses):				
Operating transfers in	\$ 451,200	\$ 451,200	\$ -	\$ 515,394
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(164,890)</u>
	\$ 451,200	\$ 451,200	\$ -	\$ 350,504
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ (36,420)	\$ (14,322)	\$ 22,098	\$ (34,034)
Fund balance - beginning	<u>633,487</u>	<u>633,487</u>	<u>-</u>	<u>667,521</u>
Fund balance - ending	<u>\$ 597,067</u>	<u>\$ 619,165</u>	<u>\$ 22,098</u>	<u>\$ 633,487</u>

TOWN OF GUEYDAN, LOUISIANA
GENERAL FUND

STATEMENT OF EXPENDITURES, COMPARED TO BUDGET (GAAP BASIS)
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	<u>1998</u>			<u>1997</u>
	<u>Budget</u>	<u>Actual</u>	Variance- Favorable <u>(Unfavorable)</u>	<u>Actual</u>
Current:				
General government:				
Mayor salary and expense	\$ 4,800	\$ 4,800	\$ -	\$ 4,800
Clerk salary	3,780	3,780	-	3,600
Councilmen salary	4,500	3,330	1,170	3,525
Office salaries	24,369	24,170	199	22,765
Magistrate salary	2,268	2,268	-	2,160
Janitorial salary	2,844	2,647	197	2,640
Attorney fee	4,800	4,800	-	4,800
Employee security insurance	60	26	34	65
City hall repairs	3,000	1,009	1,991	10,611
City park maintenance	1,200	1,208	(8)	635
Telephone	6,680	5,174	1,506	5,778
Other	8,400	12,369	(3,969)	9,773
Recreation	1,500	2,746	(1,246)	3,664
Audit	1,329	1,300	29	1,230
City Hall maintenance	800	566	234	669
City Hall utility	5,700	6,015	(315)	5,786
Office supplies	2,500	1,751	749	1,519
Printing and minutes	4,000	2,635	1,365	2,282
Office equipment	3,500	615	2,885	627
Travel and seminars	1,000	303	697	250
Social security	3,445	3,367	78	3,205
Insurance	9,200	6,625	2,575	8,587
Life insurance	5,100	5,924	(824)	5,865
Rabies control	3,250	-	3,250	2,500
Legal fees	975	-	975	163
Total general government (totals forward)	<u>\$109,000</u>	<u>\$ 97,428</u>	<u>\$ 11,572</u>	<u>\$107,499</u>

(Continued)

TOWN OF GUEYDAN, LOUISIANA
GENERAL FUND

STATEMENT OF EXPENDITURES, COMPARED TO BUDGET (GAAP BASIS) (CONTINUED)
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance- Favorable (Unfavorable)	1997
	Budget	Actual		Actual
Totals forwarded	\$109,000	\$ 97,428	\$ 11,572	\$107,499
Public safety:				
Police department:				
Salary - police chief	\$ 21,300	\$ 21,300	\$ -	\$ 21,300
Salary - police officers	51,885	51,424	461	49,610
Employment security insurance	128	26	102	65
Uniform allowance	1,200	1,224	(24)	1,079
Supplies	3,160	2,552	608	3,420
Audit	1,330	1,300	30	1,230
Vehicle expense	8,400	6,958	1,442	9,657
Insurance	8,475	5,187	3,288	8,645
Communications	1,303	1,184	119	1,595
Auxiliary expense	350	350	-	350
Telephone	2,178	2,660	(482)	2,465
Seminars and training	1,000	314	686	98
Other	2,000	1,589	411	2,793
Utilities	1,831	1,711	120	1,687
Social security	6,681	6,404	277	5,952
Retirement	1,764	1,558	206	1,328
Legal	1,764	1,524	240	-
	<u>\$114,749</u>	<u>\$107,265</u>	<u>\$ 7,484</u>	<u>\$111,274</u>
Fire department:				
Salaries	\$ 55,310	\$ 55,025	\$ 285	\$ 52,990
Volunteer supplement	1,500	1,350	150	2,849
Employment security insurance	142	26	116	65
Subtotals forward	<u>\$ 56,952</u>	<u>\$ 56,401</u>	<u>\$ 551</u>	<u>\$ 55,904</u>
Public safety (subtotals forward)	<u>\$114,749</u>	<u>\$107,265</u>	<u>\$ 7,484</u>	<u>\$111,274</u>

(Continued)

TOWN OF GUEYDAN, LOUISIANA
GENERAL FUND

STATEMENT OF EXPENDITURES, COMPARED TO BUDGET (GAAP BASIS) (CONTINUED)
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	<u>1998</u>		Variance- Favorable (Unfavorable)	<u>1997</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Totals forwarded	<u>\$109,000</u>	<u>\$ 97,428</u>	<u>\$ 11,572</u>	<u>\$107,499</u>
Public safety subtotals forwarded	<u>\$114,749</u>	<u>\$107,265</u>	<u>\$ 7,484</u>	<u>\$111,274</u>
Fire department:				
Subtotals forwarded	\$ 56,952	\$ 56,401	\$ 551	\$ 55,904
Audit	1,330	1,300	30	1,230
Insurance	3,600	793	2,807	3,455
Social security	5,334	4,544	790	4,599
Uniform allowance	1,000	523	477	701
Materials	500	610	(110)	995
Fire truck expense	6,000	5,652	348	4,628
Fire and rescue equipment	1,500	-	1,500	-
Communications	1,200	335	865	844
Telephone	1,300	1,688	(388)	1,376
Other	1,250	1,060	190	1,587
Utilities	<u>1,500</u>	<u>1,712</u>	<u>(212)</u>	<u>1,687</u>
	<u>\$ 81,466</u>	<u>\$ 74,618</u>	<u>\$ 6,848</u>	<u>\$ 77,006</u>
Total public safety	<u>\$196,215</u>	<u>\$181,883</u>	<u>\$ 14,332</u>	<u>\$188,280</u>
Public works:				
Streets and bridges:				
Salaries	\$ 97,626	\$ 97,522	\$ 104	\$ 91,094
Employment security insurance	198	26	172	65
Supplies	2,320	3,668	(1,348)	2,362
Gravel, shell, and asphalt	15,850	6,827	9,023	14,990
Communications	<u>500</u>	<u>-</u>	<u>500</u>	<u>630</u>
Subtotals forward	<u>\$116,494</u>	<u>\$108,043</u>	<u>\$ 8,451</u>	<u>\$109,141</u>
Totals forward	<u>\$305,215</u>	<u>\$279,311</u>	<u>\$ 25,904</u>	<u>\$295,779</u>

(Continued)

TOWN OF GUEYDAN, LOUISIANA
GENERAL FUND

STATEMENT OF EXPENDITURES, COMPARED TO BUDGET (GAAP BASIS) (CONTINUED)
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance- Favorable (Unfavorable)	1997
	Budget	Actual		Actual
Totals forwarded	\$305,215	\$279,311	\$ 25,904	\$295,779
Public works:				
Streets and bridges:				
Subtotals forwarded	\$116,494	\$108,043	\$ 8,451	\$109,141
Truck and tractor	12,800	8,477	4,323	8,180
Audit	1,330	1,300	30	1,230
Utilities	400	234	166	363
Insurance	3,450	219	3,231	4,691
Other	1,200	115	1,085	278
Social security	7,469	7,460	9	6,969
Street signs	2,500	81	2,419	1,804
	<u>\$145,643</u>	<u>\$125,929</u>	<u>\$ 19,714</u>	<u>\$132,656</u>
Street safety:				
Salaries	\$ 5,514	\$ 4,337	\$ 1,177	\$ 4,962
Social security	423	332	91	380
Employment security insurance	9	26	(17)	65
Insurance	3,690	807	2,883	1,047
	<u>\$ 9,636</u>	<u>\$ 5,502</u>	<u>\$ 4,134</u>	<u>\$ 6,454</u>
Drainage department:				
Salaries	\$ 422	\$ -	\$ 422	\$ -
Social security	32	-	32	-
Employment security insurance	1	-	1	-
Materials	800	125	675	192
Weed control	3,455	2,490	965	2,544
Vehicle and equipment	4,621	6,869	(2,248)	3,043
Insurance	1,416	1,113	303	1,116
Audit	1,330	1,300	30	1,230
Utilities	180	225	(45)	245
Other	400	41	359	42
	<u>\$ 12,657</u>	<u>\$ 12,163</u>	<u>\$ 494</u>	<u>\$ 8,412</u>
Public works (subtotals forward)	<u>\$167,936</u>	<u>\$143,594</u>	<u>\$ 24,342</u>	<u>\$147,522</u>

(Continued)

TOWN OF GUEYDAN, LOUISIANA
GENERAL FUND

STATEMENT OF EXPENDITURES, COMPARED TO BUDGET (GAAP BASIS) (CONTINUED)
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance- Favorable (Unfavorable)	1997
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Totals forwarded	\$305,215	\$279,311	\$ 25,904	\$295,779
Public works (subtotals forwarded)	\$167,936	\$143,594	\$ 24,342	\$147,522
Sanitation - garbage:				
Vehicle expense	\$ -	\$ 14	\$ (14)	\$ 127
Sanitation - trash:				
Salaries	\$ 14,815	\$ 14,352	\$ 463	\$ 13,740
Employment security insurance	30	26	4	65
Audit	1,330	1,300	30	1,230
Insurance	3,210	744	2,466	1,418
Communications	250	-	250	-
Social security	1,134	1,098	36	1,048
Truck expense	5,950	6,038	(88)	6,204
Materials	100	144	(44)	139
Other	250	99	151	472
Sanitation	1,709	2,565	(856)	567
	<u>\$ 28,778</u>	<u>\$ 26,366</u>	<u>\$ 2,412</u>	<u>\$ 24,883</u>
Total public works	\$196,714	\$169,974	\$ 26,740	\$172,532
Capital outlays	\$102,821	\$199,995	\$(97,174)	\$ 67,890
Total expenditures	<u>\$604,750</u>	<u>\$649,280</u>	<u>\$(44,530)</u>	<u>\$536,201</u>

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SPECIAL REVENUE FUNDS

SALES TAX FUND - to account for the collection and disbursement of the Town's one (1) percent sales tax.

STATE REVENUE SHARING FUND - to account for the collection and disbursement of the Town's State Revenue Sharing monies.

POLICE DEPARTMENT NARCOTICS SEIZURE FUND - to account for the collection and disbursement of the Town's share of proceeds from drug related seizure sales.

TOWN OF GUEYDAN, LOUISIANA
SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET
December 31, 1998
With Comparative Totals for December 31, 1997

ASSETS	Sales <u>Tax</u>	State Revenue <u>Sharing</u>	Police Dept. Narcotics <u>Seizure</u>	<u>Totals</u>	
				<u>1998</u>	<u>1997</u>
Cash	\$ 60,372	\$ 6,136	\$ 1,053	\$ 67,561	\$176,247
Investments, at cost	260,438	-	-	260,438	248,797
Accrued interest receivable	2,409	-	-	2,409	2,294
Due from other governments	<u>8,282</u>	<u>2,290</u>	<u>-</u>	<u>10,572</u>	<u>10,127</u>
	<u>\$331,501</u>	<u>\$ 8,426</u>	<u>\$ 1,053</u>	<u>\$340,980</u>	<u>\$437,465</u>
Liabilities:					
Accounts payable	\$ 7,815	\$ -	\$ -	\$ 7,815	\$ -
Retainage payable	22,366	-	-	22,366	-
Due to other funds	<u>617</u>	<u>-</u>	<u>-</u>	<u>617</u>	<u>617</u>
	<u>\$ 30,798</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,798</u>	<u>\$ 617</u>
Fund balance:					
Unreserved	<u>\$300,703</u>	<u>\$ 8,426</u>	<u>\$ 1,053</u>	<u>\$310,182</u>	<u>\$436,848</u>
	<u>\$331,501</u>	<u>\$ 8,426</u>	<u>\$ 1,053</u>	<u>\$340,980</u>	<u>\$437,465</u>

TOWN OF GUEYDAN, LOUISIANA
SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
Year Ended December 31, 1998
With Comparative Totals for Year Ended December 31, 1997

	Sales <u>Tax</u>	State Revenue <u>Sharing</u>	Police Dept. <u>Narcotics Seizure</u>	<u>Totals</u>	
				<u>1998</u>	<u>1997</u>
Revenues:					
Taxes	\$ 126,555	\$ -	\$ -	\$ 126,555	\$ 114,997
Intergovernmental	-	3,349	126	3,475	3,029
Interest	12,180	-	-	12,180	11,525
Other	-	3,624	-	3,624	-
Total revenues	<u>\$ 138,735</u>	<u>\$ 6,973</u>	<u>\$ 126</u>	<u>\$ 145,834</u>	<u>\$ 129,551</u>
Expenditures:					
Current:					
General government:					
Collection fee	\$ 1,133	\$ -	\$ -	\$ 1,133	\$ 928
Culture and recreation	-	9,013	-	9,013	-
Public safety	-	810	80	890	1,566
Capital outlays	<u>248,464</u>	<u>-</u>	<u>-</u>	<u>248,464</u>	<u>2,093</u>
Total expenditures	<u>\$ 249,597</u>	<u>\$ 9,823</u>	<u>\$ 80</u>	<u>\$259,500</u>	<u>\$ 4,587</u>
Excess (deficiency) of revenues over expenditures	\$(110,862)	\$ (2,850)	\$ 46	\$(113,666)	\$ 124,964
Other financing uses: Operating transfers out	<u>(13,000)</u>	<u>-</u>	<u>-</u>	<u>(13,000)</u>	<u>(50,000)</u>
Excess (deficiency) of revenues over expenditures and other uses	\$(123,862)	\$ (2,850)	\$ 46	\$(126,666)	\$ 74,964
Fund balance - beginning	<u>424,565</u>	<u>11,276</u>	<u>1,007</u>	<u>436,848</u>	<u>361,884</u>
Fund balance - ending	<u>\$ 300,703</u>	<u>\$ 8,426</u>	<u>\$ 1,053</u>	<u>\$ 310,182</u>	<u>\$ 436,848</u>

TOWN OF GUEYDAN, LOUISIANA
SPECIAL REVENUE FUNDS
SALES TAX FUND

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	<u>1998</u>			<u>1997</u>
	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)	<u>Actual</u>
Revenues:				
Sales tax	\$ 112,981	\$ 126,555	\$ 13,574	\$ 114,997
Interest income	<u> -</u>	<u> 12,180</u>	<u> 12,180</u>	<u> 11,525</u>
Total revenues	<u>\$ 112,981</u>	<u>\$ 138,735</u>	<u>\$ 25,754</u>	<u>\$ 126,522</u>
Expenditures:				
Current:				
General government:				
Collection fee	\$ -	\$ 1,133	\$ (1,133)	\$ 928
Capital outlay	<u> 266,000</u>	<u> 248,464</u>	<u> 17,536</u>	<u> -</u>
Total expenditures	<u>\$ 266,000</u>	<u>\$ 249,597</u>	<u>\$ 16,403</u>	<u>\$ 928</u>
Excess (deficiency) of revenues over expenditures	\$(153,019)	\$(110,862)	\$ 42,157	\$ 125,594
Other financing uses:				
Operating transfers out	<u> (13,000)</u>	<u> (13,000)</u>	<u> -</u>	<u> (50,000)</u>
Excess (deficiency) of revenues over expenditures and other uses	\$(166,019)	\$(123,862)	\$ 42,157	\$ 75,594
Fund balance, beginning	<u> 424,565</u>	<u> 424,565</u>	<u> -</u>	<u> 348,971</u>
Fund balance, ending	<u>\$ 258,546</u>	<u>\$ 300,703</u>	<u>\$ 42,157</u>	<u>\$ 424,565</u>

TOWN OF GUEYDAN, LOUISIANA
SPECIAL REVENUE FUNDS
STATE REVENUE SHARING FUND

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	<u>1998</u>			<u>1997</u>
	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)	<u>Actual</u>
Revenues:				
Intergovernmental	\$ 3,500	\$ 3,349	\$ (151)	\$ 3,029
Other	-	3,624	3,624	-
	<u>\$ 3,500</u>	<u>\$ 6,973</u>	<u>\$ 3,473</u>	<u>\$ 3,029</u>
Expenditures:				
Current:				
Culture and recreation	\$ 8,700	\$ 9,013	\$ (313)	\$ -
Public safety	-	810	(810)	1,501
Capital outlays	-	-	-	-
Total expenditures	<u>\$ 8,700</u>	<u>\$ 9,823</u>	<u>\$ (1,123)</u>	<u>\$ 1,501</u>
Excess (deficiency) of revenue over expenditures	\$ (5,200)	\$ (2,850)	\$ 2,350	\$ 1,528
Fund balance - beginning	<u>11,276</u>	<u>11,276</u>	-	<u>9,748</u>
Fund balance - ending	<u>\$ 6,076</u>	<u>\$ 8,426</u>	<u>\$ 2,350</u>	<u>\$ 11,276</u>

TOWN OF GUEYDAN, LOUISIANA
SPECIAL REVENUE FUNDS
POLICE DEPARTMENT NARCOTICS SEIZURE FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 1998

With Comparative Actual Amounts for Year Ended December 31, 1997

	<u>1998</u>			<u>1997</u>
	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)	<u>Actual</u>
Revenues:				
Intergovernmental	\$ -	\$ 126	\$ 126	\$ -
Expenditures:				
Current:				
Public safety	\$ 1,006	\$ 80	\$ 926	\$ 65
Capital outlays	-	-	-	2,093
Total expenditures	<u>\$ 1,006</u>	<u>\$ 80</u>	<u>\$ 926</u>	<u>\$ 2,158</u>
Excess (deficiency) of revenues over expenditures	\$ (1,006)	\$ 46	\$ 1,052	\$ (2,158)
Fund balance - beginning	<u>1,007</u>	<u>1,007</u>	-	<u>3,165</u>
Fund balance - ending	<u>\$ 1</u>	<u>\$ 1,053</u>	<u>\$ 1,052</u>	<u>\$ 1,007</u>

DEBT SERVICE FUND

Certificates of Indebtedness - 1986 Series - to account for the excess of revenues over debt retirement of fully matured 1986 Certificates of Indebtedness.

Public Improvement Bond Series A and B - to account for the excess of revenues over debt retirement of fully matured Public Improvement Bonds Series A and B.

Public Improvement Bond Series I and II - to account for the excess of revenues over debt retirement of fully matured Public Improvement Bonds Series I and II.

TOWN OF GUEYDAN, LOUISIANA
DEBT SERVICE FUNDS

COMBINING BALANCE SHEET
December 31, 1998
With Comparative Totals for December 31, 1997

ASSETS	<u>Certificate of Indebtedness 1986 Series</u>	<u>Public Improvement Bond Series A and B</u>
Cash	\$ -	\$ 24,918
Investments, at cost	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 24,918</u>
FUND BALANCE		
Reserved for street improvements	\$ -	\$ -
Reserved for gas system and street improvements	-	-
Reserved for sewer and waterworks system improvements	<u>-</u>	<u>24,918</u>
	<u>\$ -</u>	<u>\$ 24,918</u>

Public Improvement Bonds Series I and II	Totals	
	1998	1997
\$ -	\$ 24,918	\$ 42,458
<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ 24,918</u>	<u>\$ 42,458</u>
\$ -	\$ -	\$ 1,641
-	-	15,899
<u>-</u>	<u>24,918</u>	<u>24,918</u>
<u>\$ -</u>	<u>\$ 24,918</u>	<u>\$ 42,458</u>

TOWN OF GUEYDAN, LOUISIANA
DEBT SERVICE FUNDS

COMBINING STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES
Year Ended December 31, 1998
With Comparative Totals for Year Ended December 31, 1997

	<u>Certificate of Indebtedness 1986 Series</u>	<u>Public Improvement Bond Series A and B</u>
Revenue:		
Tax collected	\$ -	\$ -
Expenditures:		
Debt service:		
Principal retirement	\$ -	\$ -
Interest coupons paid	-	-
Paying agent fees	-	-
	<u>\$ -</u>	<u>\$ -</u>
Excess of revenues over expenditures	\$ -	\$ -
Other financing sources (uses):		
Operating transfers out	<u>(1,641)</u>	<u>-</u>
Excess of revenues and other financing sources over expenditures and other uses	\$ (1,641)	\$ -
Fund balance - beginning	<u>1,641</u>	<u>24,918</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 24,918</u>

Public Improvement Bonds Series <u>I and II</u>	<u>Totals</u>	
	<u>1998</u>	<u>1997</u>
\$ -	\$ -	\$ 3
\$ -	\$ -	\$ -
\$ -	\$ -	\$ -
\$ -	\$ -	\$ -
\$ -	\$ -	\$ 3
<u>(15,899)</u>	<u>(17,540)</u>	<u>\$ -</u>
\$ (15,899)	\$ (17,540)	\$ 3
<u>15,899</u>	<u>42,458</u>	<u>42,455</u>
<u>\$ -</u>	<u>\$ 24,918</u>	<u>\$ 42,458</u>

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CAPITAL PROJECTS FUND

1996 LOUISIANA COMMUNITY DEVELOPMENT BLOCK GRANT (LCDBG) - to account for the collection and disbursements of federal funds for street improvements.

STREET IMPROVEMENT - to account for the restoration of streets.

TOWN OF GUEYDAN, LOUISIANA
CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEET
December 31, 1998
With Comparative Totals for December 31, 1997

ASSETS	1996 <u>LCDBG</u>	Street <u>Improvements</u>	<u>Totals</u>	
			<u>1998</u>	<u>1997</u>
Cash	\$ -	\$ -	\$ -	\$ -
Due from other governmental units	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES				
Accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF GUEYDAN, LOUISIANA
CAPITAL PROJECTS FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
Year Ended December 31, 1998
With Comparative Totals for Year Ended December 31, 1997

	1996 <u>LCDBG</u>	Street <u>Improvements</u>	<u>Totals</u>	
			<u>1998</u>	<u>1997</u>
Revenues:				
Intergovernmental revenue:				
Grant proceeds	\$ -	\$ -	\$ -	\$ 267,615
Expenditures:				
Current:				
Public works:				
Administrative	\$ -	\$ -	\$ -	\$ 41
Capital outlay	-	-	-	432,464
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 432,505</u>
Deficiency of revenues over expenditures	\$ -	\$ -	\$ -	\$(164,890)
Other financing sources:				
Operating transfers in	-	-	-	164,890
Excess of revenues and other sources over expenditures	\$ -	\$ -	\$ -	\$ -
Fund balance, beginning	-	-	-	-
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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ENTERPRISE FUND

PUBLIC UTILITY FUND - to account for the provision of light, gas, water and sewer services to the residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

TOWN OF GUEYDAN, LOUISIANA
ENTERPRISE FUND

PUBLIC UTILITY FUND

BALANCE SHEET

December 31, 1998

With Comparative Amounts for December 31, 1997

ASSETS	<u>1998</u>	<u>1997</u>
CURRENT ASSETS		
Cash	\$ 805,275	\$ 724,008
Investments, at cost	275,603	167,523
Accounts receivable, net of allowance for uncollectibles of \$2,118 for 1998 and \$117 for 1997	113,789	133,895
Accrued interest receivable	3,440	2,629
Due from other governments	-	1,906
Unbilled revenue	68,703	65,327
Due from other funds	40,939	41,585
Prepaid expenses	<u>7,819</u>	<u>14,835</u>
Total current assets	<u>\$1,315,568</u>	<u>\$1,151,708</u>
RESTRICTED ASSETS		
Customers' deposits:		
Cash	\$ 18,425	\$ 15,725
Investments, at cost	<u>27,331</u>	<u>26,277</u>
	<u>\$ 45,756</u>	<u>\$ 42,002</u>
PLANT AND EQUIPMENT, at cost, net of accumulated depreciation (1998 - \$2,994,466; 1997 - \$2,824,501)	<u>\$3,670,783</u>	<u>\$3,536,497</u>
	<u>\$5,032,107</u>	<u>\$4,730,207</u>

LIABILITIES AND FUND EQUITY	<u>1998</u>	<u>1997</u>
CURRENT LIABILITIES		
Payable from current assets:		
Accounts payable	\$ 93,596	\$ 71,245
Retainage payable	3,194	-
Accrued liabilities	<u>39</u>	<u>98</u>
	\$ 96,829	\$ 71,343
Payable from restricted assets:		
Customers' deposits	<u>25,725</u>	<u>23,370</u>
Total current liabilities	<u>\$ 122,554</u>	<u>\$ 94,713</u>
FUND EQUITY		
Contributed capital	\$3,279,485	\$3,031,021
Retained earnings:		
Unreserved	<u>1,630,068</u>	<u>1,604,473</u>
Total fund equity	<u>\$4,909,553</u>	<u>\$4,635,494</u>
	<u>\$5,032,107</u>	<u>\$4,730,207</u>

TOWN OF GUEYDAN, LOUISIANA
ENTERPRISE FUND

PUBLIC UTILITY FUND

STATEMENT OF REVENUES AND EXPENSES - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	<u>1998</u>			<u>1997</u>
	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)	<u>Actual</u>
Operating revenues:				
Charges for services:				
Natural gas sales	\$ 394,623	\$ 342,892	\$ (51,731)	\$ 397,463
Water sales	66,500	69,173	2,673	69,887
Sewer sales	81,850	82,879	1,029	83,624
Electricity (including fuel charge adj. of \$(5,444), 1998 and \$16,331, 1997)	1,133,000	1,274,119	141,119	1,274,534
Other	-	2,201	2,201	1,481
Delinquent bills penalty	-	8,278	8,278	6,788
Bad debts recovered	-	498	498	625
	<u>\$1,675,973</u>	<u>\$1,780,040</u>	<u>\$ 104,067</u>	<u>\$1,834,402</u>
Operating expenses:				
Personal services	\$ 161,108	\$ 156,263	\$ 4,845	\$ 151,738
Fuel purchased:				
Natural gas	140,500	123,491	17,009	146,725
Electricity	693,236	711,584	(18,348)	717,024
Supplies and materials	74,692	57,491	17,201	59,257
Heat, light and power	58,974	61,452	(2,478)	64,448
Depreciation	184,000	178,578	5,422	174,853
Insurance	28,671	16,765	11,906	20,220
Other	7,831	7,377	454	5,982
Printing, stationery and supplies	5,000	2,929	2,071	4,122
Audit and accounting	5,320	5,200	120	4,920
Auto and truck	28,011	15,824	12,187	37,466
Repairs	45,212	16,734	28,478	12,967
Seminars and workshops	1,250	1,467	(217)	52
Testing and reporting	5,509	5,588	(79)	4,821
	<u>\$1,439,314</u>	<u>\$1,360,743</u>	<u>\$ 78,571</u>	<u>\$1,404,595</u>
Operating income (totals forward)	<u>\$ 236,659</u>	<u>\$ 419,297</u>	<u>\$ 182,638</u>	<u>\$ 429,807</u>

(Continued)

TOWN OF GUEYDAN, LOUISIANA
ENTERPRISE FUND

PUBLIC UTILITY FUND

STATEMENT OF REVENUES AND EXPENSES -
BUDGET (GAAP BASIS) AND ACTUAL (CONTINUED)
Year Ended December 31, 1998

With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance- Favorable (Unfavorable)	1997
	Budget	Actual		Actual
Operating income (totals forwarded)	\$ 236,659	\$ 419,297	\$ 182,638	\$ 429,807
Non-operating revenue (expense):				
Interest income	\$ -	\$ 27,568	\$ 27,568	\$ 23,132
Loss on sale of equipment	-	(611)	(611)	-
	\$ -	\$ 26,957	\$ 26,957	\$ 23,132
Income before other operating transfers	\$ 236,659	\$ 446,254	\$ 209,595	\$ 452,939
Other operating transfers:				
Operating transfers in	\$ 11,500	\$ 11,500	\$ -	\$ 48,500
Operating transfers out	(432,159)	(432,159)	-	(513,894)
	\$ (420,659)	\$ (420,659)	\$ -	\$ (465,394)
Net income (loss)	\$ (184,000)	\$ 25,595	\$ 209,595	\$ (12,455)

TOWN OF GUEYDAN, LOUISIANA
ENTERPRISE FUND

PUBLIC UTILITY FUND

STATEMENT OF CHANGES IN RETAINED EARNINGS
Year Ended December 31, 1998
With Comparative Amounts for Year Ended December 31, 1997

	<u>1998</u>	<u>1997</u>
Balance, beginning	\$1,604,473	\$1,616,928
Net income (loss)	<u>25,595</u>	<u>(12,455)</u>
Balance, ending	<u>\$1,630,068</u>	<u>\$1,604,473</u>

TOWN OF GUEYDAN, LOUISIANA
ENTERPRISE FUND

PUBLIC UTILITY FUND

STATEMENT OF EXPENSES, COMPARED TO BUDGET (GAAP BASIS)
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	<u>1998</u>		Variance- Favorable	<u>1997</u>
	<u>Budget</u>	<u>Actual</u>	<u>(Unfavorable)</u>	<u>Actual</u>
Personal services:				
Waterworks	\$ -	\$ -	\$ -	\$ -
Power and light	69,712	68,872	840	66,024
Gas	72,906	69,382	3,524	69,630
Sewer	18,490	18,009	481	16,084
	<u>\$ 161,108</u>	<u>\$ 156,263</u>	<u>\$ 4,845</u>	<u>\$ 151,738</u>
Fuel purchased:				
Natural gas	\$ 140,500	\$ 123,491	\$ 17,009	\$ 146,725
Power and light	693,236	711,584	(18,348)	717,024
	<u>\$ 833,736</u>	<u>\$ 835,075</u>	<u>\$ (1,339)</u>	<u>\$ 863,749</u>
Supplies and materials:				
Waterworks	\$ 14,950	\$ 15,648	\$ (698)	\$ 11,766
Power and light	25,342	26,046	(704)	28,831
Gas	27,600	9,333	18,267	12,344
Sewer	6,800	6,464	336	6,316
	<u>\$ 74,692</u>	<u>\$ 57,491</u>	<u>\$ 17,201</u>	<u>\$ 59,257</u>
Heat, light and power:				
Waterworks	\$ 18,084	\$ 20,735	\$ (2,651)	\$ 20,310
Power and light	5,040	4,235	805	4,163
Gas	100	70	30	118
Sewer	35,750	36,412	(662)	39,857
	<u>\$ 58,974</u>	<u>\$ 61,452</u>	<u>\$ (2,478)</u>	<u>\$ 64,448</u>
Depreciation:				
Waterworks	\$ 48,000	\$ 46,170	\$ 1,830	\$ 45,382
Power and light	45,000	43,329	1,671	42,980
Gas	26,000	25,920	80	23,927
Sewer	65,000	63,159	1,841	62,564
	<u>\$ 184,000</u>	<u>\$ 178,578</u>	<u>\$ 5,422</u>	<u>\$ 174,853</u>
Subtotals forward	<u>\$1,312,510</u>	<u>\$1,288,859</u>	<u>\$ 23,651</u>	<u>\$1,314,045</u>

(Continued)

TOWN OF GUEYDAN, LOUISIANA
ENTERPRISE FUND

PUBLIC UTILITY FUND

STATEMENT OF EXPENSES, COMPARED TO BUDGET (GAAP BASIS) (CONTINUED)
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance- Favorable (Unfavorable)	1997
	Budget	Actual		Actual
Subtotals forwarded	<u>\$1,312,510</u>	<u>\$1,288,859</u>	<u>\$ 23,651</u>	<u>\$1,314,045</u>
Insurance:				
Waterworks	\$ 3,450	\$ 2,976	\$ 474	\$ 3,151
Power and light	6,250	3,772	2,478	5,095
Gas	8,350	3,937	4,413	5,440
Sewer	<u>10,621</u>	<u>6,080</u>	<u>4,541</u>	<u>6,534</u>
	<u>\$ 28,671</u>	<u>\$ 16,765</u>	<u>\$ 11,906</u>	<u>\$ 20,220</u>
Other:				
Waterworks	\$ 2,806	\$ 2,143	\$ 663	\$ 1,733
Power and light	2,225	2,770	(545)	1,726
Gas	1,900	2,035	(135)	2,108
Sewer	<u>900</u>	<u>429</u>	<u>471</u>	<u>415</u>
	<u>\$ 7,831</u>	<u>\$ 7,377</u>	<u>\$ 454</u>	<u>\$ 5,982</u>
Printing, stationery and supplies:				
Power and light	<u>\$ 5,000</u>	<u>\$ 2,929</u>	<u>\$ 2,071</u>	<u>\$ 4,122</u>
Audit and accounting:				
Waterworks	\$ 1,330	\$ 1,300	\$ 30	\$ 1,230
Power and light	1,330	1,300	30	1,230
Gas	1,330	1,300	30	1,230
Sewer	<u>1,330</u>	<u>1,300</u>	<u>30</u>	<u>1,230</u>
	<u>\$ 5,320</u>	<u>\$ 5,200</u>	<u>\$ 120</u>	<u>\$ 4,920</u>
Subtotals forward	<u>\$1,359,332</u>	<u>\$1,321,130</u>	<u>\$ 38,202</u>	<u>\$1,349,289</u>

(Continued)

TOWN OF GUEYDAN, LOUISIANA
ENTERPRISE FUND

PUBLIC UTILITY FUND

STATEMENT OF EXPENSES, COMPARED TO BUDGET (GAAP BASIS) (CONTINUED)
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance- Favorable (Unfavorable)	1997
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Subtotals forwarded	<u>\$1,359,332</u>	<u>\$1,321,130</u>	<u>\$ 38,202</u>	<u>\$1,349,289</u>
Auto and truck:				
Waterworks	\$ 1,600	\$ 685	\$ 915	\$ 577
Power and light	16,511	12,310	4,201	33,091
Gas	9,300	1,921	7,379	2,942
Sewer	600	908	(308)	856
	<u>\$ 28,011</u>	<u>\$ 15,824</u>	<u>\$ 12,187</u>	<u>\$ 37,466</u>
Repairs:				
Waterworks	\$ 9,422	\$ 6,383	\$ 3,039	\$ 992
Power and light	3,000	4,155	(1,155)	1,631
Gas	-	-	-	6,397
Sewer	32,790	6,196	26,594	3,947
	<u>\$ 45,212</u>	<u>\$ 16,734</u>	<u>\$ 28,478</u>	<u>\$ 12,967</u>
Seminars and workshops:				
Waterworks	\$ 200	\$ 780	\$ (580)	\$ 8
Power and light	500	22	478	36
Gas	250	-	250	-
Sewer	300	665	(365)	8
	<u>\$ 1,250</u>	<u>\$ 1,467</u>	<u>\$ (217)</u>	<u>\$ 52</u>
Testing and reporting:				
Gas	\$ 1,820	\$ 2,213	\$ (393)	\$ 2,088
Sewer	3,689	3,375	314	2,733
	<u>\$ 5,509</u>	<u>\$ 5,588</u>	<u>\$ (79)</u>	<u>\$ 4,821</u>
Total operating expenses	<u>\$1,439,314</u>	<u>\$1,360,743</u>	<u>\$ 78,571</u>	<u>\$1,404,595</u>

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AGENCY FUND

Payroll Fund - To account for payroll expenditures of the Town. Individual funds transmit monies needed to cover their share of payroll costs.

TOWN OF GUEYDAN, LOUISIANA
AGENCY FUND

PAYROLL FUND

BALANCE SHEET

December 31, 1998

With Comparative Amounts for December 31, 1997

ASSETS	<u>1998</u>	<u>1997</u>
Cash	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES		
Accrued liabilities	<u>\$ -</u>	<u>\$ -</u>

TOWN OF GUEYDAN, LOUISIANA
 AGENCY FUND

PAYROLL FUND

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 Year Ended December 31, 1998

	Balance, January 1, <u>1998</u>	<u>Additions</u>	<u>Deductions</u>	Balance, December 31, <u>1998</u>
ASSETS				
Cash	\$ <u>-</u>	\$ <u>433,114</u>	\$ <u>433,114</u>	\$ <u>-</u>
LIABILITIES				
Accrued liabilities	\$ <u>-</u>	\$ <u>433,114</u>	\$ <u>433,114</u>	\$ <u>-</u>

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GENERAL FIXED ASSETS ACCOUNT GROUP

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

TOWN OF GUEYDAN, LOUISIANA
GENERAL FIXED ASSETS ACCOUNT GROUP

STATEMENT OF CHANGES IN GENERAL FIXED ASSETS
Year Ended December 31, 1998

	Balance, Jan. 1, <u>1998</u>	<u>Additions</u>	<u>Deletions</u>	Balance, Dec. 31, <u>1998</u>
General fixed assets, at cost:				
Land	\$ 26,949	\$ -	\$ -	\$ 26,949
Building	347,695	-	-	347,695
Improvements other than buildings	178,384	38,688	-	217,072
Equipment	<u>595,976</u>	<u>488</u>	<u>-</u>	<u>596,464</u>
	<u>\$1,149,004</u>	<u>\$ 39,176</u>	<u>\$ -</u>	<u>\$1,188,180</u>
Investment in general fixed assets from:				
Special revenue funds	\$ 47,659	\$ -	\$ -	\$ 47,659
General fund	955,401	39,176	-	994,577
Donations	<u>145,944</u>	<u>-</u>	<u>-</u>	<u>145,944</u>
	<u>\$1,149,004</u>	<u>\$ 39,176</u>	<u>\$ -</u>	<u>\$1,188,180</u>

OTHER SUPPLEMENTARY INFORMATION

TOWN OF GUEYDAN, LOUISIANA

COMBINED SCHEDULE OF INVESTMENTS - ALL FUNDS
December 31, 1998

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Value</u>
General Fund:			
Certificates of deposit -			
Bank of Gueydan	4.5%	03-30-99	\$ 29,557
Vermilion Bank & Trust	4.4%	01-26-99	<u>28,628</u>
			<u>\$ 58,185</u>
Sales Tax Fund:			
Certificates of deposit -			
Bank of Gueydan	5.2%	08-03-99	\$ 34,973
Bank of Gueydan	5.0%	08-06-99	37,274
Bank of Gueydan	4.25%	05-28-99	41,177
Bank of Gueydan	4.25%	05-12-99	45,239
Bank of Gueydan	4.5%	06-16-99	31,001
Bank of Gueydan	4.5%	01-15-99	42,061
Vermilion Bank & Trust	4.0%	06-24-99	<u>28,713</u>
			<u>\$260,438</u>
Combined Utilities Fund:			
Certificates of deposit -			
Bank of Gueydan	5.75%	05-26-99	\$ 6,000
Bank of Gueydan	5.2%	11-01-99	21,331
Bank of Gueydan	5.2%	08-19-99	67,587
Bank of Gueydan	5.2%	12-14-99	3,393
Bank of Gueydan	4.5%	01-15-99	104,623
	4.25%	05-06-99	<u>100,000</u>
			<u>\$302,934</u>
Total, all funds			<u>\$621,557</u>

TOWN OF GUEYDAN, LOUISIANA

SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS
Year Ended December 31, 1998

<u>Name</u>	<u>Amount</u>
Jason Meaux	\$ 570
Charlotte Venable Hartwell	765
Percy Petry	615
Shelby Simon	690
Althea Williams	690
	<u>\$ 3,330</u>

The schedule of compensation paid to board members was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Legislature.

The board members receive \$60 per diem for attendance at regular meetings and \$15 per diem for attendance at special meetings. Earnings may not exceed \$75 per month.

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BROUSSARD, POCHE', LEWIS & BREAUX, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

122 East 5th St.
P.O. Drawer 307
Crowley, Louisiana
70527-0307
phone: (318) 783-0650
fax: (318) 783-7238

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

Lafayette, LA
(318) 988-4930

Opelousas, LA
(318) 942-5217

Abbeville, LA
(318) 898-1497

New Iberia, LA
(318) 364-4554

Church Point, LA
(318) 684-2855

Eunice, LA
(318) 457-0071

The Honorable Manson Saltzman, Mayor,
and the Board of Aldermen
Town of Gueydan, Louisiana

We have audited the general purpose financial statements of the Town of Gueydan, Louisiana, as of and for the year ended December 31, 1998, and have issued our report thereon dated March 5, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Town of Gueydan, 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 the following instance of noncompliance that is required to be reported under Government Auditing Standards which is described in the accompanying schedule of findings and questioned costs as item 98-1.

- Lawrence A. Croner, CPA*
- Eugene C. Gilder, CPA*
- Donald W. Kelley, CPA*
- Herbert Lemone II, CPA*
- Frank A. Stagno, CPA*
- Scott J. Broussard, CPA*
- L. Charles Abshire, CPA*
- Kenneth R. Dugas, CPA*
- P. John Blanchet III, CPA*
- Stephen L. Lambousy, CPA*
- Craig C. Babineaux, CPA*
- Peter C. Borrello, CPA*
- Michael P. Cochet, CPA*
- George J. Trappey III, CPA*
- Daniel E. Gilder, CPA*
- Gregory B. Milton, CPA*
- S. Scott Soileau, CPA*
- Patrick D. McCarthy, CPA*

Retired:

- Sidney L. Broussard, CPA 1980
- Leon K. Poche, CPA 1984
- James H. Breaux, CPA 1987
- Erin R. Walton, CPA 1988
- George A. Lewis, CPA* 1992
- Geraldine J. Wimberly, CPA* 1995
- Rodney L. Savoy, CPA* 1996
- Larry G. Broussard, CPA* 1997

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

The Honorable Manson Saltzman, Mayor,
and the Board of Aldermen

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Gueydan, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. 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 judgment, could adversely affect the Town of Gueydan, Louisiana's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 98-2, 98-3, 98-4 and 98-5.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider the reportable condition 98-2 to be a material weakness.

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

Broussard, Poché, Lewis & Broussard, L.L.P.

Crowley, Louisiana
March 5, 1999

TOWN OF GUEYDAN, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 1998

We have audited the financial statements of the Town of Gueydan, Louisiana as of and for the year ended December 31, 1998, and have issued our report thereon dated March 5, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 1998 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses Yes No Reportable Conditions Yes No

Compliance

Compliance Material to Financial Statements Yes No

b. Federal Awards

The Town does not have any federal awards for the year ended December 31, 1998.

Section II Financial Statement Findings

Compliance:

98-1 Budget Compliance

Finding: The general fund budget was not amended when expenditures exceeded budget by 5% or more as required by the Louisiana Budget Act.

Cause: Even though the minutes reflect the source of prior year and grant funds to be used for a drainage project, the budget was not formally amended.

Recommendation: We recommend that the budget be amended when expenditures exceed budget by 5% or more as required by the State Budget Act.

Response: The item was addressed as a result of two drainage projects, namely two drainage ditches closed on Wilkinson and Neelis Streets. Vermilion Parish Police Jury provided a portion of the materials utilized in the Neelis Street project. Funds for both projects were from grant monies and from prior year accumulated funds. The Clerk contacted the local auditor regarding the requirement to amend the budget as these items were not previously budgeted. Clerk understood auditor to require a special account to be maintained for these funds but did not understand that the budget also required amendment. Since completion of these two projects, all funds, prior year grant funds or otherwise, will be included in the present year budget or budget amendment.

TOWN OF GUEYDAN, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended December 31, 1998

Internal Control:

98-2 Segregation of Duties

Finding: In reviewing the internal control structure, we noted inadequate segregation of duties existed. The general accounting and general ledger function is not separate from custody and control over assets.

Cause: As a result of the size of the municipality and the limited number of personnel necessary to perform the administrative functions, inadequate segregation of duties exist.

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

98-3 Fixed Assets

Finding: Fixed assets are not appropriately identified with a numeric tag issued by the Town.

Cause: Although a fixed asset listing is kept, the Town has not implemented a system of tagging equipment inventory.

Suggestion: We recommend that all fixed assets be tagged showing ownership by the Town of Gueydan and a numerical listing maintained.

Response: The Town will implement a system of tagging equipment with a corresponding inventory maintained.

98-4 Payroll Records

Finding: In reviewing payroll records, we noted that timesheets are not used by salaried employees to account for time worked and leave taken.

Cause: In the past, all employees reported leave taken to the Clerk without the use of a timesheet.

Suggestion: We recommend that timesheets be utilized by salaried personnel to accurately account for time worked and leave taken and should be signed by the employee and appropriate supervisor.

Response: Town will adopt policy requiring all supervisors to keep timesheets on their department personnel and will maintain these sheets in binders to be available for review to appropriately compute time worked, leave and vacation time.

TOWN OF GUEYDAN, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended December 31, 1998

98-5 Purchase Orders

Finding: In reviewing disbursement procedures, it was noted that all purchase orders were not approved by the Clerk prior to the purchase of goods or services.

Cause: Purchase orders are not all submitted to the Clerk for proper approval prior to the purchase of goods and services and are not all kept at City Hall.

Recommendation: We recommend that all purchase orders be approved by the Clerk in advance and maintained in numerical order at City Hall.

Response: All purchase orders for all departments, with the exception of Fire and Police departments, have been approved by Clerk in advance. Fire and Police departments had purchase orders on hand because of after hour purchases when Clerk is not available. Mayor will advise Board of Aldermen and Fire and Police departments of findings of auditor and require all purchase orders to be immediately turned in to City Hall and further require future purchase orders be prior approved by Clerk per auditor's recommendations.

Section III Federal Award Findings and Questioned Costs

The Town does not have any federal awards for the year ended December 31, 1998.

TOWN OF GUEYDAN, LOUISIANA

SCHEDULE OF PRIOR YEAR FINDINGS
Year Ended December 31, 1998

I Internal Control and Compliance Material to the Financial Statements

97-1 Intergovernmental Agreement

Finding: The Town made two payments totaling \$1,501 to the Vermilion Parish School Board, for which an intergovernmental agreement did not exist, to cover the cost of a drug officer and dog of the Vermilion Parish Sheriff to do drug searches at the schools in the Town.

Recommendation: We recommend that intergovernmental agreements be executed when necessary.

Current status: On June 8, 1998, the Town adopted a resolution authorizing an intergovernmental agreement between the Vermilion Parish School Board and the Town of Gueydan for the subject services.

97-2 Compensation

Finding: The Town approved a retroactive pay raise for three employees totaling \$300 which constitutes donations which are prohibited by Louisiana Constitution Article 7, Section 14(A).

Recommendation: We recommend that pay raises are approved for services to be rendered in the future.

Current Status: The Town has made all pay raises effective as of the date they are approved and no future raises will be made on a retroactive basis.

97-3 Segregation of Duties

Finding: In reviewing the internal control structure, we noted inadequate segregation of duties existed. The general accounting and general ledger function is not separate from custody and control over assets.

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

II Internal Control and Compliance Material to Federal Awards

The Town did not receive federal awards for the year ended December 31, 1998.

TOWN OF GUEYDAN, LOUISIANA

SCHEDULE OF PRIOR YEAR FINDINGS (CONTINUED)

Year Ended December 31, 1998

III Management Letter

Finding: While reviewing citation tickets, we found one ticket which had never been presented to the Town for disposition.

Recommendation: We recommend that the police department ensure that every ticket is forwarded to the Town timely as to prevent future occurrences.

Current status: All of the tickets reviewed this year were presented to the Town for disposition.

MANSON J. SALTZMAN
Mayor

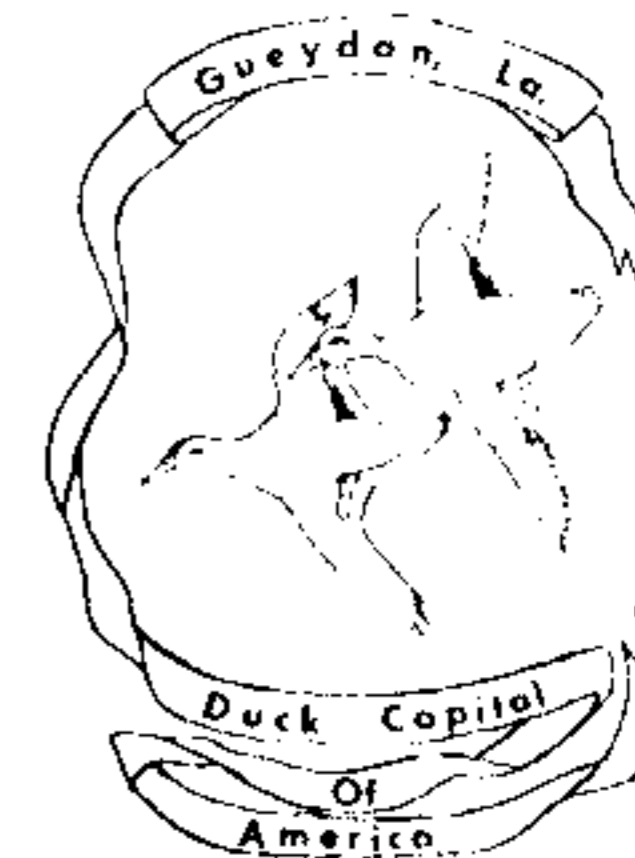
EDWARD G. SAAL, JR.
City Attorney

ETHEL LEGER
Treasurer-Clerk

BOARD OF ALDERMEN

CHARLOTTE VENABLE
ALTHEA WILLIAMS
GALE R. SMITH
WILSON HINES
WILLIAM D. SMITH

Town of Gueydan
600 Main St.
Gueydan, Louisiana
70542
Phone (318) 536-9415



MANAGEMENT'S CORRECTIVE ACTION PLAN
For the Year Ended December 31, 1998

Section I. Internal Control and Compliance Material to the Financial Statements

98-1 Budget Compliance

Finding: The general fund budget was not amended when expenditures exceeded budget by 5% or more as required by the Louisiana Budget Act.

Cause: Even though the minutes reflect the source of prior year and grant funds to be used for a drainage project, the budget was not formally amended.

Recommendation: We recommend that the budget be amended when expenditures exceed budget by 5% or more as required by the State Budget Act.

Response: The item was addressed as a result of two drainage projects, namely two drainage ditches closed on Wilkinson and Neelis Streets. Vermilion Parish Police Jury provided a portion of the materials utilized in the Neelis Street project. Funds for both projects were from grant monies and from prior year accumulated funds. The Clerk contacted the local auditor regarding the requirement to amend the budget as these items were not previously budgeted. Clerk understood auditor to require a special account to be maintained for these funds but did not understand that the budget also required amendment. Since completion of these two projects, all funds, prior year grant funds or otherwise, will be included in the present year budget or budget amendment.

98-2 Segregation of Duties

Finding: In reviewing the internal control structure, we noted inadequate segregation of duties existed. The general accounting and general ledger function is not separate from custody and control over assets.

Cause: As a result of the size of the municipality and the limited number of personnel necessary to perform the administrative functions, inadequate segregation of duties exist.

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

MANSON J. SALTZMAN
Mayor

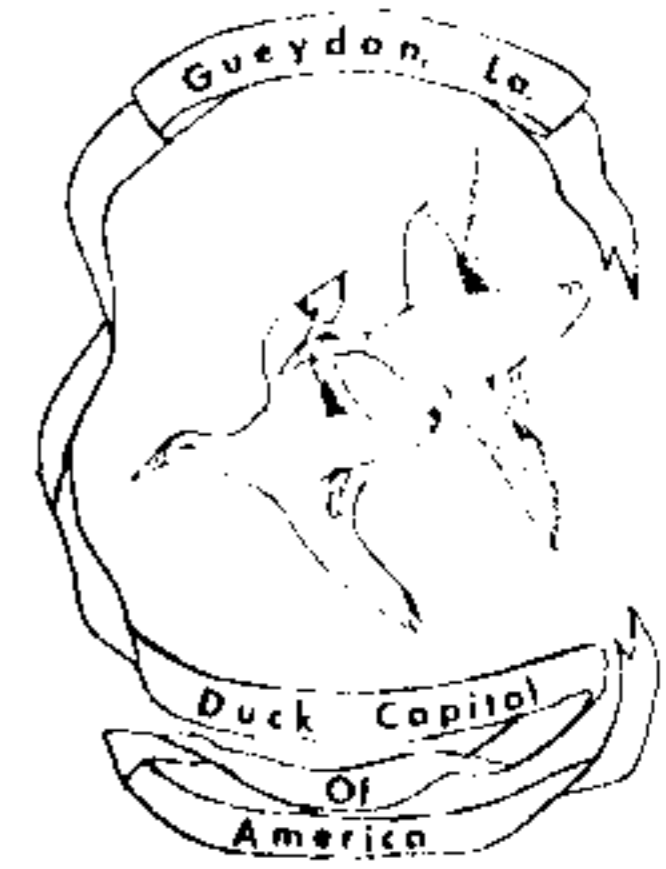
EDWARD G. SAAL, JR.
City Attorney

ETHEL LEGER
Treasurer-Clerk

BOARD OF ALDERMEN

CHARLOTTE VENABLE
ALTHEA WILLIAMS
GALE R. SMITH
WILSON HINES
WILLIAM D. SMITH

Town of Gueydan
600 Main St.
Gueydan, Louisiana
70542
Phone (318) 536-9415



MANAGEMENT'S CORRECTIVE ACTION PLAN (CONTINUED)
For the Year Ended December 31, 1998

Section I. Internal Control and Compliance Material to the Financial Statements
(continued)

98-3 Fixed Assets

Finding: Fixed assets are not appropriately identified with a numeric tag issued by the Town.

Cause: Although a fixed asset listing is kept, the Town has not implemented a system of tagging equipment inventory.

Suggestion: We recommend that all fixed assets be tagged showing ownership by the Town of Gueydan and a numerical listing maintained.

Response: The Town will implement a system of tagging equipment with a corresponding inventory maintained.

98-4 Payroll Records

Finding: In reviewing payroll records, we noted that timesheets are not used by salaried employees to account for time worked and leave taken.

Cause: In the past, all employees reported leave taken to the Clerk without the use of a timesheet.

Suggestion: We recommend that timesheets be utilized by salaried personnel to accurately account for time worked and leave taken and should be signed by the employee and appropriate supervisor.

Response: Town will adopt policy requiring all supervisors to keep timesheets on their department personnel and will maintain these sheets in binders to be available for review to appropriately compute time worked, leave and vacation time.

98-5 Purchase Orders

Finding: In reviewing disbursement procedures, it was noted that all purchase orders were not approved by the Clerk prior to the purchase of goods or services.

Cause: Purchase orders are not all submitted to the Clerk for proper approval prior to the purchase of goods and services and are not all kept at City Hall.

MANSON J. SALTZMAN
Mayor

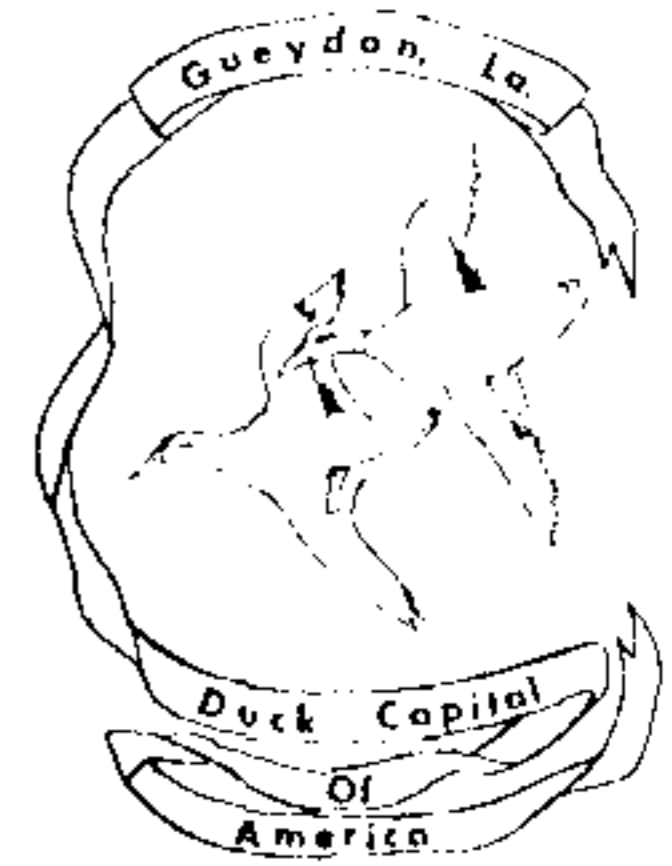
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MANAGEMENT'S CORRECTIVE ACTION PLAN (CONTINUED)
For the Year Ended December 31, 1998

Section I. Internal Control and Compliance Material to the Financial Statements]
(continued)

Recommendation: We recommend that all purchase orders be approved by the Clerk in advance and maintained in numerical order at City Hall.

Response: All purchase orders for all departments, with the exception of Fire and Police departments, have been approved by Clerk in advance. Fire and Police departments had purchase orders on hand because of after hour purchases when Clerk is not available. Mayor will advise Board of Aldermen and Fire and Police departments of findings of auditor and require all purchase orders to be immediately turned in to City Hall and further require future purchase orders be prior approved by Clerk per auditor's recommendations.

Section II. Internal Control and Compliance Material to Federal Awards

The Town did not receive any federal awards for the year ended December 31, 1998.

Section III Management Letter

The current year's report does not include a management letter.