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SEP 29 1999

TOWN OF ARNAUDVILLE, LOUISIANA

Financial Report

Year Ended June 30, 1999

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 SEP 29 1999

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MANAGEMENT LETTER

The Honorable Kathy M. Richard, Mayor
and Members of the Board of Aldermen
Town of Arnaudville, Louisiana

During our audit of the general purpose financial statements of the Town of Arnaudville as of and for the year ended June 30, 1999, we noted a certain area in which improvement may be desirable.

The aging of utility receivables, as well as utility adjustments, should be reviewed and approved monthly by someone independent of utility billings and collections.

We would like to express our appreciation to you and your office staff for the courtesies and assistance rendered to us during the performance of our audit. Should you have any questions or need assistance in implementing our recommendation, please feel free to contact us.

Kolder, Champagne, Slaven & Rainey, LLC
Certified Public Accountants

Lafayette, Louisiana
July 21, 1999

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INDEPENDENT AUDITORS' REPORT

The Honorable Kathy Richard, Mayor,
and Members of the Board of Aldermen
Town of Arnaudville, Louisiana

We have audited the accompanying general purpose financial statements of the Town of Arnaudville, Louisiana, as of and for the year ended June 30, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the Town of Arnaudville, Louisiana, 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 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 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 Town of Arnaudville, Louisiana, as of June 30, 1999, and the results of its operations and cash flows of its proprietary fund type for the year then ended, in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The year 2000 supplementary information is required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that the Town of Arnaudville is or will become year 2000 compliant, that the Town'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.

The supplemental information (pages 31-75) is presented for purposes of additional analysis. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued a report dated July 21, 1999 on our consideration of the Town of Arnaudville's internal control over financial reporting and on our tests of its compliance with laws and regulations.

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 Arnaudville, Louisiana.

Kolder, Champagne, Slaven & Rainey, LLC
Certified Public Accountants

Lafayette, Louisiana
July 21, 1999

**GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)**

TOWN OF ARNAUDVILLE, LOUISIANA
 Combined Balance Sheet - All Fund Types and Account Groups
 June 30, 1999

	Governmental Fund Types				Proprietary Fund Type Enterprise	Account Groups			Totals	
	General	Special Revenue	Debt Service	Capital Projects		Fixed Assets	General Long- Term Debt	(Memorandum Only)		
								1999	1998	
ASSETS AND OTHER DEBITS										
Cash	\$ 95,093	\$ 184,638	\$ 8,462	\$ 1,154	\$ 149,812	\$ -	\$ -	\$ 439,159	\$ 405,089	
Interest-bearing deposits	-	271,340	-	175,405	573,115	-	-	1,019,860	886,023	
Receivables, net of allowances for uncollectibles:										
Taxes	-	20,662	-	-	-	-	-	20,662	-	
Accounts	-	-	-	-	48,552	-	-	48,552	56,104	
Accrued interest	-	6,994	-	4,512	12,613	-	-	24,119	20,066	
Federal grant	-	-	-	-	-	-	-	-	9,798	
Due from other funds	95,155	30,147	-	11,449	10,429	-	-	147,180	155,489	
Due from other governments	30,826	-	-	-	-	-	-	30,826	5,777	
Other	-	-	-	-	1,328	-	-	1,328	1,126	
Prepaid expenses	-	-	-	-	5,619	-	-	5,619	5,619	
Restricted assets:										
Cash	-	-	-	-	37,117	-	-	37,117	35,029	
Interest-bearing deposits	-	-	-	-	120,611	-	-	120,611	113,888	
Land	-	-	-	-	-	70,498	-	70,498	25,498	
Buildings	-	-	-	-	-	232,537	-	232,537	215,926	
Equipment	-	-	-	-	-	133,217	-	133,217	133,132	
Utility property, plant and equipment	-	-	-	-	2,720,987	-	-	2,720,987	2,719,317	
Accumulated depreciation	-	-	-	-	(1,260,825)	-	-	(1,260,825)	(1,194,570)	
Amount available in debt service fund	-	-	-	-	-	-	8,462	8,462	8,462	
Amount to be provided for retirement of general long-term debt	-	-	-	-	-	-	-	123,752	153,025	
Total assets and other debits	\$221,074	\$513,781	\$ 8,462	\$192,520	\$2,419,358	\$436,252	\$132,214	\$3,923,661	\$3,754,798	

(continued)

TOWN OF ARNAUDVILLE, LOUISIANA

Combined Balance Sheet - All Fund Types and Account Groups (Continued)
June 30, 1999

	Governmental Fund Types				Proprietary		Account Groups			Totals	
	General	Special	Debt	Capital	Fund Type	Enterprise	General	General Long-	Term Debt	1999	(Memorandum Only) 1998
		Revenue	Service	Projects							
LIABILITIES, EQUITY AND OTHER CREDITS											
Liabilities:											
Accounts payable	\$ 10,067	\$ 1,667	\$ -	\$ -	\$ 5,361	\$ -	\$ -	\$ -	\$ 17,095	\$ 13,932	
Due to other funds	724	49,345	-	999	96,112	-	-	-	147,180	155,489	
Contacts payable	19,897	-	-	-	-	-	-	-	19,897	-	
Retainage payable	2,211	-	-	-	-	-	-	-	2,211	-	
Other liabilities	2,399	1,341	-	-	5,741	-	-	-	9,481	10,215	
Payable from restricted assets -											
Revenue bonds	-	-	-	-	5,000	-	-	-	5,000	5,000	
Certificates of indebtedness	-	-	-	-	39,942	-	-	-	39,942	35,000	
Customers' deposits	-	-	-	-	34,902	-	-	-	34,902	34,973	
Compensated absences	-	-	-	-	-	-	-	22,214	22,214	16,487	
Revenue bonds payable	-	-	-	-	182,000	-	-	-	182,000	187,000	
Certificates of indebtedness payable	-	-	-	-	-	-	-	110,000	110,000	184,242	
Total liabilities	<u>35,298</u>	<u>52,353</u>	<u>-</u>	<u>999</u>	<u>369,058</u>	<u>-</u>	<u>-</u>	<u>132,214</u>	<u>589,922</u>	<u>642,338</u>	
Equity and other credits:											
Contributed capital	-	-	-	-	879,961	-	-	-	879,961	898,414	
Investment in general fixed assets	-	-	-	-	-	436,252	-	-	436,252	374,556	
Retained earnings -											
Reserved for revenue bond retirement	-	-	-	-	56,253	-	-	-	56,253	57,021	
Unreserved	-	-	-	-	1,114,086	-	-	-	1,114,086	1,054,367	
Total retained earnings	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,170,339</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,170,339</u>	<u>1,111,388</u>	
Fund balances -											
Reserved for debt service	-	-	8,462	-	-	-	-	-	8,462	8,462	
Unreserved:											
Designated for subsequent years' expenditures	-	-	-	191,521	-	-	-	-	191,521	153,263	
Undesignated	185,776	461,428	-	-	-	-	-	-	647,204	566,377	
Total fund balances	<u>185,776</u>	<u>461,428</u>	<u>8,462</u>	<u>191,521</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>847,187</u>	<u>728,102</u>	
Total equity and other credits	<u>185,776</u>	<u>461,428</u>	<u>8,462</u>	<u>191,521</u>	<u>2,050,300</u>	<u>436,252</u>	<u>-</u>	<u>-</u>	<u>3,333,739</u>	<u>3,112,460</u>	
Total liabilities, equity and other credits	<u>\$221,074</u>	<u>\$513,781</u>	<u>\$8,462</u>	<u>\$192,520</u>	<u>\$2,419,358</u>	<u>\$436,252</u>	<u>\$132,214</u>	<u>\$3,923,661</u>	<u>\$3,754,798</u>	<u>\$3,754,798</u>	

The accompanying notes are an integral part of this statement.

TOWN OF ARNAUDVILLE, LOUISIANA

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -
All Governmental Fund Types
Year Ended June 30, 1999

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)	
					1999	1998
Revenues:						
Taxes	\$ 83,921	\$279,466	\$ -	\$ -	\$363,387	\$335,668
Licenses and permits	60,248	-	-	-	60,248	57,510
Intergovernmental	54,893	323	-	-	55,216	111,097
Fines and forfeits	54,228	-	-	-	54,228	65,696
Miscellaneous	26,891	18,030	-	8,991	53,912	30,470
Total revenues	<u>280,181</u>	<u>297,819</u>	<u>-</u>	<u>8,991</u>	<u>586,991</u>	<u>600,441</u>
Expenditures:						
Current -						
General government	127,228	7,715	-	-	134,943	171,183
Public safety:						
Police	83,194	104,730	-	-	187,924	197,146
Highways and streets	49,991	13,838	-	-	63,829	38,849
Culture and recreation	24,273	6,397	-	-	30,670	17,178
Capital outlay	14,994	51,846	-	-	66,840	60,079
Debt service -						
Principal retirement	-	-	35,000	-	35,000	30,000
Interest and fiscal charges	-	-	9,425	-	9,425	11,375
Total expenditures	<u>299,680</u>	<u>184,526</u>	<u>44,425</u>	<u>-</u>	<u>528,631</u>	<u>525,810</u>
Excess (deficiency) of revenues over expenditures	<u>(19,499)</u>	<u>113,293</u>	<u>(44,425)</u>	<u>8,991</u>	<u>58,360</u>	<u>74,631</u>
Other financing sources (uses):						
Operating transfers in	50,000	-	44,425	10,725	105,150	146,975
Operating transfers out	-	(44,425)	-	-	(44,425)	(61,375)
Total other financing sources (uses)	<u>50,000</u>	<u>(44,425)</u>	<u>44,425</u>	<u>10,725</u>	<u>60,725</u>	<u>85,600</u>
Excess of revenues and other sources over expenditures and other uses	30,501	68,868	-	19,716	119,085	160,231
Fund balances, beginning	<u>155,275</u>	<u>392,560</u>	<u>8,462</u>	<u>171,805</u>	<u>728,102</u>	<u>567,871</u>
Fund balances, ending	<u>\$185,776</u>	<u>\$461,428</u>	<u>\$ 8,462</u>	<u>\$191,521</u>	<u>\$847,187</u>	<u>\$728,102</u>

The accompanying notes are an integral part of this statement.

TOWN OF ARNAUDVILLE, LOUISIANA

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget (GAAP Basis) and Actual
All Governmental Fund Types
Year Ended June 30, 1999

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:						
Taxes	\$ 91,400	\$ 83,921	\$ (7,479)	\$258,000	\$279,466	\$21,466
Licenses and permits	55,000	60,248	5,248	-	-	-
Intergovernmental	55,400	54,893	(507)	250	323	73
Fines and forfeits	52,000	54,228	2,228	-	-	-
Miscellaneous	19,000	26,891	7,891	14,000	18,030	4,030
Total revenues	<u>272,800</u>	<u>280,181</u>	<u>7,381</u>	<u>272,250</u>	<u>297,819</u>	<u>25,569</u>
Expenditures:						
Current -						
General government	135,489	127,228	8,261	7,300	7,715	(415)
Public safety:						
Police	88,450	83,194	5,256	107,500	104,730	2,770
Highways and streets	53,764	49,991	3,773	14,000	13,838	162
Culture and recreation	12,924	24,273	(11,349)	4,200	6,397	(2,197)
Capital outlay	15,500	14,994	506	55,000	51,846	3,154
Debt service -						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>306,127</u>	<u>299,680</u>	<u>6,447</u>	<u>188,000</u>	<u>184,526</u>	<u>3,474</u>
Excess (deficiency) of revenues over expenditures	<u>(33,327)</u>	<u>(19,499)</u>	<u>13,828</u>	<u>84,250</u>	<u>113,293</u>	<u>29,043</u>
Other financing sources (uses):						
Operating transfers in	50,000	50,000	-	-	-	-
Operating transfers out	-	-	-	(44,425)	(44,425)	-
Total other financing sources (uses)	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>(44,425)</u>	<u>(44,425)</u>	<u>-</u>
Excess of revenues and other sources over expenditures and other uses	16,673	30,501	13,828	39,825	68,868	29,043
Fund balances, beginning	<u>155,275</u>	<u>155,275</u>	<u>-</u>	<u>392,560</u>	<u>392,560</u>	<u>-</u>
Fund balances, ending	<u>\$171,948</u>	<u>\$185,776</u>	<u>\$ 13,828</u>	<u>\$432,385</u>	<u>\$461,428</u>	<u>\$29,043</u>

The accompanying notes are an integral part of this statement.

Debt Service Fund			Capital Project Funds		
Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	8,500	8,991	491
-	-	-	8,500	8,991	491
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
35,000	35,000	-	-	-	-
9,425	9,425	-	-	-	-
44,425	44,425	-	-	-	-
(44,425)	(44,425)	-	8,500	8,991	491
44,425	44,425	-	10,500	10,725	225
-	-	-	-	-	-
44,425	44,425	-	10,500	10,725	225
-	-	-	19,000	19,716	716
8,462	8,462	-	171,805	171,805	-
<u>\$ 8,462</u>	<u>\$ 8,462</u>	<u>\$ -</u>	<u>\$190,805</u>	<u>\$191,521</u>	<u>\$ 716</u>

TOWN OF ARNAUDVILLE, LOUISIANA

Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings
 Proprietary Fund Type
 Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Operating revenues:		
Charges for services -		
Gas sales	\$ 242,539	\$ 262,690
Gas reconnection fees	1,053	1,760
Water sales	147,062	140,589
Water reconnection fees	218	3,143
Sewerage charges and connection fees	71,865	70,364
Garbage collections	-	796
Penalties	7,657	8,997
Total operating revenues	<u>470,394</u>	<u>488,339</u>
Operating expenses:		
Gas department	162,689	177,578
Water department	76,847	83,128
Sewerage department	24,379	24,967
Sanitation department	719	696
General and administrative	78,072	80,729
Depreciation	74,791	74,656
Total operating expenses	<u>417,497</u>	<u>441,754</u>
Operating income	<u>52,897</u>	<u>46,585</u>
Nonoperating revenues (expenses):		
Interest income	27,331	30,278
Ad valorem taxes	25,584	24,648
Recovery of bad debt	8,136	7,232
Interest expense	(14,405)	(17,360)
Paying agent's fees	(350)	(350)
Miscellaneous	2,030	(401)
Total nonoperating revenues	<u>48,326</u>	<u>44,047</u>
Income before operating transfers	101,223	90,632
Operating transfers out:		
Operating transfers out	<u>(60,725)</u>	<u>(85,600)</u>
Net income	40,498	5,032

(continued)

TOWN OF ARNAUDVILLE, LOUISIANA

Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings
 Proprietary Fund Type (Continued)
 Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Add: Depreciation on fixed assets acquired with capital grants that reduces contributed capital from capital grants	<u>18,453</u>	<u>18,453</u>
Net increase in retained earnings	58,951	23,485
Retained earnings, beginning	<u>1,111,388</u>	<u>1,087,903</u>
Retained earnings, ending	<u><u>\$1,170,339</u></u>	<u><u>\$1,111,388</u></u>

The accompanying notes are an integral part of this statement.

TOWN OF ARNAUDVILLE, LOUISIANA

Comparative Statement of Cash Flows
 Proprietary Fund Type
 Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Cash flows from operating activities:		
Operating income	\$ 52,897	\$ 46,585
Adjustments to reconcile operating income to net cash provided by operating activities -		
Depreciation	74,791	74,656
Amortization of discount on certificates of indebtedness	700	700
Changes in assets and liabilities:		
Decrease in accounts receivable	7,552	1,930
Decrease (increase) in due from other funds	27,425	(13,601)
Decrease (increase) in other receivables	(1,457)	183
Increase in prepaid expenses	-	(207)
Decrease in accounts payable	(1,368)	(3,676)
Increase in due to other funds	16,088	62,179
Increase (decrease) in accrued liabilities	(135)	357
Total adjustments	<u>123,596</u>	<u>122,521</u>
Net cash provided by operating activities	<u>176,493</u>	<u>169,106</u>
Cash flows from noncapital financing activities:		
Proceeds from ad valorem taxes	25,584	26,975
Recovery of bad debt	8,136	7,232
Operating transfers out to other funds	<u>(60,725)</u>	<u>(85,600)</u>
Net cash used by noncapital financing activities	<u>(27,005)</u>	<u>(51,393)</u>
Cash flows from capital and related financing activities:		
Interest paid on revenue bonds and certificates of indebtedness	(14,405)	(17,360)
Principal paid on revenue bonds	(40,000)	(40,000)
Paying agents' fees	(350)	(350)
Miscellaneous nonoperating revenues (expenses)	2,030	(401)
Acquisition of property, plant and equipment	(10,205)	(38,290)
Net decrease in meter deposits	<u>(71)</u>	<u>(2,455)</u>
Net cash used by capital and related financing activities	<u>(63,001)</u>	<u>(98,856)</u>
Cash flows from investing activities:		
Interest received on interest-bearing deposits	27,331	30,278
Net increase in interest-bearing deposits	<u>(96,866)</u>	<u>(66,283)</u>
Net cash used by investing activities	<u>(69,535)</u>	<u>(36,005)</u>
Net increase (decrease) in cash and cash equivalents	16,952	(17,148)
Cash and cash equivalents, beginning of period	<u>169,977</u>	<u>187,125</u>
Cash and cash equivalents, end of period	<u>\$186,929</u>	<u>\$169,977</u>

TOWN OF ARNAUDVILLE, LOUISIANA

Comparative Statement of Cash Flows
 Proprietary Fund Type (Continued)
 Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents, beginning of period -		
Cash - unrestricted	\$ 98,258	\$ 82,339
Interest-bearing deposits - unrestricted	519,662	466,725
Cash - restricted	35,029	62,796
Interest-bearing deposits - restricted	113,888	105,842
Less: Interest-bearing deposits with a maturity over three months	<u>(596,860)</u>	<u>(530,577)</u>
Total cash and cash equivalents	<u>169,977</u>	<u>187,125</u>
Cash and cash equivalents, end of period -		
Cash - unrestricted	149,812	98,258
Interest-bearing deposits - unrestricted	573,115	519,662
Cash - restricted	37,117	35,029
Interest-bearing deposits - restricted	120,611	113,888
Less: Interest-bearing deposits with a maturity over three months	<u>(693,726)</u>	<u>(596,860)</u>
Total cash and cash equivalents	<u>186,929</u>	<u>169,977</u>
Net increase (decrease)	<u>\$ 16,952</u>	<u>\$ (17,148)</u>

The accompanying notes are an integral part of this statement.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

The Town of Arnaudville (Town) was incorporated in 1909 under the provisions of the Lawrason Act. The Town operates under a Mayor-Board of Aldermen form of government.

The accounting and reporting policies of the Town of Arnaudville conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the industry audit guide, Audits of State and Local Governmental Units, published by the American Institute of Certified Public Accountants. The Town's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary funds apply Financial Accounting Standards (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements in which case, GASB prevails.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

This report includes all funds and account groups which are controlled by or dependent on the Town executive and legislative branches (the Mayor and Board of Aldermen). Control by or dependence on the Town was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

Based on the foregoing criteria, a certain governmental organization is not part of the Town and is thus excluded from the accompanying financial statements. This organization is the volunteer fire department. Although the Town does provide facilities and some of its financing, no control is exercised over its operations.

B. Basis of Presentation - Fund Accounting

The accounts of the Town of Arnaudville 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 an individual fund based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Account groups are reporting devices used to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Financial Statements (Continued)

The Town has the following fund types and account groups:

Governmental Fund Types -

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 revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

Debt service fund

The Debt service fund is 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 projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Proprietary Fund Type -

Enterprise fund

The Enterprise fund is 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. The Town of Arnaudville's enterprise fund is the Utility fund.

Account Groups -

General Fixed Assets Account Group

This is not a fund but rather an account group that is used to account for general fixed assets acquired principally for general purposes and excludes fixed assets in the Enterprise fund.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Financial Statements (Continued)

General Long-Term Debt Account Group

This is not a fund but rather an account group that is used to account for the outstanding principal balances of general obligation bonds and other long-term debt not reported in proprietary funds.

C. Basis of Accounting

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

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Sales taxes are considered "measurable" when in the hands of 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. Other major revenues that are considered susceptible to accrual include earned grant revenues and other intergovernmental revenues, charges for services and interest on interest-bearing deposits. Franchise fees, licenses and permits, and fines are recognized when received because they are not objectively measurable.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, interest on general long-term debt is recognized when due and purchases of various operating supplies are regarded as expenditures at the time purchased.

The proprietary fund is accounted for using the accrual basis of accounting whereby revenues are recognized when they are earned and expenses are recognized when incurred. Unbilled utility service receivables, resulting from utility services rendered between the date of meter reading and billing and the end of the month are recorded at year end.

D. Budgets and Budgetary Accounting

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

1. The Town Clerk prepares a proposed budget and submits it to the Mayor and Board of Aldermen 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.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Financial Statements (Continued)

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 a resolution 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 Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board of Aldermen. Such amendments were not material in relation to the original appropriations.

E. Interest-Bearing Deposits

Interest-bearing deposits are stated at cost, which approximates market.

F. Statement of Cash Flows

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

G. Due to and Due from Other Funds

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

H. Restricted Assets

The Utility Fund, based on certain bond covenants, is required to establish and maintain prescribed amounts of resources (consisting of cash and temporary investments) that can be used to service outstanding debt.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Financial Statements (Continued)

I. Fixed Assets

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group and are recorded as expenditures in the governmental fund types when purchased. The Town has elected not to capitalize public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems. No depreciation has been provided on general fixed assets.

The cost of normal maintenance and repairs that do not add to the value of assets or materially extend asset lives are not included in the general fixed assets account group or capitalized in the proprietary fund.

Depreciation of all exhaustible fixed assets used by the proprietary fund is charged as an expense against its operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Gas Utility:	
Lines	35 years
Equipment	10 years
Water Utility:	
Lines	50 years
Equipment	5 years
Sewerage Utility:	
Lines	40 years
Pumps	10 years
Equipment	5 years
Sanitation equipment	3 years
Office equipment	7 years

All fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair value on the date donated. Estimated amounts are immaterial in relation to total fixed assets.

J. Long-Term Debt

Long-term obligations of the Town are reported in the General Long-Term Debt Account Group. Long-term liabilities for certain general obligation bonds and revenue bonds are reported in the Utility Fund.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Financial Statements (Continued)

K. Bad Debts

Allowances for uncollectible amounts due for ad valorem taxes and utility accounts receivable have been estimated and recognized at June 30, 1999. The allowance for uncollectible taxes is \$2,237 and the allowance for uncollectible utility accounts receivable is \$10,802 at June 30, 1999.

L. Compensated Absences

Town employees are entitled to certain compensated absences based upon their length of service.

Vacation leave is earned at the rate of five days to twenty days per year. Vacation leave earned does not accumulate from year to year. However, all vacation leave accumulated at the time of separation is payable.

Sick leave is earned at the rate of one day per month not to exceed ten days in one year. Employees are allowed to accumulate and carryforward up to forty days of sick leave from year to year. Accumulated sick leave is not payable at time of separation.

At June 30, 1999, vested leave benefits have been accrued as required by GASB statement No. 16 "Accounting for Compensated Absences."

M. Capitalization of Interest Costs

It is the policy of the Town of Arnaudville to capitalize material amounts of interest resulting from borrowings in the course of the construction of fixed assets. During the year ended June 30, 1999, there were no interest costs capitalized.

N. Amortization of Certificate of Indebtedness Expense

The costs of issuance of the certificates of indebtedness in the proprietary fund are being amortized, on the straight-line method, over the life of the certificates.

O. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Town as an extension of formal budgetary integration in the funds.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Financial Statements (Continued)

P. Total Columns on Combined Statements - Overview

Total columns on the Combined Statements - Overview are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Q. 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.

(2) Cash and Interest-Bearing Deposits

Under state law, the Town 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 Town 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, 1999, the Town has cash and interest-bearing deposits (book balances) totaling \$1,459,019 as follows:

Demand deposits	\$ 439,159
Time deposits	<u>1,019,860</u>
Total	<u>\$1,459,019</u>

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Financial Statements (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, 1999 are secured as follows:

Bank balances	<u>\$1,622,955</u>
Federal deposit insurance	\$ 500,000
Pledged securities (Category 3)	<u>1,122,955</u>
Total	<u>\$1,622,955</u>

Pledged securities in Category 3 include uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the Town'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 Town that the fiscal agent has failed to pay deposited funds upon demand.

(3) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Town in September or October and are actually billed to taxpayers in December. Billed taxes become delinquent on January 1 of the following year. The Town bills and collects its own property taxes using the assessed values determined by the tax assessors of St. Martin and St. Landry Parishes. Ad valorem tax revenues are budgeted in the year billed.

For the year ended June 30, 1999 taxes of 14.34 mills were levied on property with assessed valuations totaling \$3,322,387 and were dedicated as follows:

General corporate purposes	7.35 mills
Utility system	6.99 mills

Total taxes levied were \$47,644. Taxes receivable at June 30, 1999 was \$2,237. The allowance for uncollectible accounts was \$2,237 at June 30, 1999; therefore, the net taxes receivable is zero at June 30, 1999.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Financial Statements (Continued)

(4) Interfund Receivables, Payables

A summary of interfund receivables and payables at June 30, 1999 follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 95,155	\$ 724
Special Revenue Funds:		
1969 Sales Tax Fund	-	32,148
1982 Sales Tax Fund	30,147	17,197
Capital Projects Fund:		
Street Improvement Fund	-	999
One Percent Budget Set-Aside Fund	11,449	-
Utility Fund	<u>10,429</u>	<u>96,112</u>
Totals	<u>\$147,180</u>	<u>\$147,180</u>

(5) Restricted Assets - Proprietary Fund Type

Restricted assets were applicable to the following at June 30:

	<u>1999</u>	<u>1998</u>
Revenue bond sinking and interest redemption fund	\$ 57,163	\$ 54,512
Revenue bond reserve fund	12,187	11,435
Revenue bond capital additions and contingencies fund	31,903	29,071
Customers' deposits	<u>56,476</u>	<u>53,899</u>
Total restricted assets	<u>\$157,729</u>	<u>\$148,917</u>

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Financial Statements (Continued)

(6) Changes in Fixed Assets

A summary of changes in general fixed assets follows:

	<u>Balance</u> <u>07/01/98</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/99</u>
Land	\$ 25,498	\$45,000	\$ -	\$ 70,498
Buildings	215,926	16,611	-	232,537
Equipment	<u>133,132</u>	<u>5,229</u>	<u>(5,144)</u>	<u>133,217</u>
Total general fixed assets	<u>\$374,556</u>	<u>\$66,840</u>	<u>\$(5,144)</u>	<u>\$436,252</u>

A summary of proprietary fund type property, plant and equipment at June 30, 1999 follows:

Gas department:	
System and extensions	\$ 509,481
Equipment	59,268
Water department:	
Land	25,000
System and extensions	633,923
Equipment	19,653
Sewerage department:	
Land	3,715
System and improvements	1,413,476
Equipment	34,182
Sanitation department:	
Equipment	3,500
Administrative:	
Office equipment	11,845
Building	6,944
	<u>2,720,987</u>
Less: Accumulated depreciation	<u>(1,260,825)</u>
Net Utility Fund property, plant and equipment	<u>\$ 1,460,162</u>

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Financial Statements (Continued)

(7) Changes in Long-Term Debt

The following is a summary of general long-term obligation transactions of the Town for the year ended June 30, 1999:

	<u>Compensated Absences</u>	<u>General Obligation</u>	<u>Revenue</u>	<u>Total</u>
Compensated absences, bonds and certificates payable at June 30, 1998	\$16,487	\$145,000	\$267,000	\$428,487
Additions	5,727	-	-	5,727
Reductions	-	35,000	40,000	(75,000)
Compensated absences, bonds and certificates payable at June 30, 1999	<u>\$22,214</u>	<u>\$110,000</u>	<u>\$227,000</u>	<u>\$359,214</u>

Bonds and certificates of indebtedness payable at June 30, 1999 are comprised of the following individual issues:

General obligation bonds and certificates of indebtedness:

\$300,000 Certificates of Indebtedness dated 6/01/92; due in annual installments of \$30,000 to \$40,000 through 6/01/02; interest at 6.50 percent; payable from excess annual revenues	<u>\$110,000</u>
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Revenue bonds and certificates:

\$245,000 Utility bonds dated 3/24/82; due in annual installments of \$5,000 to \$13,000 through 3/24/22; interest at 5.00 percent	187,000
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Certificates of indebtedness, Series 1989 due in an annual installment of \$40,000 on 8/01/99; interest at 7.75 percent	<u>40,000</u>
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Total	227,000
Less: Unamortized discount	<u>(58)</u>

Net utility revenue bonds and certificates payable	<u>\$226,942</u>
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TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Financial Statements (Continued)

The annual requirements to amortize all debt outstanding as of June 30, 1999 including interest payments of \$146,425 are as follows:

<u>Year Ending June 30,</u>	<u>General Obligation</u>	<u>Revenue</u>	<u>Total</u>
2000	\$ 42,150	\$ 55,900	\$ 98,050
2001	39,875	14,100	53,975
2002	42,600	13,850	56,450
2003	-	14,600	14,600
2004	-	14,300	14,300
2005-2009	-	68,950	68,950
2010-2014	-	68,200	68,200
2015-2019	-	68,150	68,150
2020-2022	-	40,750	40,750
	<u>\$124,625</u>	<u>\$358,800</u>	<u>\$483,425</u>

(8) Flow of Fund; Restrictions on Use - Utilities Revenues

Under the terms of the bond indenture on outstanding utility revenue bonds dated March 24, 1982 and the Certificates of Indebtedness, Series 1989, all income and revenues (hereinafter referred to as revenue) of every nature, earned or derived from operation of the Utility System are pledged and dedicated to the retirement of said bonds and certificates and are to be set aside into the following funds:

Each month there will be set aside into a "Bond and Interest Redemption Fund", also called the "Sinking Fund", an amount consisting of 1/12 of the next maturing installment of principal and interest on the outstanding certificates. Such transfers must be made on or before the 20th day of each month to assure the prompt payment of principal and interest installments as they become due and may be used only for such payments.

Relative to the 1982 bond issue, 5 percent of the amount to be paid into the Bond and Interest Redemption Fund each month must be deposited into a "Bond Reserve Fund" until there is on deposit an amount equal to \$15,050. Also, there will be set aside into a "Capital Additions and Contingencies Fund" \$119 per month for the 1982 issue. Monies in this account may be used for the making of extraordinary repairs or replacements to the system which are necessary to keep the system in operating condition and for which money is not available as a maintenance and operation expense.

All revenues received in any fiscal year and not required to be paid in such fiscal year into any of the above noted accounts shall be regarded as surplus and may be used for any lawful corporate purpose.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Financial Statements (Continued)

(9) Dedication of Proceeds and Flow of Funds - Sales and Use Tax Levies

Proceeds of a 1969 1% sales and use tax levied by the Town of Arnaudville (1999 collections \$139,733; 1998 \$119,762) are dedicated to the following purposes:

Constructing, acquiring, improving and maintaining police department stations and equipment, garbage and waste disposal facilities, streets, drains and drainage facilities; compensating policemen; maintaining sewers and sewerage disposal works; and purchasing and acquiring the necessary equipment and furnishings for the aforesaid public works, improvements and facilities, title to which improvements shall be in the public name.

Proceeds of a 1982 1% sales and use tax levied by the Town of Arnaudville (1999 collections \$139,733; 1998 \$119,762) are dedicated to the following purposes:

Constructing, acquiring, extending, improving, operating and/or maintaining public streets, bridges, sidewalks, drainage facilities, recreational facilities and garbage and waste disposal facilities; and purchasing and acquiring the necessary land, equipment and furnishings for any of the aforesaid public works, improvements and facilities. The 1982 sales and use tax is currently dedicated to retiring the 6/1/92 Street Improvements Certificates of Indebtedness.

(10) Pension Plans

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

A. Municipal Employees Retirement System of Louisiana (System)

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

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Financial Statements (Continued)

months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

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

Funding Policy - Under Plan A, members are required by state statute to contribute 9.25% of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The current rate is 6.25% of annual covered payroll. Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town contributions to the System under Plan A for the years ending June 30, 1999, 1998, and 1997 were \$11,644, \$11,489, and \$12,240, respectively, equal to the required contributions for each year.

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

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

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

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Financial Statements (Continued)

Funding Policy - Plan members are required by state statute to contribute 7.5% of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The current rate is 9.0% of annual covered payroll. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town contributions to the System for the years ending June 30, 1999, 1998, and 1997 were \$8,950, \$10,266, and \$10,012, respectively, equal to the required contributions for each year.

(11) Natural Gas Contracts

The Town is currently under a contract to purchase natural gas from the Louisiana Municipal Gas Purchasing and Distribution Authority (Authority). The Town purchased natural gas from the Authority during 1999 in the amount of \$85,814 of which \$3,685 was owed for purchases for the month of June, 1999, and \$5,619 is being held in storage at June 30, 1999. The amount held in storage is recorded as a prepaid expense at June 30, 1999.

(12) Segment Information for the Enterprise Fund

The Town of Arnaudville maintains one enterprise fund with four departments which provide gas, water, sewerage and sanitation (on a limited basis) services. Segment information for the year ended June 30, 1999 was as follows:

	<u>Gas Dept.</u>	<u>Water Dept.</u>	<u>Sewerage Dept.</u>	<u>Sanitation Dept.</u>	<u>Total Enterprise Fund</u>
Operating revenues	\$ 247,803	\$ 149,501	\$ 73,014	\$ 76	\$470,394
Operating expenses	<u>(228,900)</u>	<u>(114,552)</u>	<u>(71,810)</u>	<u>(2,235)</u>	<u>417,497</u>
Operating income (loss)	<u>\$ 18,903</u>	<u>\$ 34,949</u>	<u>\$ 1,204</u>	<u>\$(2,159)</u>	<u>\$ 52,897</u>

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Financial Statements (Continued)

(13) Compensation of Town Officials

A detail of compensation paid to the Mayor and Board of Aldermen for the year ended June 30, 1999 follows:

Lanard Meche, Mayor (7/1/98 to 12/31/98)	\$ 4,128
Kathy M. Richard, Mayor (1/1/99 to 6/30/99)	4,128
Aldermen:	
Gerald Guidry	2,915
Kathy M. Richard (7/1/98 to 12/31/98)	1,458
Todd Meche	2,915
Levan Stelly	2,915
Louis Stelly, Jr.	2,915
Chester Broussard (1/1/99 to 6/30/99)	1,457
Total	<u>\$22,831</u>

(14) Contributed Capital

Amounts contributed to the Enterprise Fund for acquisition or construction of fixed assets is recognized as contributed capital. The sources of contributed capital used to acquire and construct facilities of the Enterprise Fund is as follows:

	<u>Municipality</u>	<u>Customers</u>	<u>State Grants</u>	<u>Federal Grants</u>	<u>Total</u>
Total contributed capital	\$112,375	\$ 15,176	\$ 165,000	\$ 738,109	\$1,030,660
Less: Accumulated amortization	<u>-</u>	<u>-</u>	<u>-</u>	<u>(150,699)</u>	<u>(150,699)</u>
Net contributed capital at June 30, 1999	<u>\$112,375</u>	<u>\$ 15,176</u>	<u>\$ 165,000</u>	<u>\$ 587,410</u>	<u>\$ 879,961</u>

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Financial Statements (Continued)

(15) Litigation and Claims

At June 30, 1999, the Town is involved in three lawsuits claiming damages. In the opinion of management, resolution of the lawsuits will not create a liability to the Town which would be material to the financial statements. Therefore, no accrual for potential liability is recorded in the financial statements at June 30, 1999.

(16) Risk Management

The Town is exposed to risks of loss in the areas of health care, general and auto liability, property hazards and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year.

SUPPLEMENTAL INFORMATION

TOWN OF ARNAUDVILLE, LOUISIANA

Impact of Year 2000 on Computer Programs (Unaudited)

Impact of Year 2000 on Computer Programs (Unaudited)

The Year 2000 issue is the result of computer programs being written using two digits rather than four to define the applicable year. Any of the Town's computer programs that have time sensitive software may recognize a date using "00" as the year 1900 rather than the year 2000. This could result in a system failure or miscalculations causing disruptions of operations, including, among other things, a temporary inability to process transactions, or engage in similar normal business activities.

The Town has completed an inventory of computer systems and other electronic equipment that may be affected by the year 2000 issue and that are necessary to conducting Town operations and have identified such systems as being financial reporting and payroll.

Both the financial reporting and payroll have been assessed. The Town is in the process of remediating the situation by changing from the software application currently utilized to a year 2000 software application. Testing and validation should not be necessary, as the software vendor has assured that the application is year 2000 compatible.

There are no remaining contracted amounts committed to this project as of June 30, 1999.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Town is or will be Year 2000 ready, that the Town's remediation efforts will be successful in whole or in part, or that the parties with whom the Town does business will be year 2000 ready. The Town is utilizing external resources to identify and test the systems for Year 2000 compliance.

SCHEDULES OF INDIVIDUAL FUNDS AND ACCOUNT GROUPS

GENERAL FUND

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

TOWN OF ARNAUDVILLE, LOUISIANA
General Fund

Comparative Balance Sheet
June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
ASSETS		
Cash	\$ 95,093	\$ 99,485
Receivables:		
Taxes, net of allowance (1999 1,146; 1998 1,211)	-	-
Due from other funds	95,155	79,193
Due from other governments	<u>30,826</u>	<u>5,777</u>
 Total assets	 <u>\$221,074</u>	 <u>\$184,455</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 10,067	\$ 6,564
Due to other funds	724	19,768
Contracts payable	19,897	-
Retainage payable	2,211	-
Other liabilities	<u>2,399</u>	<u>2,848</u>
Total liabilities	35,298	29,180
 Fund balance - unreserved and undesignated	 <u>185,776</u>	 <u>155,275</u>
 Total liabilities and fund balance	 <u>\$221,074</u>	 <u>\$184,455</u>

TOWN OF ARNAUDVILLE, LOUISIANA
General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year Ended June 30, 1999
With Comparative Actual Amounts for Year Ended June 30, 1998

	1999		Variance - Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Revenues:				
Taxes	\$ 91,400	\$ 83,921	\$ (7,479)	\$ 84,813
Licenses and permits	55,000	60,248	5,248	57,510
Intergovernmental	55,400	54,893	(507)	36,748
Fines and forfeits	52,000	54,228	2,228	65,696
Miscellaneous	19,000	26,891	7,891	10,761
Total revenues	<u>272,800</u>	<u>280,181</u>	<u>7,381</u>	<u>255,528</u>
Expenditures:				
Current -				
General government	135,489	127,228	8,261	164,384
Public safety:				
Police	88,450	83,194	5,256	80,169
Highways and streets	53,764	49,991	3,773	23,371
Culture and recreation	12,924	24,273	(11,349)	10,848
Capital outlay	15,500	14,994	506	9,812
	<u>306,127</u>	<u>299,680</u>	<u>6,447</u>	<u>288,584</u>
Deficiency of revenues over expenditures	(33,327)	(19,499)	13,828	(33,056)
Other financing sources:				
Operating transfers in	50,000	50,000	-	95,000
Excess of revenues and other sources over expenditures	16,673	30,501	13,828	61,944
Fund balance, beginning	<u>155,275</u>	<u>155,275</u>	<u>-</u>	<u>93,331</u>
Fund balance, ending	<u>\$171,948</u>	<u>\$185,776</u>	<u>\$ 13,828</u>	<u>\$155,275</u>

TOWN OF ARNAUDVILLE, LOUISIANA
General Fund

Statement of Revenues Compared to Budget (GAAP Basis)
Year Ended June 30, 1999
With Comparative Actual Amounts for Year Ended June 30, 1998

	1999		Variance - Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Taxes:				
Ad valorem	\$ 27,400	\$ 26,866	\$ (534)	\$ 25,654
Franchise - utility companies	64,000	57,055	(6,945)	59,159
	<u>91,400</u>	<u>83,921</u>	<u>(7,479)</u>	<u>84,813</u>
Licenses and permits:				
Occupational licenses	<u>55,000</u>	<u>60,248</u>	<u>5,248</u>	<u>57,510</u>
Intergovernmental:				
State of Louisiana -				
Rural development grant	25,000	24,997	(3)	-
Tobacco tax	7,500	7,512	12	9,390
Beer tax	7,500	6,728	(772)	5,437
Video poker contributions	12,500	12,710	210	16,871
U. S. Post Office Rental	2,900	2,946	46	5,050
	<u>55,400</u>	<u>54,893</u>	<u>(507)</u>	<u>36,748</u>
Fines and forfeits	<u>52,000</u>	<u>54,228</u>	<u>2,228</u>	<u>65,696</u>
Miscellaneous:				
Sale of equipment	200	213	13	663
Recreation department fees	14,000	21,687	7,687	8,307
Donations	600	655	55	510
Other	4,200	4,336	136	1,281
	<u>19,000</u>	<u>26,891</u>	<u>7,891</u>	<u>10,761</u>
Total revenues	<u>\$272,800</u>	<u>\$280,181</u>	<u>\$ 7,381</u>	<u>\$255,528</u>

TOWN OF ARNAUDVILLE, LOUISIANA
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis)
Year Ended June 30, 1999
With Comparative Actual Amounts for Year Ended June 30, 1998

	1999		Variance - Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
General government:				
Mayor, council and clerk salaries	\$ 50,539	\$ 51,092	\$ (553)	\$ 49,226
Other salaries	15,200	13,596	1,604	12,905
Payroll taxes and retirement	7,250	3,078	4,172	5,637
Utilities	5,200	4,962	238	5,746
Telephone	4,500	4,326	174	4,641
Advertising and publications	250	200	50	325
Travel	1,700	1,631	69	1,232
Dues	1,950	864	1,086	2,232
Professional fees	13,000	12,615	385	32,962
Insurance	20,000	17,557	2,443	24,665
Meeting and convention	3,200	3,842	(642)	3,774
Economic development	1,200	2,183	(983)	3,675
Computer maintenance	950	1,389	(439)	590
Office supplies	3,300	3,474	(174)	3,510
City hall and post office building	2,200	1,473	727	2,634
Tax roll and assessor's fee	650	646	4	1,267
Coffee expense	1,400	1,361	39	1,719
Miscellaneous	3,000	2,939	61	7,644
Total general government	<u>135,489</u>	<u>127,228</u>	<u>8,261</u>	<u>164,384</u>
Public safety:				
Police -				
Salaries - dispatchers	54,000	50,759	3,241	55,177
Payroll taxes and retirement	3,400	3,321	79	2,365
Uniforms	1,150	1,427	(277)	1,078
Supplies	7,900	7,323	577	6,663
Repairs and maintenance	6,500	6,745	(245)	5,790
Auto maintenance	6,200	5,031	1,169	6,662
Training	1,500	780	720	-
Prisoner housing	3,600	4,047	(447)	2,039
Miscellaneous	4,200	3,761	439	395
Total public safety	<u>88,450</u>	<u>83,194</u>	<u>5,256</u>	<u>80,169</u>

(continued)

TOWN OF ARNAUDVILLE, LOUISIANA
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis) (Continued)
Year Ended June 30, 1999
With Comparative Actual Amounts for Year Ended June 30, 1998

	1999		Variance - Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Highways and streets:				
Salaries	\$ 21,240	\$ 17,994	\$ 3,246	\$ 20,241
Payroll taxes	2,124	1,539	585	-
Drainage project	25,000	24,997	3	-
Equipment and street maintenance	5,400	5,461	(61)	3,130
Total highways and streets	<u>53,764</u>	<u>49,991</u>	<u>3,773</u>	<u>23,371</u>
Culture and recreation:				
Salaries	3,300	3,300	-	3,000
Payroll taxes	300	162	138	-
Supplies	9,324	20,811	(11,487)	7,848
Total culture and recreation	<u>12,924</u>	<u>24,273</u>	<u>(11,349)</u>	<u>10,848</u>
Capital outlay:				
General government - Equipment	3,500	3,152	348	3,305
Gazebo project	12,000	11,842	158	-
Public safety - Equipment	-	-	-	6,507
Total capital outlay	<u>15,500</u>	<u>14,994</u>	<u>506</u>	<u>9,812</u>
Total expenditures	<u>\$306,127</u>	<u>\$299,680</u>	<u>\$ 6,447</u>	<u>\$288,584</u>

SPECIAL REVENUE FUNDS

1969 Sales Tax Fund -

To account for the receipt and use of proceeds of the Town's 1969 1% sales and use tax. These taxes are dedicated to constructing, acquiring, improving and maintaining police department stations and equipment, garbage and waste disposal facilities, streets, drains and drainage facilities; compensating policemen; maintaining sewers and sewerage disposal works; and purchasing and acquiring the necessary equipment and furnishings for the aforesaid public works, improvements and facilities.

1982 Sales Tax Fund -

To account for the receipt and use of proceeds of the Town's 1982 1% sales and use tax. These taxes are dedicated to constructing, acquiring, extending, improving, operating, and/or maintaining public streets, bridges, sidewalks, drainage facilities, recreational facilities and garbage and waste disposal facilities; and purchasing and acquiring the necessary land, equipment and furnishings for any of the aforesaid public works, improvements and facilities.

TOWN OF ARNAUDVILLE, LOUISIANA
Special Revenue Funds

Combining Balance Sheet
June 30, 1999
With Comparative Totals For June 30, 1998

	<u>1969 Sales Tax Fund</u>	<u>1982 Sales Tax Fund</u>	<u>Totals</u>	
			<u>1999</u>	<u>1998</u>
ASSETS				
Cash	\$ 113,249	\$ 71,389	\$ 184,638	\$ 197,769
Interest-bearing deposits	114,320	157,020	271,340	210,000
Receivables:				
Federal grant	-	-	-	9,798
Sales tax	10,331	10,331	20,662	-
Accrued interest	2,767	4,227	6,994	4,703
Due from other funds	-	30,147	30,147	27,118
	<u>\$240,667</u>	<u>\$273,114</u>	<u>\$513,781</u>	<u>\$449,388</u>
Total assets				
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 1,667	\$ 1,667	\$ 639
Due to other funds	32,148	17,197	49,345	54,698
Other liabilities	1,341	-	1,341	1,491
Total liabilities	<u>33,489</u>	<u>18,864</u>	<u>52,353</u>	<u>56,828</u>
Fund balances - unreserved and undesignated	<u>207,178</u>	<u>254,250</u>	<u>461,428</u>	<u>392,560</u>
Total liabilities and fund balances	<u>\$240,667</u>	<u>\$273,114</u>	<u>\$513,781</u>	<u>\$449,388</u>

TOWN OF ARNAUDVILLE, LOUISIANA
Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 1999
With Comparative Totals for Year Ended June 30, 1998

	<u>1969 Sales</u> <u>Tax Fund</u>	<u>1982 Sales</u> <u>Tax Fund</u>	<u>Totals</u>	
			<u>1999</u>	<u>1998</u>
Revenues:				
Taxes	\$139,733	\$139,733	\$279,466	\$250,855
Intergovernmental	323	-	323	43,085
Miscellaneous	<u>7,747</u>	<u>10,283</u>	<u>18,030</u>	<u>11,767</u>
Total revenues	<u>147,803</u>	<u>150,016</u>	<u>297,819</u>	<u>305,707</u>
Expenditures:				
Current -				
General government	4,089	3,626	7,715	6,799
Public safety:				
Police	104,730	-	104,730	116,977
Highways and streets	-	13,838	13,838	15,478
Culture and recreation	-	6,397	6,397	6,330
Capital outlay	-	<u>51,846</u>	<u>51,846</u>	<u>19,003</u>
Total expenditures	<u>108,819</u>	<u>75,707</u>	<u>184,526</u>	<u>164,587</u>
Excess of revenues over expenditures	<u>38,984</u>	<u>74,309</u>	<u>113,293</u>	<u>141,120</u>
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers out	<u>-</u>	<u>(44,425)</u>	<u>(44,425)</u>	<u>(61,375)</u>
Total other financing uses	<u>-</u>	<u>(44,425)</u>	<u>(44,425)</u>	<u>(61,375)</u>
Excess of revenues over expenditures and other uses	38,984	29,884	68,868	79,745
Fund balances, beginning	<u>168,194</u>	<u>224,366</u>	<u>392,560</u>	<u>312,815</u>
Fund balances, ending	<u>\$207,178</u>	<u>\$254,250</u>	<u>\$461,428</u>	<u>\$392,560</u>

TOWN OF ARNAUDVILLE, LOUISIANA
Special Revenue Fund
1969 Sales Tax Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year Ended June 30, 1999
With Comparative Actual Amounts for Year Ended June 30, 1998

	1999		Variance - Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Revenues:				
Taxes	\$ 129,000	\$ 139,733	\$ 10,733	\$ 119,762
Intergovernmental -				
State revenue sharing	250	323	73	356
Federal grant	-	-	-	42,729
Interest	5,000	7,747	2,747	3,649
Total revenues	<u>134,250</u>	<u>147,803</u>	<u>13,553</u>	<u>166,496</u>
Expenditures:				
General government -				
Professional fees	2,500	2,685	(185)	1,905
Collection fees	1,350	1,404	(54)	1,243
Total general government	<u>3,850</u>	<u>4,089</u>	<u>(239)</u>	<u>3,148</u>
Public safety -				
Police:				
Salaries	98,000	93,099	4,901	103,973
Payroll taxes and retirement	9,200	11,382	(2,182)	12,995
Miscellaneous	300	249	51	9
Total public safety	<u>107,500</u>	<u>104,730</u>	<u>2,770</u>	<u>116,977</u>
Total expenditures	<u>111,350</u>	<u>108,819</u>	<u>2,531</u>	<u>120,125</u>
Excess of revenues over expenditures	<u>22,900</u>	<u>38,984</u>	<u>16,084</u>	<u>46,371</u>
Other financing sources (uses):				
Operating transfers out	-	-	-	(20,000)
Total other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>(20,000)</u>
Excess of revenues over expenditures and other uses	22,900	38,984	16,084	26,371
Fund balance, beginning	<u>168,194</u>	<u>168,194</u>	<u>-</u>	<u>141,823</u>
Fund balance, ending	<u>\$ 191,094</u>	<u>\$ 207,178</u>	<u>\$ 16,084</u>	<u>\$ 168,194</u>

TOWN OF ARNAUDVILLE, LOUISIANA
Special Revenue Fund
1982 Sales Tax Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual (Continued)
Year Ended June 30, 1999
With Comparative Actual Amounts for Year Ended June 30, 1998

	1999		Variance - Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Revenues:				
Taxes	\$129,000	\$139,733	\$10,733	\$131,093
Interest	9,000	10,283	1,283	8,118
Total revenues	<u>138,000</u>	<u>150,016</u>	<u>12,016</u>	<u>139,211</u>
Expenditures:				
General government -				
Professional fees	1,900	2,205	(305)	1,905
Collection fees	1,350	1,404	(54)	1,357
Miscellaneous	200	17	183	389
Total general government	<u>3,450</u>	<u>3,626</u>	<u>(176)</u>	<u>3,651</u>
Highways and streets -				
Utilities - street lighting	<u>14,000</u>	<u>13,838</u>	<u>162</u>	<u>15,478</u>
Culture and recreation -				
Supplies	4,200	6,397	(2,197)	4,228
Tourist promotion	-	-	-	2,102
Total culture and recreation	<u>4,200</u>	<u>6,397</u>	<u>(2,197)</u>	<u>6,330</u>
Capital outlay -				
Recreation	55,000	51,846	3,154	17,323
Streets	-	-	-	1,680
Total capital outlay	<u>55,000</u>	<u>51,846</u>	<u>3,154</u>	<u>19,003</u>
Total expenditures	<u>76,650</u>	<u>75,707</u>	<u>943</u>	<u>44,462</u>
Excess of revenues over expenditures	61,350	74,309	12,959	94,749
Other financing uses:				
Operating transfers out	<u>(44,425)</u>	<u>(44,425)</u>	<u>-</u>	<u>(41,375)</u>
Excess of revenues over expenditures and other uses	16,925	29,884	12,959	53,374
Fund balances, beginning	<u>224,366</u>	<u>224,366</u>	<u>-</u>	<u>170,992</u>
Fund balances, ending	<u>\$241,291</u>	<u>\$254,250</u>	<u>\$12,959</u>	<u>\$224,366</u>

DEBT SERVICE FUND

Street Improvements Certificates of Indebtedness 6/1/92

To accumulate monies for payment of the \$300,000 certificates of indebtedness issued for the purpose of street improvement. Debt service is financed by excess annual revenues of the Town.

TOWN OF ARNAUDVILLE, LOUISIANA
 Debt Service Fund
 Street Improvements Certificates of Indebtedness 6/1/92

Comparative Balance Sheet
 June 30, 1999 and 1998

	Totals	
	1999	1998
ASSETS		
Cash	<u>\$8,462</u>	<u>\$8,462</u>
FUND BALANCES		
Fund balances:		
Reserved for debt service	<u>\$8,462</u>	<u>\$8,462</u>

TOWN OF ARNAUDVILLE, LOUISIANA
 Debt Service Fund
 Street Improvements Certificates of Indebtedness 06/01/92

Statement of Revenues, Expenditures, and Changes in Fund Balances -
 Budget (GAAP Basis) and Actual
 Year Ended June 30, 1999
 with Comparative Actual Amounts for Year Ended June 30, 1998

	1999		Variance - Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Debt service -				
Principal retirement	35,000	35,000	-	30,000
Interest coupons paid	9,425	9,425	-	11,375
Total expenditures	<u>44,425</u>	<u>44,425</u>	<u>-</u>	<u>41,375</u>
Deficiency of revenues over expenditures	(44,425)	(44,425)	-	(41,375)
Other financing sources:				
Operating transfers in	<u>44,425</u>	<u>44,425</u>	<u>-</u>	<u>41,375</u>
Excess of revenues and other sources over expenditures	-	-	-	-
Fund balances, beginning	<u>8,462</u>	<u>8,462</u>	<u>-</u>	<u>8,462</u>
Fund balances, ending	<u><u>\$ 8,462</u></u>	<u><u>\$ 8,462</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 8,462</u></u>

CAPITAL PROJECTS FUNDS

Street Improvements Fund -

To account for the financing and improvement of certain streets within the Town. The proceeds of \$300,000 of certificates of indebtedness dated 06/01/92 along with \$285,423 of federal grant monies awarded under the Louisiana Community Development Block Grant program are to be used to finance the 1996 Street Improvement Project as well as future street improvements projects as needed.

One Percent Budget Set-Aside Fund -

To account for the financing of various capital improvement projects as designated by the Town Council. Capital projects are to be funded by excess annual revenues of the Town.

TOWN OF ARNAUDVILLE, LOUISIANA
Capital Projects Funds

Combining Balance Sheet
June 30, 1999
With Comparative Totals for June 30, 1998

	Street Improvement Fund	One Percent Budget Set-Aside Fund	Totals	
			1999	1998
ASSETS				
Cash	\$ 1,154	\$ -	\$ 1,154	\$ 1,115
Interest-bearing deposits	106,454	68,951	175,405	156,361
Receivables:				
Due from other funds	-	11,449	11,449	11,324
Accrued interest	2,973	1,539	4,512	4,004
 Total assets	 \$ 110,581	 \$ 81,939	 \$192,520	 \$172,804
LIABILITIES AND FUND BALANCES				
Liabilities:				
Due to other funds	\$ 999	\$ -	\$ 999	\$ 999
Fund balances - unreserved:				
Designated for subsequent years' expenditures	109,582	81,939	191,521	171,805
 Total liabilities and fund balances	 \$ 110,581	 \$ 81,939	 \$192,520	 \$172,804

TOWN OF ARNAUDVILLE, LOUISIANA
Capital Projects Funds

Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year Ended June 30, 1999
With Comparative Actual Amounts for Year Ended June 30, 1998

	Street Improvement Funds			One Percent Budget Set-Aside Fund				
	Budget	Actual	Variance - Favorable (Unfavorable)	1998 Actual	Budget	Actual	Variance - Favorable (Unfavorable)	1998 Actual
Revenues:								
Intergovernmental -								
Federal grant	\$ -	\$ -	\$ -	\$ 28,188	\$ -	\$ -	\$ -	\$ -
Miscellaneous - interest	5,500	5,494	(6)	5,233	3,000	3,497	497	2,709
Total revenues	<u>5,500</u>	<u>5,494</u>	<u>(6)</u>	<u>33,421</u>	<u>3,000</u>	<u>3,497</u>	<u>497</u>	<u>2,709</u>
Expenditures:								
Highways and streets -								
Capital outlay	-	-	-	28,188	-	-	-	-
Excess (deficiency) of revenues over expenditures	5,500	5,494	(6)	5,233	3,000	3,497	497	2,709
Other financing sources:								
Operating transfers in	-	-	-	-	10,500	10,725	225	10,600
Excess (deficiency) of revenues and other sources over expenditures	5,500	5,494	(6)	5,233	13,500	14,222	722	13,309
Fund balances, beginning	<u>104,088</u>	<u>104,088</u>	<u>-</u>	<u>98,855</u>	<u>67,717</u>	<u>67,717</u>	<u>-</u>	<u>54,408</u>
Fund balances, ending	<u>\$109,588</u>	<u>\$109,582</u>	<u>\$ (6)</u>	<u>\$104,088</u>	<u>\$ 81,217</u>	<u>\$ 81,939</u>	<u>\$ 722</u>	<u>\$ 67,717</u>

ENTERPRISE FUND

Utility Fund -

To account for the provision of gas, water, sewerage and sanitation services to 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.

	<u>1999</u>	<u>1998</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Current liabilities (payable from current assets) -		
Accounts payable	\$ 5,361	\$ 6,729
Due to other funds	96,112	80,024
Other liabilities	5,741	5,876
Total current liabilities (payable from current assets)	<u>107,214</u>	<u>92,629</u>
Current liabilities (payable from restricted assets) -		
Revenue bonds payable	5,000	5,000
Certificates of Indebtedness payable	39,942	35,000
Customers' deposits	34,902	34,973
Total current liabilities (payable from restricted assets)	<u>79,844</u>	<u>74,973</u>
Long-term liabilities -		
Revenue bonds payable	182,000	187,000
Certificates of Indebtedness payable	-	39,242
Total long-term liabilities	<u>182,000</u>	<u>226,242</u>
Total liabilities	<u>369,058</u>	<u>393,844</u>
Fund equity:		
Contributed capital -		
Municipality	112,375	112,375
Customers	15,176	15,176
State and federal grants	752,410	770,863
Total contributed capital	<u>879,961</u>	<u>898,414</u>
Retained earnings -		
Reserved for revenue bond retirement	56,253	57,021
Unreserved	1,114,086	1,054,367
Total retained earnings	<u>1,170,339</u>	<u>1,111,388</u>
Total fund equity	<u>2,050,300</u>	<u>2,009,802</u>
Total liabilities and fund equity	<u>\$ 2,419,358</u>	<u>\$ 2,403,646</u>

TOWN OF ARNAUDVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings
Years Ended June 30, 1999 and 1998

	1999	1998
Operating revenues:		
Charges for services -		
Gas sales	\$ 242,539	\$ 262,690
Gas reconnection fees	1,053	1,760
Water sales	147,062	140,589
Water reconnection fees	218	3,143
Sewerage charges and connection fees	71,865	70,364
Garbage collections	-	796
Penalties	7,657	8,997
Total operating revenues	470,394	488,339
Operating expenses:		
Gas department	184,019	200,475
Water department	90,887	95,766
Sewerage department	59,570	60,040
Sanitation department	1,419	1,396
General and administrative	81,602	84,077
Total operating expenses	417,497	441,754
Operating income	52,897	46,585
Nonoperating revenues (expenses):		
Interest income	27,331	30,278
Ad valorem taxes	25,584	24,648
Recovery of bad debt	8,136	7,232
Interest expense	(14,405)	(17,360)
Paying agent's fees	(350)	(350)
Miscellaneous	2,030	(401)
Total nonoperating revenues	48,326	44,047
Income before operating transfers	101,223	90,632
Operating transfers out:		
Operating transfers out	(60,725)	(85,600)
Net income	40,498	5,032

(continued)

TOWN OF ARNAUDVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings
(Continued)
Years Ended June 30, 1999 and 1998

	1999	1998
Add: Depreciation on fixed assets acquired with capital grants that reduces contributed capital from capital grants	18,453	18,453
Net increase in retained earnings	58,951	23,485
Retained earnings, beginning	1,111,388	1,087,903
Retained earnings, ending	\$1,170,339	\$1,111,388

TOWN OF ARNAUDVILLE, LOUISIANA

Enterprise Fund
Utility Fund

Comparative Statement of Operating Expenses by Department
Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Gas department:		
Salaries	\$ 45,688	\$ 43,126
Payroll taxes and retirement	3,724	3,680
Gas purchases	85,815	92,808
Distribution system repairs and maintenance	16,881	19,911
Insurance	9,068	12,740
Telephone	763	957
Depreciation	21,330	22,897
Bad debts	-	3,289
Miscellaneous	750	1,067
Total gas department	<u>184,019</u>	<u>200,475</u>
Water department:		
Salaries	26,107	24,643
Payroll taxes and retirement	2,128	2,103
Distribution system repairs and maintenance	22,263	19,862
Insurance	3,504	4,922
Depreciation	14,040	12,638
Bad debts	-	1,535
Water plant lease and maintenance	225	425
Utilities	21,796	27,166
Fire department expense	824	2,472
Total water department	<u>90,887</u>	<u>95,766</u>
Sewerage department:		
Salaries	13,054	12,322
Payroll taxes and retirement	1,064	1,051
Distribution system repairs and maintenance	7,789	7,023
Insurance	2,473	3,475
Depreciation	35,190	35,073
Bad debts	-	1,096
Total sewerage department	<u>59,570</u>	<u>60,040</u>

(continued)

TOWN OF ARNAUDVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Operating Expenses by Department (Continued)
Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Sanitation department:		
Depreciation	700	700
Miscellaneous	719	696
Total sanitation department	<u>1,419</u>	<u>1,396</u>
General and administrative:		
Salaries	45,689	43,126
Payroll taxes and retirement	3,724	6,102
Telephone	2,418	2,030
Professional fees	7,630	7,100
Certification fees	2,585	3,044
Insurance	5,564	7,818
Depreciation	3,530	3,348
Office supplies	10,352	9,552
Bad debts	-	1,388
Miscellaneous	110	569
Total general and administrative	<u>81,602</u>	<u>84,077</u>
 Total operating expenses	 <u>\$417,497</u>	 <u>\$441,754</u>

TOWN OF ARNAUDVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Cash Flows
Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Cash flows from operating activities:		
Operating income	\$ 52,897	\$ 46,585
Adjustments to reconcile operating income to net cash provided by operating activities -		
Depreciation	74,791	74,656
Amortization of discount on certificates of indebtedness	700	700
Changes in assets and liabilities:		
Decrease in accounts receivable	7,552	1,930
Decrease (increase) in due from other funds	27,425	(13,601)
Decrease (increase) in other receivables	(1,457)	183
Increase in prepaid expenses	-	(207)
Decrease in accounts payable	(1,368)	(3,676)
Increase in due to other funds	16,088	62,179
Increase (decrease) in accrued liabilities	(135)	357
Total adjustments	<u>123,596</u>	<u>122,521</u>
Net cash provided by operating activities	<u>176,493</u>	<u>169,106</u>
Cash flows from noncapital financing activities:		
Proceeds from ad valorem taxes	25,584	26,975
Recovery of bad debt	8,136	7,232
Operating transfers out to other funds	<u>(60,725)</u>	<u>(85,600)</u>
Net cash used by noncapital financing activities	<u>(27,005)</u>	<u>(51,393)</u>
Cash flows from capital and related financing activities:		
Interest paid on revenue bonds and certificates of indebtedness	(14,405)	(17,360)
Principal paid on revenue bonds	(40,000)	(40,000)
Paying agents' fees	(350)	(350)
Miscellaneous nonoperating revenues (expenses)	2,030	(401)
Acquisition of property, plant and equipment	(10,205)	(38,290)
Decrease in meter deposits	<u>(71)</u>	<u>(2,455)</u>
Net cash used by capital and related financing activities	<u>(63,001)</u>	<u>(98,856)</u>
Cash flows from investing activities:		
Interest received on interest-bearing deposits	27,331	30,278
Net increase in interest-bearing deposits	<u>(96,866)</u>	<u>(66,283)</u>
Net cash used by investing activities	<u>(69,535)</u>	<u>(36,005)</u>
Net increase (decrease) in cash and cash equivalents	16,952	(17,148)
Cash and cash equivalents, beginning of period	<u>169,977</u>	<u>187,125</u>
Cash and cash equivalents, end of period	<u>\$186,929</u>	<u>\$169,977</u>

TOWN OF ARNAUDVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Cash Flows
Proprietary Fund Type (Continued)
Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents, beginning of period -		
Cash - unrestricted	\$ 98,258	\$ 82,339
Interest-bearing deposits - unrestricted	519,662	466,725
Cash - restricted	35,029	62,796
Interest-bearing deposits - restricted	113,888	105,842
Less: Interest-bearing deposits with a maturity over three months	<u>(596,860)</u>	<u>(530,577)</u>
Total cash and cash equivalents	<u>169,977</u>	<u>187,125</u>
Cash and cash equivalents, end of period -		
Cash - unrestricted	149,812	98,258
Interest-bearing deposits - unrestricted	573,115	519,662
Cash - restricted	37,117	35,029
Interest-bearing deposits - restricted	120,611	113,888
Less: Interest-bearing deposits with a maturity over three months	<u>(693,726)</u>	<u>(596,860)</u>
Total cash and cash equivalents	<u>186,929</u>	<u>169,977</u>
Net increase (decrease)	<u>\$ 16,952</u>	<u>\$ (17,148)</u>

TOWN OF ARNAUDVILLE LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Changes in Assets Restricted for Revenue Bond Debt Service
Year Ended June 30, 1999

	<u>Revenue Bond and Interest Redemption</u>	<u>Revenue Bond Reserve</u>	<u>Revenue Bond Capital Additions and Contingencies</u>	<u>Total</u>
Cash and interest-bearing deposits July 1, 1998	<u>\$ 54,512</u>	<u>\$ 11,435</u>	<u>\$ 29,071</u>	<u>\$ 95,018</u>
Cash receipts:				
Transfer from operating account	56,723	752	1,428	58,903
Interest on deposits	<u>528</u>	<u>-</u>	<u>1,404</u>	<u>1,932</u>
Total cash receipts	<u>57,251</u>	<u>752</u>	<u>2,832</u>	<u>60,835</u>
Total cash and interest- bearing deposits available	<u>111,763</u>	<u>12,187</u>	<u>31,903</u>	<u>155,853</u>
Cash disbursements:				
Principal payments	(40,000)	-	-	(40,000)
Interest payments	<u>(14,600)</u>	<u>-</u>	<u>-</u>	<u>(14,600)</u>
Total disbursements	<u>(54,600)</u>	<u>-</u>	<u>-</u>	<u>(54,600)</u>
Cash and interest-bearing deposits, June 30, 1999	<u><u>\$ 57,163</u></u>	<u><u>\$ 12,187</u></u>	<u><u>\$ 31,903</u></u>	<u><u>\$101,253</u></u>

GENERAL FIXED ASSETS ACCOUNT GROUP

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

TOWN OF ARNAUDVILLE, LOUISIANA

Comparative Statement of General Fixed Assets
June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
General fixed assets, at cost:		
Land	\$ 70,498	\$ 25,498
Buildings	232,537	215,926
Equipment	<u>133,217</u>	<u>133,132</u>
	<u>\$436,252</u>	<u>\$374,556</u>
Total general fixed assets		
Investment in general fixed assets:		
Property acquired from -		
General Fund revenues	\$213,190	\$194,810
Federal revenue sharing funds	39,837	39,837
Sales tax revenues	97,705	54,389
Public improvement bonds	65,000	65,000
Ad valorem taxes	<u>20,520</u>	<u>20,520</u>
	<u>\$436,252</u>	<u>\$374,556</u>
Total investment in general fixed assets		

TOWN OF ARNAUDVILLE, LOUISIANA

Statement of Changes in General Fixed Assets
Year Ended June 30, 1999

	<u>Land</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Total</u>
General fixed assets, beginning of year	\$25,498	\$215,926	\$133,132	\$374,556
Additions	<u>45,000</u>	<u>16,611</u>	<u>5,229</u>	<u>66,840</u>
Total balances and additions	70,498	232,537	138,361	441,396
Deletions	<u>-</u>	<u>-</u>	<u>(5,144)</u>	<u>(5,144)</u>
General fixed assets, end of year	<u><u>\$70,498</u></u>	<u><u>\$232,537</u></u>	<u><u>\$133,217</u></u>	<u><u>\$436,252</u></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. Payment of maturing obligations, including interest, are accounted for in the debt service funds.

TOWN OF ARNAUDVILLE, LOUISIANA

Statement of General Long-Term Debt
 June 30, 1999
 With Comparative Totals for June 30, 1998

	Accrued Compensated Absences	Street Improvements Certificates of Indebtedness 6/1/92	Totals	
	<u> </u>	<u> </u>	<u>1999</u>	<u>1998</u>
AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT				
Amount available in debt service fund for debt retirement	\$ -	\$ 8,462	\$ 8,462	\$ 8,462
Amount to be provided from - Excess annual revenues	<u>22,214</u>	<u>101,538</u>	<u>123,752</u>	<u>153,025</u>
Total available and to be provided	<u>\$22,214</u>	<u>\$ 110,000</u>	<u>\$ 132,214</u>	<u>\$ 161,487</u>
GENERAL LONG-TERM DEBT PAYABLE				
Accrued compensated absences	\$22,214	\$ -	\$ 22,214	\$ 16,487
Certificates of indebtedness payable	<u>-</u>	<u>110,000</u>	<u>110,000</u>	<u>145,000</u>
Total general long-term debt payable	<u>\$22,214</u>	<u>\$ 110,000</u>	<u>\$ 132,214</u>	<u>\$ 161,487</u>

COMPLIANCE, INTERNAL CONTROL AND OTHER INFORMATION

KOLDER, CHAMPAGNE, SLAVEN & RAINEY, LLC

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

The Honorable Kathy M. Richard, Mayor
and Members of the Board of Aldermen
Town of Arnaudville, Louisiana

We have audited the general purpose financial statements of the Town of Arnaudville, Louisiana, as of and for the year ended June 30, 1999, and have issued our report thereon dated July 21, 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 Arnaudville, 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 no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Arnaudville, 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 judgment, could adversely affect the Town of Arnaudville, 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 prior and current audit findings and management's corrective action plan as item 99-1.

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 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 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 believe the reportable condition described above is a material weakness.

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

Kolder, Champagne, Slaven & Rainey, LLC
Certified Public Accountants

Lafayette, Louisiana
July 21, 1999

TOWN OF ARNAUDVILLE, LOUISIANA

Schedule of Prior and Current Audit Findings
and Management's Corrective Action Plan
Year Ended June 30, 1999

1. Prior Year Findings --

Compliance -

There were no compliance findings at June 30, 1998.

Internal Control Over Financial Reporting -

98-1 Inadequate Segregation of Accounting Functions

Finding:

Due to the small number of employees, the Town of Arnaudville did not have adequate segregation of functions within the accounting system.

Status:

Unresolved. See Item 99-1.

Management Letter Item -

98-2 Delinquent Utility Accounts Receivable and Utility Adjustments

See attached 99-2 at June 30, 1999:

The amount of delinquent utility accounts receivable increased significantly from the prior year. A policy regarding delinquencies and disconnections should be adopted and followed. The delinquent accounts should be monitored monthly to determine if the above-mentioned policy is being followed.

Status:

Partially resolved. Utility accounts receivable decreased significantly from the prior year. A policy regarding delinquencies and disconnections has been adopted and is being followed. However, the accounts receivable aging is not being reviewed. See Item 99-2.

(continued)

TOWN OF ARNAUDVILLE, LOUISIANA

Schedule of Prior and Current Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended June 30, 1999

II. Current Year Findings --

Compliance -

There were no compliance findings at June 30, 1999.

Internal Control Over Financial Reporting -

99-1 Inadequate Segregation of Accounting Functions

Finding:

Due to the small number of employees, the Town of Arnaudville did not have adequate segregation of functions within the accounting system.

Recommendation:

Based upon the size of the administrative office and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

Management's Corrective Action Plan:

No response if considered necessary.

Management Letter Item -

99-2 Delinquent Utility Accounts Receivable and Utility Adjustments

The aging of utility accounts receivable, as well as the utility adjustments, should be reviewed and approved monthly by someone independent of utility billings and collections.

Management's Corrective Action Plan:

Management intends to designate an independent person to review and approve utility accounts receivable as well as the utility adjustments. This plan shall be implemented immediately.

OTHER SUPPLEMENTARY INFORMATION

TOWN OF ARNAUDVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Departmental Analysis of Revenues and Expenses
Years Ended June 30, 1999 and 1998

	Totals		Gas		Water	
	1999	1998	1999	1998	1999	1998
Operating revenues:						
Charges for services -						
Billings to customers	\$ 461,466	\$ 474,439	\$242,539	\$262,690	\$147,067	\$140,589
Delinquent charges	7,657	8,997	4,211	4,948	2,221	2,609
Other fees	1,271	4,903	1,053	1,760	218	3,143
Total operating revenues	<u>470,394</u>	<u>488,339</u>	<u>247,803</u>	<u>269,398</u>	<u>149,506</u>	<u>146,341</u>
Operating expenses:						
Salaries	130,538	123,217	45,688	43,126	26,107	24,643
Payroll taxes and retirement	10,640	12,936	3,724	3,680	2,128	2,103
Gas purchases	85,815	92,808	85,815	92,808	-	-
Distribution system repairs and maintenance	46,933	46,796	16,881	19,911	22,263	19,862
Professional fees	7,630	7,100	-	-	-	-
Certification fees	2,585	3,044	-	-	-	-
Bad debts	-	7,308	-	3,289	-	1,535
Telephone	3,181	2,987	763	957	-	-
Depreciation	74,790	74,656	21,330	22,897	14,040	12,638
Insurance	20,609	28,955	9,068	12,740	3,504	4,922
Water plant lease	225	425	-	-	225	425
Utilities	21,796	27,166	-	-	21,796	27,166
Fire department expense	824	2,472	-	-	824	2,472
Office supplies	10,352	9,552	-	-	-	-
Miscellaneous	1,579	2,332	750	1,067	-	-
Allocation of administrative expense	-	-	44,881	46,243	23,665	24,382
Total operating expenses	<u>417,497</u>	<u>441,754</u>	<u>228,900</u>	<u>246,718</u>	<u>114,552</u>	<u>120,148</u>
Operating income (loss)	<u>52,897</u>	<u>46,585</u>	<u>\$ 18,903</u>	<u>\$ 22,680</u>	<u>\$ 34,954</u>	<u>\$ 26,193</u>
Nonoperating revenues (expenses):						
Interest income	27,331	30,278				
Ad valorem taxes	25,584	24,648				
Recovery of bad debt	8,136	7,232				
Interest expense	(14,405)	(17,360)				
Paying agent's fees	(350)	(350)				
Miscellaneous	2,030	(401)				
Total nonoperating revenues	<u>48,326</u>	<u>44,047</u>				
Income before operating transfers	101,223	90,632				
Operating transfers out:						
Operating transfers out	<u>60,725</u>	<u>(85,600)</u>				
Net income (loss)	40,498	5,032				
Add: Depreciation on fixed assets acquired with capital grants that reduces contributed capital from capital grants						
	<u>18,453</u>	<u>18,453</u>				
Net increase (decrease) in retained earnings	58,951	23,485				
Retained earnings, beginning	<u>1,111,388</u>	<u>1,087,903</u>				
Retained earnings, ending	<u>\$1,170,339</u>	<u>\$1,111,388</u>				

Sewerage		Sanitation		Administrative	
1999	1998	1999	1998	1999	1998
\$ 71,865	\$ 70,364	\$ -	\$ 796	\$ -	\$ -
1,149	1,350	76	90	-	-
-	-	-	-	-	-
<u>73,014</u>	<u>71,714</u>	<u>76</u>	<u>886</u>	<u>-</u>	<u>-</u>
13,054	12,322	-	-	45,689	43,126
1,064	1,051	-	-	3,724	6,102
-	-	-	-	-	-
-	7,023	-	-	-	-
7,789	-	-	-	7,630	7,100
-	-	-	-	2,585	3,044
-	1,096	-	-	-	1,388
-	-	-	-	2,418	2,030
35,190	35,073	700	700	3,530	3,348
2,473	3,475	-	-	5,564	7,818
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	10,352	9,552
-	-	719	696	110	569
<u>12,240</u>	<u>12,611</u>	<u>816</u>	<u>841</u>	<u>(81,602)</u>	<u>(84,077)</u>
<u>71,810</u>	<u>72,651</u>	<u>2,235</u>	<u>2,237</u>	<u>-</u>	<u>-</u>
<u>\$ 1,204</u>	<u>\$ (937)</u>	<u>\$ (2,159)</u>	<u>\$ (1,351)</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF ARNAUDVILLE, LOUISIANA

Combined Schedule of Interest-Bearing Deposits
June 30, 1999

	<u>Financial Institution</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
Special Revenue Funds:				
1969 Sales Tax Fund -				
Certificate of deposit	F	03/05/00	5.00%	\$ 84,320
Certificate of deposit	W	09/16/99	6.00%	30,000
1982 Sales Tax Fund -				
Certificate of deposit	F	03/05/00	5.00%	52,700
Certificate of deposit	F	12/06/99	5.10%	84,320
Certificate of deposit	W	09/16/99	6.00%	20,000
				<u>271,340</u>
Capital Projects Fund:				
Street Improvements Fund -				
Certificate of deposit	F	12/12/99	5.10%	106,454
One Percent Budget Set-Aside Fund -				
Certificate of deposit	W	02/21/00	5.00%	58,351
Certificate of deposit	W	09/16/99	6.00%	10,600
				<u>175,405</u>
Utility Fund:				
Certificate of deposit	W	09/29/99	5.35%	4,216
Certificate of deposit	W	07/13/99	5.50%	11,157
Certificate of deposit	W	05/10/00	5.00%	7,568
Certificate of deposit	B	04/26/99	4.00%	30,908
Certificate of deposit	W	01/10/99	5.05%	68,681
Certificate of deposit	B	04/17/00	4.20%	135,148
Certificate of deposit	W	05/10/00	5.00%	38,166
Certificate of deposit	W	07/13/99	5.50%	37,933
Certificate of deposit	W	03/01/00	5.00%	91,325
Certificate of deposit	B	04/30/99	4.00%	64,843
Certificate of deposit	F	12/06/99	5.40%	137,020
Certificate of deposit	W	09/23/99	5.50%	27,404
Money market account	W	N/A	Variable	39,357
				<u>693,726</u>
Total - all funds				<u><u>\$1,140,471</u></u>

Interest-bearing deposits with:

- (W) Washington State Bank, Arnaudville, Louisiana
- (F) Farmers - Merchants Bank, Breaux Bridge, Louisiana
- (B) Bank One, Sunset, Louisiana

TOWN OF ARNAUDVILLE

Schedule of Insurance in Force
(Unaudited)
June 30, 1999

Description of Coverage	Coverage Amounts
Workmen's compensation - Employer's liability	\$ 100,000
Surety bonds - Public employees Treasurer	10,000 263,000
Commercial general liability	500,000
Law enforcement officers' liability	500,000
Public officials' errors and omissions liability	500,000
Business auto liability	500,000
Gas System	500,000
Fire, lightning and extended coverage, vandalism and malicious mischief - Blanket on all Town property	1,599,595
Equipment physical damage	62,195