

OFFICIAL
FILE COPY
DO NOT SEND OUT

(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

99700351
2197

CITY OF RAYNE, LOUISIANA

Financial Report
September 30, 1998

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

Release Date APR 07 1999

CONTENTS

	Exhibit	Schedule/ Table	Page
INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS	-		1-2
GENERAL PURPOSE FINANCIAL STATEMENTS (COMBINED STATEMENTS--OVERVIEW)	-		3
Combined balance sheet--all fund types and account groups and discretely presented component units	A		4-7
Combined statements of revenues, expenditures, and changes in fund balance--budget (GAAP basis) and actual--all government fund types	B		8-9
Combined statement of revenues, expenditures, and changes in fund balance--budget (GAAP basis) and actual--general and special revenue fund types	C		10-11
Combined statement of revenues, expenditures, and changes in fund balance--budget (GAAP basis) and actual--debt service fund type	D		12
Combined statement of revenues, expenditures and changes in retained earnings, and discretely presented	E		14-15
Combined statement of cash flows--proprietary fund types and discretely presented component units	F		16-21
Combined statement of revenues, expenditures, and changes in fund balance--fiduciary fund type	G		22
Combined statement of changes in financial position--fiduciary fund type	H		23
Combining balance sheet-component units	I		24-25
Combined statement of revenue, expenditures and changes in fund balance	J		26-27
Notes to financial statements	-		29-46
PRIMARY GOVERNMENT INDIVIDUAL FUNDS	-		47
General Fund:	-		49
Comparative balance sheet	K-1		50
Statement of revenues, expenditures, and changes in fund balance--budget (GAAP basis) and actual	K-2		51-52
Statement of expenditures, compared to budget (GAAP basis) and actual	K-3		53-55

CONTENTS

	Exhibit	Schedule/ Table	Page
Special Revenue Funds:	-		57
Combining balance sheet	L-1		58-59
Combining statement of revenues, expenditures, and changes in fund balance	L-2		60-61
Sales Tax Fund--			
Comparative balance sheet	L-3		62
Statement of revenues, expenditures, and changes in fund balance--budget (GAAP basis) and actual	L-4		63
Youth Recreation Fund--			
Comparative balance sheet	L-5		64
Statement of revenues, expenditures, and changes in fund balance--budget (GAAP basis) and actual	L-6		65
Swimming Pool Maintenance Fund--			
Comparative balance sheet	L-7		66
Statement of revenues, expenditures, and changes in fund balance--budget (GAAP basis) and actual	L-8		67
Section 8 -- Housing Assistance Fund			
Comparative balance sheet	L-9		68
Statement of revenues, expenditures, and changes in fund balance--budget (GAAP basis) and actual	L-10		69
LCDBG--			
Balance sheet	L-11		70
Statement of revenues, expenditures, and changes in fund balance--budget (GAAP basis) and actual	L-12		71
Debt Service Funds:	-		73
Combining balance sheet	M-1		74-75
Combining statement of revenues, expenditures, and changes in fund balance	M-2		76-77
Combining statement of revenues, expenditures, and changes in fund balance--budget (GAAP basis) and actual	M-3		78-80

CONTENTS

	<u>Exhibit</u>	<u>Schedule/ Table</u>	<u>Page</u>
Enterprise Fund:	-		81
Combining balance sheet	N-1		82-85
Utility Fund:			
Comparative balance sheet	N-2		86-87
Statement of changes in retained earnings	N-3		88
Statement of revenues and expenses-- budget (GAAP basis) and actual	N-4		89
Statement of operating expenses-- budget (GAAP basis) and actual	N-5		90-91
Statement of non-operating revenues and expenditures--budget (GAAP basis) and actual	N-6		92
Schedule of additions to property, plant, and equipment		N-7	93
Sanitation Fund:			
Comparative balance sheet	N-8		94
Statement of revenues, expenditures, and changes in fund balance--budget (GAAP basis) and actual	N-9		95
Schedule of additions to property, plant, and equipment		N-10	96
Fiduciary Funds:	-		97
Payroll Funds--			
Statement of changes in assets and liabilities	O-1		98
Unemployment compensation fund--			
Comparative balance sheet	O-2		99
Statement of revenues, expenditures, and changes in fund balance--budget (GAAP basis) and actual	O-3		100
General Fixed Assets Group of Accounts	-		101
Statement of changes in general fixed assets	P-1		102
Schedule of additions to general fixed assets		P-2	103
General Long-Term Debt Group of Accounts	-		105
Statement of general long-term debt	Q-1		106-107
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	-		109-110
REPORT ON COMPLIANCE WITH REQUIREMENTS TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133	-		111-112

CONTENTS

	<u>Exhibit</u>	<u>Schedule/ Table</u>	<u>Page</u>
Schedule of Expenditures of Federal Awards			113
Schedule of Corrective Action Taken on Prior Year Findings			114
Schedule of Findings and Questioned Cost			115-116
Corrective Action Plan			117
STATISTICAL SECTION	-		119
Property tax levels and collections--last ten fiscal years		1	120
General revenue by sources--last four fiscal years		2	120
General governmental expenditures by function-- last four fiscal years		3	121
Ratio of annual debt service expenditures for general bonded debt to total general expenditures-- last four fiscal years		4	121
Utility revenue bond coverage--last four fiscal years		5	122
Gross salaries by function--last four fiscal years		6	122

Brupbacher & Associates

A PROFESSIONAL ACCOUNTING CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 34 • 801 The Boulevard Suite B • Rayne, Louisiana 70578 • (318) 334-7251 FAX (318) 334-7002

INDEPENDENT AUDITOR'S REPORT

The Honorable James J. Petitjean, Mayor
And the Board of Alderman
City of Rayne, Louisiana

We have audited the accompanying general-purpose financial statements and the combining and individual fund and account group financial statements of the City of Rayne, Louisiana, as of and for the year ended September 30, 1998, as listed in the table of contents. These general-purpose financial statements are the responsibility of the City of Rayne's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit. We did not audit the financial statements of the Housing Authority of the City of Rayne, which statements reflect the total assets of \$ 7,961,867 and total revenues of \$ 880,295 for the year then ended. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the financial statements, insofar as it relates to the amounts included for the Housing Authority of the City of Rayne in the component unit column, is based on the report of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Rayne, Louisiana as of September 30, 1998, and the results of its operations and the cash flows of its proprietary fund types and nonexpandable trust funds for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the combining and individual fund and account group financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds and account groups of City of Rayne, Louisiana, as of September 30, 1998, and the results of operations of such funds and the cash flows of individual proprietary fund types and nonexpandable trust funds for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 1998 on our consideration of the City of Rayne's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

MEMBER OF
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

The Honorable James J. Petitjean, Mayor
And the Board of Alderman
City of Rayne, Louisiana

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the City of Rayne, Louisiana, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole. The accompanying information listed as supporting schedules and statistical information in the *table of contents is presented for the purposes of additional analysis and is not a required part of the financial statements of the City of Rayne, Louisiana*. 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, combining, individual fund, and account group financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account groups taken as a whole.

Brupbacher & Associates
A Professional Accounting Corporation

Rayne, Louisiana
December 29, 1998

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

CITY OF RAYNE, LOUISIANA

COMBINED BALANCE SHEET
 ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED
 COMPONENT UNITS
 September 30, 1998

	Governmental Fund Types			Proprietary Fund Types
	General	Special Revenue	Debt Services	Enterprise
ASSETS				
Cash	\$ 360,324	\$ 251,311	\$ -	\$ 475,769
Equity in cash expense fund	-	-	-	-
Investments	-	162	132,561	340,729
Receivable (net of allowances for uncollectables)	-	-	-	851,427
Other Receivables	32,373	-	31,424	154
Accrued interest	-	-	-	-
Due from other funds	-	229	116,755	-
Due from other government	-	-	-	-
Inventory, at cost	-	-	-	169,636
Prepaid expenses	-	-	-	29,892
Restricted assets:				
Cash	-	-	-	-
Investments, at cost	-	-	-	831,871
Buildings	-	-	-	-
Improvements, other than buildings	-	-	-	-
Land & Land Improvements	-	-	-	500,000
Machinery and equipment	-	-	-	-
Utility plant and equipment	-	-	-	13,667,729
Accumulated depreciation	-	-	-	(5,158,228)
Idle plant facility	-	-	-	3,286,152
Accumulated depreciation	-	-	-	(2,775,826)
Amount available in Debt Service Fund	-	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-	-
Total Assets	\$ 392,697	\$ 251,702	\$ 280,740	\$ 12,219,305

See Notes To Financial Statements

Exhibit A

Fiduciary Fund Types	Account Groups		Primary Government Total (Memorandum Only)	Component Units	Reporting Entity Total (Memorandum Only)
	Trust and Agency	General Fixed Assets			
\$ 9,802	\$ -	\$ -	1,097,206	\$ 145,588	\$ 1,242,794
-	-	-	-	-	-
6,694	-	-	480,146	220,899	701,045
-	-	-	851,427	264	851,691
-	-	-	63,951	-	63,951
-	-	-	-	-	-
-	-	-	116,984	7,359	124,343
-	-	-	-	47,993	47,993
-	-	-	169,636	-	169,636
-	-	-	29,892	35,863	65,755
-	-	-	-	-	-
-	-	-	831,871	-	831,871
-	1,302,478	-	1,302,478	6,183,057	7,485,535
-	6,869,593	-	6,869,593	-	6,869,593
-	-	-	500,000	1,024,058	1,524,058
-	1,066,576	-	1,066,576	186,133	1,252,709
-	-	-	13,667,729	-	13,667,729
-	-	-	(5,158,228)	-	(5,158,228)
-	-	-	3,286,152	-	3,286,152
-	-	-	(2,775,826)	-	(2,775,826)
-	-	280,740	280,740	-	280,740
-	-	1,492,395	1,492,395	169,311	1,661,706
<u>\$ 16,496</u>	<u>\$ 9,238,647</u>	<u>\$ 1,773,135</u>	<u>\$ 24,172,722</u>	<u>\$ 8,020,525</u>	<u>\$ 32,193,247</u>

CITY OF RAYNE, LOUISIANA

COMBINED BALANCE SHEET (CONTINUED)
 ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED
 COMPONENT UNITS
 September 30, 1998

	Governmental Fund Types			Proprietary Fund Types
	General	Special Revenue	Debt Services	Enterprise
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts payable	\$ 76,521	\$ 36,009	\$ -	\$ 450,296
Accrued liabilities	-	-	-	-
Payable from restricted assets:				
Accrued interest	-	-	-	-
Revenue bonds	-	-	-	270,000
Deposits	-	-	-	263,204
Due to other funds	229	-	-	116,755
Due to other governments	-	68,030	-	-
Payroll payables	46,549	1,884	-	52,222
Other payables	26,600	-	-	28,463
Deferred revenues	-	21,439	-	-
General obligation bonds payable	-	-	-	871,865
Revenue bonds payable	-	-	-	4,664,843
Total liabilities	\$ 149,899	\$ 127,362	\$ -	\$ 6,717,648
FUND EQUITY				
Contributed capital	\$ -	\$ -	\$ -	\$ 876,114
Investment in general fixed assets	-	-	-	-
Retained earnings:				
Reserve for Capital Projects	-	-	-	-
Reserve for revenue bond retirement	-	-	-	492,625
Reserve for revenue bond contingency	-	-	-	75,000
Unreserved	-	-	-	4,057,918
Fund balances:				
Designated for debt service	-	-	280,740	-
Undesignated	242,798	251,702	-	-
Total fund equity	\$ 242,798	\$ 251,702	\$ 280,740	\$ 5,501,657
Total liabilities and fund equity	\$ 392,697	\$ 379,064	\$ 280,740	\$ 12,219,305

See Notes To Financial Statements

Fiduciary Fund Types Trust and Agency	Account Groups		Primary Government Total (Memorandum Only)	Component Units	Reporting Entity Total (Memorandum Only)
	General Fixed Assets	General Long-term Debt			
\$ -	\$ -	\$ -	\$ 562,826	\$ 2,212	\$ 565,038
-	-	-	-	25,081	25,081
-	-	-	-	-	-
-	-	-	270,000	-	270,000
-	-	-	263,204	-	263,204
-	-	-	116,984	7,359	124,343
-	-	-	68,030	2,002	70,032
-	-	-	100,655	-	100,655
-	-	-	55,063	21,774	76,837
-	-	-	21,439	10,377	31,816
-	-	1,773,135	2,645,000	169,311	2,814,311
-	-	-	4,664,843	-	4,664,843
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,773,135</u>	<u>\$ 8,768,044</u>	<u>\$ 238,116</u>	<u>\$ 9,006,160</u>
\$ -	\$ -	\$ -	\$ 876,114	\$ -	\$ 876,114
-	9,238,647	-	9,238,647	7,393,248	16,631,895
-	-	-	-	-	-
-	-	-	492,625	47,993	540,618
-	-	-	75,000	-	75,000
-	-	-	4,057,918	-	4,057,918
-	-	-	280,740	-	280,740
16,496	-	-	383,634	341,168	724,802
<u>\$ 16,496</u>	<u>\$ 9,238,647</u>	<u>\$ -</u>	<u>\$ 15,404,678</u>	<u>\$ 7,782,409</u>	<u>\$ 23,187,087</u>
<u>\$ 16,496</u>	<u>\$ 9,238,647</u>	<u>\$ 1,773,135</u>	<u>\$ 24,172,722</u>	<u>\$ 8,020,525</u>	<u>\$ 32,193,247</u>

CITY OF RAYNE, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL AND EXPENDABLE TRUST FUNDS AND
DISCRETELY PRESENTED COMPONENT UNITS
Year Ended September 30, 1998

	General	Special Revenue	Debt Service
Revenues:			
Taxes	\$ 223,772	\$ 1,228,578	\$ -
Licenses and permits	236,560	-	-
Intergovernmental revenues	249,417	513,909	-
Charges for services	24,705	27,141	-
Rental income	-	-	-
Fines	36,577	-	-
Miscellaneous	123,352	29,253	7,689
Total Revenues	<u>\$ 894,383</u>	<u>\$ 1,798,881</u>	<u>\$ 7,689</u>
Expenditures:			
Current--			
General government	\$ 699,145	\$ 44,060	\$ -
Public safety	864,604	-	-
Public works	526,631	-	-
Sanitation	-	-	-
Culture and recreation	240,562	146,678	-
Urban redevelopment and housing	-	511,916	-
Debt Service--			
Principal retirement	-	-	137,070
Interest and fiscal charges	-	-	130,245
Total expenditures	<u>\$ 2,330,942</u>	<u>\$ 702,654</u>	<u>\$ 267,315</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (1,436,559)</u>	<u>\$ 1,096,227</u>	<u>\$ (259,626)</u>
Other sources (uses):			
Operating transfers in	\$ 1,650,000	\$ 10,000	\$ 2,548,998
Operating transfers out	(67,250)	(1,291,586)	(2,513,886)
Total other sources (uses)	<u>\$ 1,582,750</u>	<u>\$ (1,281,586)</u>	<u>\$ 35,112</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ 146,191	\$ (185,359)	\$ (224,514)
Fund balance (deficit), beginning of year	96,607	311,006	509,478
Prior period adjustment	-	(1,307)	(4,224)
Fund balance, end of year	<u>\$ 242,798</u>	<u>\$ 124,340</u>	<u>\$ 280,740</u>

See Notes To Financial Statements

Fiduciary Funds <u>Trust and Agency</u>	Primary Government Total (Memorandum Only)	Component Units	Reporting Entity Total (Memorandum Only)
\$ -	\$ 1,452,350	\$ -	\$ 1,452,350
-	236,560	-	236,560
-	763,326	431,671	1,194,997
-	51,846	106,808	158,654
-	-	385,840	385,840
-	36,577	162,266	198,843
10,478	170,772	62,784	233,556
<u>\$ 10,478</u>	<u>2,711,431</u>	<u>\$ 1,149,369</u>	<u>\$ 3,860,800</u>
\$ 760	\$ 743,965	\$ 259,313	\$ 1,003,278
-	864,604	-	864,604
-	526,631	-	526,631
-	-	-	-
-	387,240	-	387,240
-	511,916	791,538	1,303,454
-	137,070	-	137,070
-	130,245	-	130,245
<u>\$ 760</u>	<u>\$ 3,301,671</u>	<u>\$ 1,050,851</u>	<u>\$ 4,352,522</u>
\$ 9,718	\$ (590,240)	\$ 98,518	\$ (491,722)
\$ -	\$ 4,208,998	\$ -	\$ 4,208,998
100,000	(3,772,722)	-	(3,772,722)
<u>\$ 100,000</u>	<u>\$ 436,276</u>	<u>\$ -</u>	<u>\$ 436,276</u>
\$ (90,282)	\$ (353,964)	\$ 98,518	\$ (255,446)
106,778	1,023,869	290,643	1,314,512
-	(5,531)	-	(5,531)
<u>\$ 16,496</u>	<u>\$ 664,374</u>	<u>\$ 389,161</u>	<u>\$ 1,053,535</u>

CITY OF RAYNE, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES--BUDGET (GAAP BASIS) AND ACTUAL
 GENERAL AND SPECIAL REVENUE FUND TYPES-PRIMARY GOVERNMENT
 Year Ended September 30, 1998

	General Fund		Variance-- Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Taxes	\$ 223,133	\$ 223,772	\$ 639
Licenses	231,400	236,560	5,160
Intergovernmental revenues	141,755	249,417	107,662
Charges for services	26,500	24,705	(1,795)
Fines	27,500	36,577	9,077
Miscellaneous	54,681	123,352	68,671
Total revenues	<u>\$ 704,969</u>	<u>\$ 894,383</u>	<u>\$ 189,414</u>
Expenditures:			
Current--			
General government	\$ 718,537	\$ 699,145	\$ 19,392
Public safety	880,738	864,604	16,134
Public works	553,215	526,631	26,584
Culture and recreation	225,546	240,562	(15,016)
Urban redevelopment and housing	-	-	-
Total expenditures	<u>\$ 2,378,036</u>	<u>\$ 2,330,942</u>	<u>\$ 47,094</u>
Excess (deficiency) of revenues Over expenditures	<u>\$ (1,673,067)</u>	<u>\$ (1,436,559)</u>	<u>\$ 236,508</u>
Other sources (uses):			
Operating transfers in	\$ 1,650,000	\$ 1,650,000	\$ -
Operating transfers out	(10,000)	(67,250)	(57,250)
Total other sources (uses)	<u>\$ 1,640,000</u>	<u>\$ 1,582,750</u>	<u>\$ (57,250)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (33,067)</u>	<u>\$ 146,191</u>	<u>\$ 179,258</u>
Fund balance (deficit), beginning of year	96,607	96,607	-
Transfer of Equity	-	-	-
Prior period adjustment	-	-	-
Fund balance (deficit), end of year	<u>\$ 63,540</u>	<u>\$ 242,798</u>	<u>\$ 179,258</u>

See Notes To Financial Statements

Special Revenue Funds

Budget	Actual	Variance-- Favorable (Unfavorable)
\$ 1,169,058	\$ 1,228,578	\$ 59,520
-	-	-
580,000	513,909	(66,091)
22,600	27,141	4,541
-	-	-
31,660	29,253	(2,407)
<u>\$ 1,803,318</u>	<u>\$ 1,798,881</u>	<u>\$ (4,437)</u>
\$ 24,260	\$ 44,060	\$ (19,800)
-	-	-
-	-	-
135,175	146,678	(11,503)
596,650	511,916	84,734
<u>\$ 756,085</u>	<u>\$ 702,654</u>	<u>\$ 53,431</u>
<u>\$ 1,047,233</u>	<u>\$ 1,096,227</u>	<u>\$ 48,994</u>
\$ 10,000	\$ 10,000	\$ -
(1,289,770)	(1,291,586)	(1,816)
<u>\$ (1,279,770)</u>	<u>\$ (1,281,586)</u>	<u>\$ (1,816)</u>
\$ (232,537)	\$ (185,359)	\$ 47,178
311,006	311,006	-
-	-	-
-	(1,307)	(1,307)
<u>\$ 78,469</u>	<u>\$ 124,340</u>	<u>\$ 45,871</u>

CITY OF RAYNE, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL
 DEBT SERVICE FUND TYPE-PRIMARY GOVERNMENT
 Year Ended September 30, 1998

	Debt Service Fund		Variance-- Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Taxes--ad valorem	\$ -	\$ -	\$ -
Miscellaneous	3,345	7,689	4,344
Total revenues	<u>\$ 3,345</u>	<u>\$ 7,689</u>	<u>\$ 4,344</u>
Expenditures:			
Principal retirement	\$ 572,070	\$ 137,070	\$ 435,000
Interest	497,674	129,817	367,857
Paying agents' fees	0	428	(428)
Total expenditures	<u>\$ 1,069,744</u>	<u>\$ 267,315</u>	<u>\$ 802,429</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (1,066,399)</u>	<u>\$ (259,626)</u>	<u>\$ 806,773</u>
Other sources (uses):			
Operating transfers in	\$ 739,770	\$ 2,548,999	\$ 1,809,229
Operating transfers out	-	(2,513,887)	(2,513,887)
Total other sources (uses)	<u>\$ 739,770</u>	<u>\$ 35,112</u>	<u>\$ (704,658)</u>
Excess of revenues and other sources over expenditures and other uses	<u>\$ (326,629)</u>	<u>\$ (224,514)</u>	<u>\$ 102,115</u>
Fund balance, beginning of year	<u>509,478</u>	<u>509,478</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 182,849</u></u>	<u><u>\$ 284,964</u></u>	<u><u>\$ 102,115</u></u>

See Notes To Financial Statements

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF RAYNE, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS AND DISCRETELY PRESENTED
COMPONENT UNITS

PROPRIETARY FUND TYPE
Years Ended September 30, 1998

	Enterprise Fund		Total Column
	Utility	Sanitation	
Operating revenues:			
Charges for services	\$ 5,996,084	\$ 826,322	\$ 6,822,406
Other	134,607	36,010	170,617
Total operating revenues	<u>\$ 6,130,691</u>	<u>\$ 862,332</u>	<u>\$ 6,993,023</u>
Operating Expenses:			
Electric generating expense	\$ 3,302,628	\$ -	\$ 3,302,628
Electric distribution expense	262,422	-	262,422
Water department expense	209,355	-	209,355
Water treatment plant expense	137,687	-	137,687
Overhead expense	1,052,050	-	1,052,050
Warehouse expense	36,520	-	36,520
Sanitation	-	626,093	626,093
Total operating expenses	<u>\$ 5,000,662</u>	<u>\$ 626,093</u>	<u>\$ 5,626,755</u>
Operating income	\$ 1,130,029	\$ 236,239	\$ 1,366,268
Non-operating revenues (expenses)	<u>21,753</u>	<u>-</u>	<u>21,753</u>
Income before operating transfers	<u>\$ 1,151,782</u>	<u>\$ 236,239</u>	<u>\$ 1,388,021</u>
Other sources (uses):			
Bond Proceeds	\$ -	\$ -	-
Operating transfers out	(1,000,000)	-	(1,000,000)
Total other sources (uses)	<u>\$ (1,000,000)</u>	<u>\$ -</u>	<u>(1,000,000)</u>
Net Income	\$ 151,782	\$ 236,239	\$ 388,021
Retained earnings, beginning of year	<u>3,138,792</u>	<u>1,097,250</u>	<u>4,236,042</u>
Retained earnings, end of year	<u><u>\$ 3,290,574</u></u>	<u><u>\$ 1,333,489</u></u>	<u><u>\$ 4,624,063</u></u>

See Notes To Financial Statements

Exhibit E

Primary Government Total (Memorandum Only)	Component Units	Reporting Entity Total (Memorandum Only)
\$ 6,822,406	\$ -	\$ 6,822,406
170,617	-	170,617
<u>\$ 6,993,023</u>	<u>\$ -</u>	<u>\$ 6,993,023</u>
\$ 3,302,628	\$ -	\$ 3,302,628
262,422	-	262,422
209,355	-	209,355
137,687	-	137,687
1,052,050	-	1,052,050
36,520	-	36,520
626,093	-	626,093
<u>\$ 5,626,755</u>	<u>\$ -</u>	<u>\$ 5,626,755</u>
\$ 1,366,268	\$ -	\$ 1,366,268
21,753	-	21,753
<u>\$ 1,388,021</u>	<u>\$ -</u>	<u>\$ 1,388,021</u>
\$ -	\$ -	\$ -
(1,000,000)	-	(1,000,000)
<u>\$ (1,000,000)</u>	<u>\$ -</u>	<u>\$ (1,000,000)</u>
\$ 388,021	\$ -	388,021
4,236,042	-	-
<u>\$ 4,624,063</u>	<u>\$ -</u>	<u>\$ 4,624,063</u>

COMBINED STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPE AND DISCRETELY PRESENTED
 COMPONENT UNITS
 INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
 Year Ended September 30, 1998

	<u>UTILITY</u>	<u>SANITATION</u>	<u>Primary Government Total (Memorandum Only)</u>
Cash flows from operating activities:			
Cash received from customers	\$ 5,917,013	\$ 842,195	\$ 6,759,208
Cash payment to suppliers for goods and service	(3,990,060)	(204,956)	(4,195,016)
Cash payments to employees for services	(614,597)	(129,465)	(744,062)
Other operating revenues	134,607	-	134,607
Net cash provided by operating activities	\$ 1,446,963.0	\$ 507,774	\$ 1,954,737
Cash flows from non-capital financing activities:			
Operating transfers-out to other funds	\$ (1,000,000)	\$ -	\$ (1,000,000)
Operating transfers-in from other funds	-	-	-
Other non-operating revenue	19,390	4,188	23,578
Loans (to) from other funds	116,755	-	116,755
Net receipts (payments) of customers' deposits	2,373	-	2,373
Net cash used for non-capital financing activities	\$ (861,482)	\$ 4,188	\$ (857,294)
Cash flows from capital and related financing activities:			
Certificate of Indebtedness			
Principal Paid	\$ (57,930)	\$ (40,000)	\$ (97,930)
Bond Proceeds	-	207,301	207,301
Acquisition and construction of capital assets	(263,826)	(329,435)	(593,261)
Principal paid on revenue bonds	-	(240,000)	(240,000)
Interest paid on revenue bonds	(24,532)	(171,310)	(195,842)
Net cash used for capital and related financing activities	\$ (346,288)	\$ (573,444)	\$ (919,732)

See Notes To Financial Statements

Component Units	Reporting Entity Total (Memorandum Only)
\$ -	\$ 6,759,208
-	(4,195,016)
-	(744,062)
-	134,607
<u>\$ -</u>	<u>\$ 1,954,737</u>
\$ -	\$ (1,000,000)
-	-
-	23,578
-	116,755
-	2,373
<u>\$ -</u>	<u>\$ (857,294)</u>
\$ -	\$ (97,930)
-	207,301
-	(593,261)
-	(240,000)
-	(195,842)
<u>\$ -</u>	<u>\$ (919,732)</u>

CITY OF RAYNE, LOUISIANA

COMBINED STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPE AND DISCRETELY PRESENTED
 COMPONENT UNITS
 Year Ended September 30, 1998

Increase (Decrease) in Cash

	<u>UTILITY</u>	<u>SANITATION</u>	<u>Primary Government Total (Memorandum Only)</u>
<i>Cash flows from investing activities</i>			
Purchase of investments	\$ (102,740)	\$ -	\$ (102,740)
Proceeds from maturities of investments	-	3,822	3,822
Interest on investments	26,895	31,822	58,717
Net cash provided by investing activities	<u>\$ (75,845)</u>	<u>\$ 35,644</u>	<u>\$ (40,201)</u>
Net increase (decrease) in cash	\$ 163,348	\$ (25,838)	\$ 137,510
Cash, beginning of year	<u>272,759</u>	<u>68,955</u>	<u>341,714</u>
Cash, end of year	<u>\$ 436,107</u>	<u>\$ 43,117</u>	<u>\$ 479,224</u>
<i>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</i>			
Operating Income	<u>\$ 1,131,509</u>	<u>\$ 371,539</u>	<u>\$ 1,503,048</u>
<i>Adjustments to reconcile operating income to net cash provided by Operating activities:</i>			
Depreciation	\$ 362,582	\$ 160,031	522,613
Net provision for uncollectible accounts	10,989	2,082	13,071
Changes in assets and liabilities:			
Decrease (Increase) in Receivables	(79,071)	15,873	(63,198)
Decrease (Increase) in inventory	(1,862)	-	(1,862)
Decrease (Increase) in prepaid expenses	17,901	-	17,901
(Decrease) Increase in accounts payable	2,966	(40,824)	(37,858)
(Decrease) Increase in sales tax payable	4,705	-	4,705
(Decrease) Increase in accruals	(2,756)	(927)	(3,683)
Total adjustments	<u>\$ 315,454</u>	<u>\$ 136,235</u>	<u>\$ 451,689</u>
Net cash provided by operating activities	<u>\$ 1,446,963</u>	<u>\$ 507,774</u>	<u>\$ 1,954,737</u>

See Notes To Financial Statements

Component Units	Reporting Entity Total (Memorandum Only)
\$ -	\$ (102,740)
-	3,822
-	58,717
\$ -	\$ (40,201)
\$ -	\$ 137,510
-	341,714
\$ -	\$ 479,224
\$ -	\$ 1,503,048
\$ -	\$ 522,613
-	13,071
-	(63,198)
-	(1,862)
-	17,901
-	(37,858)
-	4,705
-	(3,683)
\$ -	\$ 451,689
\$ -	\$ 1,954,737

CITY OF RAYNE, LOUISIANA

COMBINED STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPE AND DISCRETELY PRESENTED
 COMPONENT UNITS
 Year Ended September 30, 1998

Increase (Decrease) in Cash

	<u>UTILITY</u>	<u>SANITATION</u>	<u>Primary Government Total (Memorandum Only)</u>
Reconciliation of Cash			
Unrestricted--			
Cash	\$ 432,652	\$ 43,117	\$ 475,769
Restricted--			
Bond and interest redemption fund	\$ -	\$ -	\$ -
Customers' deposits	3,455	-	3,455
Total restricted cash	\$ 3,455	\$ -	\$ 3,455
Total Cash	<u>\$ 436,107</u>	<u>\$ 43,117</u>	<u>\$ 479,224</u>

See Notes To Financial Statements

Component Units	Reporting Entity Total (Memorandum Only)
\$ -	\$ 475,769
\$ -	\$ -
-	3,455
\$ -	\$ 3,455
\$ -	\$ 479,224

CITY OF RAYNE, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
FIDUCIARY FUND TYPE
Year Ended September 30, 1998

	<u>Expendable Trust Unemployment Compensation</u>
	<u>1998</u>
Revenues:	
Contributions from other funds	\$ 8,791
Interest on investments	1,687
Total revenues	<u>\$ 10,478</u>
Expenditures:	
Administrative fees	<u>\$ 760</u>
Excess of revenues over expenditures	\$ 9,718
Other Sources (uses)	
Operating Transfers out	
Refunding bonds	<u>100,000</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ (90,282)
Fund balance, beginning of year	<u>106,778</u>
Fund balance, end of year	<u><u>\$ 16,496</u></u>

See Notes To Financial Statements

CITY OF RAYNE, LOUISIANA

STATEMENT OF CHANGES IN FINANCIAL POSITION--
 FIDUCIARY FUND TYPE
 Year Ended September 30, 1998

	<u>Expendable Trust</u> <u>(Unemployment Compensation)</u>
	<u>1998</u>
SOURCES OF WORKING CAPITAL	
Operations:	
Net Income	\$ 16,496
ELEMENTS OF NET INCREASE IN WORKING CAPITAL	
Cash	\$ 1,031
Investments	(84,535)
Transfer to Refunding bond fund	100,000
 Increase in working capital	 \$ 16,496

See Notes To Financial Statements

CITY OF RAYNE, LOUISIANA

COMBINING BALANCE SHEET-COMPONENT UNITS

Year Ended September 30, 1998

	Rayne City Court	Rayne Marshall's Fund	Housing Authority
ASSETS			
Cash	\$ 41,111	\$ 4,043	\$ 100,434
Investments, at cost	-	-	220,899
Receivables	-	-	264
Due from other funds	7,359	-	-
Due from other Governments	-	-	47,993
Prepaid Expenditures	-	-	35,863
Property, Plant & Equipment	6,145	-	7,387,103
Amount to be provided for retirement of general long-term debt	-	-	169,311
Total Assets	<u>\$ 54,615</u>	<u>\$ 4,043</u>	<u>\$ 7,961,867</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ 2,212
Accrued liabilities	-	-	25,081
Due to other funds	7,359	-	-
Due to other governments	2,002	-	-
Due to tenants	-	-	9,950
Due to other agencies	11,824	-	-
Deferred Revenues	-	-	10,377
General obligation bonds payable and other liabilities	-	-	169,311
Total Liabilities	<u>\$ 21,185</u>	<u>\$ -</u>	<u>\$ 216,931</u>
FUND EQUITY			
Investment in general fixed assets	\$ 6,145	\$ -	\$ 7,387,103
Fund Balances:			
Reserved for Capital Projects	-	-	-
Reserved for debt service	-	-	47,993
Unreserved:			
Undesignated	27,285	4,043	309,840
Total Fund Equity	<u>\$ 33,430</u>	<u>\$ 4,043</u>	<u>\$ 7,744,936</u>
Total Liabilities and Fund Equity	<u>\$ 54,615</u>	<u>\$ 4,043</u>	<u>\$ 7,961,867</u>

See Notes To Financial Statements

Exhibit I

Totals

\$	145,588
	220,899
	264
	7,359
	47,993
	35,863
	7,393,248
	<u>169,311</u>
\$	<u>8,020,525</u>
\$	2,212
	25,081
	7,359
	2,002
	9,950
	11,824
	10,377
	<u>169,311</u>
\$	<u>238,116</u>
\$	7,393,248
	-
	47,993
	<u>341,168</u>
\$	<u>7,782,409</u>
\$	<u>8,020,525</u>

CITY OF RAYNE, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
Year Ended September 30, 1998

	Rayne City Court	Rayne Marshall's Fund	Housing Authority
Revenues:			
Charges for services	\$ 97,450	\$ 9,358	\$ -
Intergovernmental revenue	-	-	431,671
Rental Income	-	-	385,840
Interest on investments	-	-	1,732
Fines and restitution	162,266	-	-
Miscellaneous	-	-	61,052
Total revenue	<u>\$ 259,716</u>	<u>\$ 9,358</u>	<u>\$ 880,295</u>
Expenditures:			
Current--			
General government	\$ 249,918	\$ 9,395	\$ -
Public safety	-	-	-
Culture and recreation	-	-	-
Sanitation	-	-	-
Urban redevelopment and housing	-	-	791,538
Debt Service:			
Principal Retirement	-	-	-
Interest	-	-	-
Total expenditures	<u>\$ 249,918</u>	<u>\$ 9,395</u>	<u>\$ 791,538</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 9,798</u>	<u>\$ (37)</u>	<u>\$ 88,757</u>
Fund balance (deficit), beginning of year	<u>\$ 17,487</u>	<u>\$ 4,080</u>	<u>\$ 269,076</u>
Fund balance (deficit), end of year	<u><u>\$ 27,285</u></u>	<u><u>\$ 4,043</u></u>	<u><u>\$ 357,833</u></u>

See Notes To Financial Statements

<u>Total</u>	
\$	106,808
	431,671
	385,840
	1,732
	162,266
	61,052
<u>\$</u>	<u>1,149,369</u>

\$	259,313
	-
	-
	-
	791,538
	-
	-
<u>\$</u>	<u>1,050,851</u>

\$ 98,518

\$ 290,643

\$ 389,161

CITY OF RAYNE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

Note 1. **Financial Reporting Entity**

The City of Rayne was incorporated on May 2, 1883, under the provisions of the Lawrason Act. The City operates under a Mayor-Board of Aldermen form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

As the municipal governing authority for financial reporting purposes, the City of Rayne is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (municipality), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the City of Rayne for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority for an organization's governing body, and
 - a. The ability of the municipality to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the municipality.
2. Organizations for which the municipality does not appoint a voting majority but are fiscally dependent on the municipality.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature of significance of the relationship.

As required by generally accepted accounting principles, these financial statements present the City of Rayne (the primary government) and its component units. The component units included in the accompanying financial statements are discretely presented.

Discretely Presented Component Units

Component units that are legally separate from the municipality but are financially accountable to the municipality, or whose relationship with the municipality are such that exclusion would cause the municipality's financial statements to be misleading or incomplete are discretely presented. The Component Units column of the combined financial statements include the financial data of these discretely presented component units. They are reported in a separate column to emphasize that they are legally separate from the municipality.

NOTES TO FINANCIAL STATEMENTS

The following component units are discretely presented in the accompanying financial statements:

1. Rayne City Court is fiscally dependent on the City for office space and courtrooms. The City also has authority over its budget. The Rayne City Court's fiscal year end is September 30, 1998. A copy of Rayne City Court's audit can be obtained by sending a request to Rayne City Court, Post Office Box 61, Rayne, LA 70578.
2. Rayne Marshall's Fund is fiscally dependent on the City for office space. The Marshall's fund year end is September 30, 1998 and a copy of the audit report can be obtained by sending a request to Rayne Marshall's Fund, Post Office Box 61, Rayne, LA 70578.
3. Rayne Housing Authority board is appointed by the City to provide housing to low income families. The fiscal year end is September 30, 1998 and a copy can be obtained by sending a request to Rayne Housing Authority, Post Office Box 164, Rayne, LA 70578.

The following presents the condensed financial statements for each of the discretely presented component units:

Condensed Balance Sheet:

	Rayne City Court	Rayne Marshall's Fund	Housing Authority
Current Assets	\$ 48,470	\$ 4,043	\$ 405,453
Property, Plant & Equipment	6,145	-	7,387,103
Amount to be provided for retirement of general long-term debt	-	-	<u>169,311</u>
Total Assets	<u>\$ 54,615</u>	<u>\$ 4,043</u>	<u>\$ 7,961,867</u>
Current Liabilities	\$ 21,185	\$ -	\$ 47,620
Long-Term Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 169,311</u>
Total Liabilities	\$ 21,185	\$ -	\$ 216,931
Fund Equity	<u>\$ 33,430</u>	<u>\$ 4,043</u>	<u>\$ 7,744,936</u>
Total Liabilities & Fund Equity	<u>\$ 54,615</u>	<u>\$ 4,043</u>	<u>\$ 7,961,867</u>

NOTES TO FINANCIAL STATEMENTS

Condensed statements of revenues and expenses, for component units:

Condensed Statement of Revenues and Expenditures

	<u>Rayne City Court</u>	<u>Rayne Marshals Fund</u>	<u>Housing Authority</u>
Revenues	\$ <u>259,716</u>	\$ <u>9,358</u>	\$ <u>880,296</u>
Expenditures	<u>249,918</u>	<u>9,395</u>	<u>791,538</u>
Excess (deficiency) of revenues over expenditures	\$ <u>9,798</u>	\$ <u>(37)</u>	\$ <u>88,757</u>

Fund Accounting:

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

Governmental Funds

General Fund

The General Fund is the general operating fund of the City. It is used to account for all financial resources except 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 special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and other 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, special assessment funds, and trust funds.)

NOTES TO FINANCIAL STATEMENTS

Proprietary Funds

Enterprise Funds

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

Fiduciary Funds

Agency Funds

Agency Funds are used to account for assets held by the City as an agent for other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Trust Funds

Trust funds are used to account for assets held by the City as an administrator for other funds. Trust Funds are accountable for the results of operations in administering the trust principal transferred.

On January 1, 1982, the City of Rayne elected the option of paying actual unemployment claims in lieu of State unemployment taxes. Funds equal to amounts, which would be paid to the State, are transferred to the Unemployment Compensation Fund quarterly and will be used to pay all qualifying claims.

Fixed assets and long-term liabilities:

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

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. General fixed assets consisting of certain improvements other than buildings, including drainage systems and lighting systems, are capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

NOTES TO FINANCIAL STATEMENTS

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

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

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

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

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

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method.

The estimated useful lives are as follows:

Buildings	40 years
Improvements	6-40 years
Equipment	3-40 years

Basis of accounting:

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

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

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

NOTES TO FINANCIAL STATEMENTS

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

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from those estimates.

Budget and budgetary accounting:

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

1. Prior to September 1, the Mayor submits to the Board of Aldermen a proposed operating budget for the ensuing fiscal year. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at the City Hall to obtain taxpayer comments.
3. The budget is legally enacted through adoption of an ordinance.
4. Budgets for the General, Special Revenue, and Enterprise Funds are adopted on a basis consistent with generally accepted accounting principles.
5. The budget is employed as a management control device during the year for the General, Special Revenue, and Enterprise Funds.
6. All budget amendments require approval of the Board of Aldermen. The budget was amended once during the fiscal year. The following is a list of amendments to the 1997-98 budget as approved by the Board of Aldermen on September 14, 1998:
 - A. Enterprise Fund--increased revenues by \$95,541, appropriations by \$150,000 and increased total expenditures by \$376,852.
 - B. General Fund--increased total revenues by \$273,593, increased appropriations by \$50,000 and increased total expenditures by \$240,386.
 - C. Sales Tax Fund--increased total revenues by \$59,534 and increased total expenditures by \$98,680.
 - D. Youth Recreation Fund - increased revenues by \$17,484 and increased total expenditures by \$31,375.
 - E. Sewer Maintenance Fund – increased expenditures by \$488,285.
 - F. Unemployment Compensation Fund – increased appropriations by \$100,000.

NOTES TO FINANCIAL STATEMENTS

- G. Sewer Construction Fund – increased revenues by \$279,120 and expenditures by \$239,504.
- H. Refunding Bonds – increased appropriations by \$216,859 and increased expenditures by \$549,661.

7. All budget appropriations lapse at year end.

Cash and Investments:

Cash consists of amounts in demand deposit accounts, interest bearing demand deposits, and passbook savings accounts. Cash held by the City and with the paying agent for utility revenue bonds is also included as cash.

Investments are stated at cost and consisted of time certificates of deposits purchased from local financial institutions.

The following is a summary of the primary government's cash and cash equivalents at September 30, 1998 and were secured as follows:

	<u>Bank Balance</u>	<u>FDIC Insurance</u>	<u>Balance Uninsured</u>
Demand Deposits and Interest Bearing Demand deposits	\$1,061,167	\$ 300,000	\$ 761,167
Passbook savings, Money Market accounts and Time Deposits	<u>1,309,984</u>	<u>-0-</u>	<u>1,309,984</u>
Total	<u>\$2,371,151</u>	<u>\$ 300,000</u>	\$2,071,151
Securities Pledged and Held by the Custodial Bank In the name of the City			<u>2,053,630</u>
Amount Unsecured			<u>\$ 17,521</u>

These deposits are stated at cost, under state law, these deposits (or 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. 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.

NOTES TO FINANCIAL STATEMENTS

At September 30, 1998 the carrying amount of the City's deposits was \$2,371,151 and the bank balance was \$2,407,973. The deposits are secured from risk by \$300,000 of federal deposit insurance and \$2,053,630 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

Comparative data:

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

Bad debts:

Uncollectible amounts due for customers' utility receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectability of the particular receivable.

Total column on Combined Statement--Overview:

Total columns on the Combined Statement--Overview are captioned Memorandum Only to indicate that they are presented only to facilitate 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 elimination's have not been made in the aggregation of this data.

Note 2. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1, and payable on December 31. The City bills and collects its own property taxes. City property tax revenues are recognized when levied to the extent that they result in current receivables.

For the year ended September 30, 1998, taxes of 12.00 mills were levied on property with assessed valuations totaling \$16,246,560 and were dedicated as follows:

General corporate purposes	7.00 mills
Youth recreation	5.00 mills

NOTES TO FINANCIAL STATEMENTS

Note 3. Changes in Fixed Assets

A summary of the changes in the general fixed assets is as follows:

	Balance Sept. 30, <u>1997</u>	<u>Additions</u>	<u>Reductions</u>	Balance Sept. 30, <u>1998</u>
Buildings	\$ 1,281,568	\$ 20,910	\$ -0-	\$ 1,302,478
Improvements other than buildings	6,536,167	333,426	-0-	6,869,593
Equipment	<u>937,560</u>	<u>155,551</u>	<u>26,535</u>	<u>1,066,576</u>
	<u>\$ 8,755,295</u>	<u>\$ 509,887</u>	<u>\$ 26,535</u>	<u>\$ 9,238,647</u>

A summary of proprietary fund type property, plant, and equipment at September 30, 1998 is as follows:

	<u>Enterprise</u>
Land	\$ 598,438
Buildings	548,023
Wells and pumps	217,930
Autos and trucks	565,687
Water equipment	102,423
Electrical distribution system	3,899,789
Water distribution system	1,428,059
Shop and office equipment	764,519
Water Treatment	671,502
Sewer equipment	<u>5,371,360</u>
	\$ 14,167,730
Less accumulated depreciation	<u>(5,158,229)</u>
Net	<u>\$ 9,009,501</u>

A summary of idle plant facility as of September 30, 1998 is as follows:

Engines and generators	\$ 3,286,152
Less accumulated depreciation	<u>(2,775,826)</u>
Net	<u>\$ 510,326</u>

In May 1979, the City terminated its electricity generating operations. The City now purchases the majority of all electricity used from Louisiana Energy and Power Authority. The City is maintaining the engines and generators to be used only in an emergency.

NOTES TO FINANCIAL STATEMENTS

Note 4. Changes in Long-Term Debt

The following is a summary of bond transactions of the City for the year ended September 30, 1998:

	<u>General Obligation</u>	<u>Revenue</u>	<u>Total</u>
Bonds payable at October 1, 1997	\$ 3,435,000	\$ 4,967,543	\$ 8,402,543
Bonds retired	(235,000)	(240,000)	(475,000)
Bonds refinanced	(2,315,000)	-0-	(2,315,000)
Bonds - new issue	<u>1,760,000</u>	<u>207,300</u>	<u>1,967,300</u>
Bonds payable at September 30, 1998	<u>\$ 2,645,000</u>	<u>\$ 4,934,843</u>	<u>\$ 7,579,843</u>

General obligation bonds:

\$500,000 1995 Certificates of Indebtedness due in annual installments of \$40,000 to \$65,000 through December 1, 2005; interest at 5.75% (to be retired from excess revenues of the City). \$ 420,000

\$1,760,000 1998 Public Improvement Sales Tax Refunding Bonds due in annual installments of \$300,000 to \$360,000 through September 1, 2003; interest at the rate 4.7% (to be retired by proceeds of the 1% sales and use tax passed on October 1, 1963, and rededicated on April 30, 1983, and the 1% sales and use tax passed on December 1, 1978) 1,640,000

\$725,000 Series 1996 Certificates of Indebtedness due in annual installments of \$80,000 to \$45,000 through March 1, 2006; interest at 5.12% (to be retired from excess revenues of the City) 585,000

\$ 2,645,000

Revenue bonds: (All issues being serviced--principal and interest--by the Sanitation Fund)

\$4,200,000 Series 1996 Sewer Revenue Bonds due in annual installments of \$155,000 to \$275,000 through March 1, 2017; interest at the rate of 2.95%. \$ 4,045,000

\$2,250,000 Series 1997 Sewer Revenue Bonds of which \$974,843 has been provided; due to annual installments of \$85,000 to \$145,000 through March 1, 2017; interest at the rate of 2.95%. 889,843

\$ 4,934,843

On September 26, 1968 the voters of the City of Rayne approved the issuance of revenue bonds totaling \$2,800,000 to run 30 years from the date thereof with interest at a rate not exceeding

NOTES TO FINANCIAL STATEMENTS

6% per annum. Bond proceeds are to be used for constructing and acquiring extensions and improvements to combined waterworks plant and electric power and light plant. Bonds totaling \$2,442,000 have been sold as part of this authorized issue. These bonds and any future bonds issued under this authorization will be payable as principal and interest solely from income and revenues derived from the operation of the utility system. As of September 30, 1997, the Series 1968, 1969, 1972 and 1973 issues have been retired.

On May 1, 1996 the City of Rayne approved and authorized the issuance of Sewer Revenue Bonds in the aggregate principal amount not to exceed \$6,450,000. The bonds are issued in series from time to time and at this time specifically authorize the sale, issuance and delivery of \$4,200,000 principal amount of the Sewer Revenue Bonds, Series 1996. The Series 1997 Sewer Revenue Bonds were authorized and issued in the principal amount of \$2,250,000. The bond proceeds are to be used for the purpose of constructing and acquiring the Wastewater Treatment Facility Project. As of September 30, 1998, \$5,174,843 has been received for construction costs. Loan disbursements shall be made according to the progress of construction.

On February 23, 1998 the City of Rayne adopted a resolution for a bond ordinance in order to provide for the issuance of \$1,760,000 principal amount of its Public Improvement Sales Tax Refunding Bonds, Series 1997, for the purpose of advance refunding the refunded bonds. Series ST-1989. The refunding of all of the 1989 bonds which mature September 1, 1998 through September 1, 2003 inclusive would be financially advantageous to the issuer.

The annual requirements to amortize all debt outstanding as of September 30, 1998, including interest payments of \$ 2,238,908 are as follows:

Year ending Sept. 30,	General Obligation	Revenue	Total
1999	537,059	428,047	965,106
2000	553,510	430,820	984,330
2001	551,637	428,297	979,934
2002	548,751	430,627	979,378
2003	559,776	432,662	992,438
2004-2006	<u>341,515</u>	<u>4,576,050</u>	<u>4,917,565</u>
	<u>\$ 3,092,248</u>	<u>\$ 6,726,503</u>	<u>\$ 9,818,751</u>

To service the general obligation bonds \$132,561 is available in the Debt Service Funds, \$68,837 in the City Water and Light Plant Fund and \$44,275 in the Sewer Maintenance Fund. For the revenue bonds \$492,625 is available in the Sewer Maintenance Fund.

There are a number of limitations and restrictions contained in various bond indentures. The City is in compliance with all significant limitations and restrictions.

1. Constructing, paving, resurfacing, improving, and maintaining streets.
2. Constructing and improving drains, drainage canals, and subsurface drainage.

NOTES TO FINANCIAL STATEMENTS

3. Constructing and purchasing fire department stations and equipment and operating same.
4. Constructing and purchasing garbage disposal and sanitation equipment and facilities and maintaining same.
5. For any other lawful purposes of the City.
6. Such tax to be subject to funding into Bonds by the City for the purpose of constructing, acquiring, extending, and/or improving streets, sewers, and any other works of capital improvements.
7. For the constructing and acquiring of the Wastewater Treatment Facility Project.

Under the terms of the bond indenture for the Series 1998 refunding bonds which are secured by sales tax proceeds, a minimum monthly payment to a bond sinking fund must be made equal to one-sixth of the next interest amount falling due plus one-twelfth of the next principal amount falling due. No bond reserve is required to be established, or maintained for the Series 1998 refunding bonds.

Any funds remaining after the above transfers will be considered surplus and may be used for the purpose for which the sales tax was levied.

During the year ended September 30, 1998, the City complied with those provisions of the bond indenture relating to sales tax bond sinking and reserve funds. At September 30, 1998, the required and actual balances are as follows:

	<u>Required</u>	<u>Actual</u>	<u>Actual Amount Over Requirement</u>
Refunding bonds of 2/23/98			
Sinking fund	\$ 31,423	\$ 32,418	\$ 995
Reserve	-0-	100,000	100,000

The 1% sales and use tax approved November 7, 1978, can be used for any lawful corporate purpose of the City.

On September 10, 1990, the Board of Aldermen adopted a resolution authorizing the issuance of \$275,000 of Certificates of Indebtedness, Series 1990, for the purpose of constructing and acquiring sewer extensions and improvements to the sewerage system of the City.

On August 10, 1992, the Board of Aldermen adopted a resolution authorizing the issuance of \$250,000 of Certificates of Indebtedness, Series 1992, for the acquisition and improvements on a building which is to be converted into a new City Hall.

The Issuer is to create and maintain a special fund known as "Certificates of Indebtedness (1990) Sinking Fund", and to deposit into said fund monthly in advance on or before the 20th day of each calendar month, a sum equal to one-sixth (1/6) of the interest falling due on the next interest payment date and one-twelfth (1/12) of the principal falling due on the next principal payment date.

NOTES TO FINANCIAL STATEMENTS

The above mentioned certificates, \$275,000 Series 1990 and \$250,000 Series 1992 were refinanced by the issuance of the \$725,000 Series 1996 Certificate of Indebtedness. The Certificate of Indebtedness will be used for the purpose of paying the refunding and refinancing of the Series 1996 and Series 1992 Certificates of Indebtedness and for paying the costs of waterworks and extensions and improvements. The Certificates are secured by and payable solely from a pledge and dedication of the excess of annual revenues of the Issuer.

During the year ended September 30, 1998, the City complied with the above provisions. The City accumulated during the 1997 fiscal year \$106,872 which was applied to the Certificate of Indebtedness debt service. Each month the City voluntarily deposits an amount equal to one-sixty (1/6) of the interest falling due on the next interest payment date and one-twelfth (1/12) of the next principal payment falling due.

Under the terms of the various bond indentures on outstanding utility revenue bonds, all income and revenues (hereinafter referred to as revenue of every nature) earned or derived from the operation of the utility system are pledged and dedicated to the retirement of said bonds and are to be deposited in all funds as indicated below.

All revenue shall be deposited daily in the revenue fund. This fund shall be used for the following purposes and in the following priority:

- A. Transfer, as needed, amounts into a sewer user fee account. Such funds are to be used to provide for the payment of the reasonable and necessary expenses of administering, operating, and maintaining the sewer system.
- B. Transfer on or before the 20th of each month an amount into the sinking fund a sum equal to the principle, interest and administrative fee accruing on the outstanding principle amount of the bonds together with such additional proportionate sum as may be required to pay said principle, interest and administrative fee as the same respectively become due.
- C. Transfer to the revenue bond reserve fund monthly an amount that within five years will make the balance of this fund equal to the highest principal and interest requirements in any succeeding fiscal year. The revenue bonds series 1969, 1968, 1972 and 1973 were retired during the fiscal year end September 30, 1997.
- D. Transfer into the capital additions and contingency fund on or before the 20th of each month an amount equal to 5% of the gross revenues of the utilities system for the preceding month. Funds in the capital additions and contingency fund are to be used primarily to care for extensions, additions, improvements, and renewals, provided however, that the balance does not fall below \$10,000.

The City of Rayne is currently making advance payments into the sinking fund, reserve fund and capital additions and contingency fund for the Series 1996 Sewer Revenue Bonds.

For the year ended September 30, 1997, the City of Rayne was in compliance with the bond indenture.

NOTES TO FINANCIAL STATEMENTS

Note 5. Defeased Debt

On February 23, 1998, the City of Rayne issued public improvement sales tax refunding bonds of \$1,760,000 with interest rates of 4.7% to advance refund the 1989 public improvement refunding bonds with various interest rates of 6.9% to 7.8%. The net proceeds from the issuance of the refunding bonds with the proceeds of the reserve funds on the prior bonds of \$70,647 were deposited with an escrow agent for the payment of the prior bonds on the earliest of their maturity dates or first allowable dates. An expense fund was created to pay the costs of issuance of the bonds, which were provided from the bond proceeds. The net savings from the refunding is \$153,976. The advance refunding met the requirements of an in-substance debt defeasance and the prior bonds were removed from the City's General Long-Term Debt Account Group.

Note 6. Other required Individual Fund Disclosures

Generally accepted accounting principles require disclosures, as part of the Combined Statements--Overview of certain information concerning individual funds including individual fund interfund receivable and payable balances. Such balances at September 30, 1998, were:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ -0-	\$ 229
Section 8	229	-0-
Refunding Bonds	116,755	-0-
City Water & Light	-0-	116,755
	<u>\$ 116,984</u>	<u>\$ 116,984</u>

There are no individual fund deficits which require disclosure.

Note 7. Enterprise Fund

Operations of the City of Rayne utility system consist of an electric distribution system, a water utility system, and a waste water treatment system.

Operating revenues of the individual utilities were as follows:

	<u>Year Ended Sept. 30,</u>	<u>Charges For Services</u>	<u>Other Operating Revenues</u>	<u>Total Operating Revenues</u>
Electric utility	1998	\$ 5,580,064	\$ 123,232	\$ 5,703,296
	1997	5,075,015	150,276	5,225,291
Water Utility	1998	416,020	11,375	427,395
	1997	401,742	12,147	413,889
Sanitation	1998	826,321	-0-	826,321
	1997	806,075	-0-	806,075

Operating expenses included \$3,565,050 in the electric utility department, \$347,042 in the water utility department and \$1,088,570 of unallocated overhead expenses. Operating expenses for sewer utility amounted to \$626,093.

Note 8. Restricted Assets--Proprietary Fund Type

There were no restricted assets for the revenue bonds, as they were retired during the fiscal year ended September 30, 1997. At September 30, 1998 the restricted assets consisted of customer deposits of \$264,246.

Note 9. Accumulated Vacation and Sick Leave

At September 30, 1998, employees of the City of Rayne have accumulated and vested \$52,823 of employee leave benefits, which was computed in accordance with GASB Codification Section C60.

The maximum amount of annual leave which is allowed to be carried forward is one year's earned leave plus one-third of earned annual leave. Sick leave is accumulated based on continuous employment in the amount of one (1) day per month beginning with the seventh (7th) month of employment. Upon termination, employees are paid for all annual leave. Sick leave is forfeited upon termination of employment. A retiring employee, at his election, may use accrued sick leave towards extension of his retirement date.

Note 10. Prior Period Adjustment

The prior period adjustment reflected in the Section 8 fund is due to an adjustment by HUD for the prior year which was withheld from current revenues. The debt service fund also contained a prior period adjustment due to the misposting of a prior year receivable

Note 11. Compensation of Mayor and Aldermen

Compensation of the Mayor and members of the Board of Aldermen is set by the Board as monthly salaries. The following is a listing of the salaries of the Mayor and each member of the Board of Aldermen, which is included in the gross salaries of the City:

	Total for
	<u>Year</u>
Mayor:	\$ 36,000
Mayor Pro-Tem:	5,160
Aldermen:	
District #1	4,800
District #2	4,800
District #3	4,800
District #4	<u>4,800</u>
	<u>\$ 60,360</u>

NOTES TO FINANCIAL STATEMENTS

At the council meeting of December 14, 1998, the mayor's salary was adjusted from \$36,000 per year to \$45,000 per year, effective January 1, 1999.

Note 12. Pension Plan

Substantially all employees of the City of Rayne are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana (MERS), and Municipal Police Employees Retirement System of Louisiana (MPERS). These systems are cost-sharing, multiple-employee defined benefit pension plans administered by separate boards of trustees.

The City of Rayne participates in Plan B of the MERS. All permanent employees working at least 35 hours per week who are not covered by another public funded retirement system and under age 60 at date of employment are eligible to participate in the System. The retirement criteria for Plan B participants is as follows:

1. Age 55 with thirty years of creditable service.
2. Age 60 with a minimum of ten or more years of creditable service.
3. Under age 60 with ten years of creditable service eligible for disability benefits.
4. Survivor's benefits require twenty years creditable service at death of member.

Generally, the monthly amount of the retirement allowance for any member of Plan B consists of an amount equal to two percent of the member's final compensation multiplied by his years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

Members of Plan B are required to contribute five percent of their annual covered salary and the City of Rayne is required to contribute at an actuarially determined rate. The current rate is 3.75% of annual covered payroll. The contribution requirement for the year ended September 30, 1998 was \$ 75,418 which consisted of \$ 29,249 from the City and \$ 46,169 from employees.

The system issues an annual publicly available financial report that includes financial statements and requested supplementary information. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809.

All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 percent of their final-average salary for each year of creditable service. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination. The System also provides death and disability benefits.

NOTES TO FINANCIAL STATEMENTS

Plan members are required by state statute to contribute 7.5 percent of their annual covered salary and the City of Rayne is required to contribute at an actuarially determined rate. The current rate is 9.0 percent of annual covered payroll. The contribution requirement for the year ended September 30, 1998 was \$ 62,508, which consisted of \$ 34,095 from the City and \$ 28,413 from employees.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information. 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.

Note 13. **Post Employment Benefits**

The City of Rayne handles Cobra participants by notifying Risk Management, Inc. in writing of the Cobra qualifying event. The RMI notifies the qualified beneficiary of his Cobra rights in application form. The City is responsible for Cobra payments and termination for non-payment. The qualified beneficiary is responsible for the signed application to be returned. Upon payment to the City and return of the signed application, qualified beneficiary is re-instated by RMI and tracked until Cobra benefits have been fulfilled.

Note 14. **Police Supplement Pay**

The City received state supplemental pay for qualified police officers totaling \$ 69,784. The supplemental pay was forwarded to the officers.

Note 15. **Contingencies**

The City has constructed a new wastewater treatment facility in response to an EPA Administrative order. The city has acted on the recommendations of EPA noted in The Municipal Water Pollution Prevention Environmental Audit Report.

During the fiscal year September 30, 1998, the City of Rayne filed a claim with Western Security Company in regard to missing funds of \$7,026. The claim was paid on November 19, 1998.

Litigation involving an accident that happened on December 3, 1993, where the plaintiff claims she did not see a stop sign and was involved in an accident. The City intends to contest these suits. The case has been sent to trial on two prior occasions and continued by the plaintiff. The case is now set for trial on May 18, 1999.

A suit was filed in regard to an accident where an individual pursued by the parish sheriff's department in the City of Rayne ran a red light collided with another individual causing her substantial and serious injury. The case is in its early stages, but Risk Management has been advised of the suit and has undertaken the defense.

The City of Rayne may have a potential liability in reference to questioned costs in regard to the Acadia Council on Aging Section 5311 transportation costs. As of September 30, 1998 no decision has been made as to the amount of repayment to be made by the Acadia Council on Aging and/or the City of Rayne.

NOTES TO FINANCIAL STATEMENTS

Note 16. Year 2000 Issue

The City of Rayne is preparing for the impact of the Year 2000 on their operations. As of September 30, 1998, the City was working with a computer specialist to analyze the City's possible hardware and software problems associated with the Year 2000 issue.

**PRIMARY GOVERNMENT
INDIVIDUAL FUNDS**

GENERAL FUND

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

CITY OF RAYNE, LOUISIANA
GENERAL FUND

COMPARATIVE BALANCE SHEET
September 30, 1998 and 1997

ASSETS	<u>1998</u>	<u>1997</u>
Cash	\$ 360,324	\$ 215,911
Receivables	32,373	13,880
Due from other funds	<u>-</u>	<u>-</u>
 Total Assets	 <u>\$ 392,697</u>	 <u>\$ 229,791</u>
 LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable	\$ 76,521	\$ 63,628
Payroll Payable	23,256	20,010
Vacation Payable	23,293	26,050
Other Payables	22,600	20,000
Due to other funds	229	316
Center rental deposits	<u>4,000</u>	<u>3,180</u>
 Total Liabilities	 <u>\$ 149,899</u>	 <u>\$ 133,184</u>
 FUND BALANCE--Unreserved	 <u>\$ 242,798</u>	 <u>\$ 96,607</u>
 Total Liabilities and Fund Balances	 <u>\$ 392,697</u>	 <u>\$ 229,791</u>

See Notes To Financial Statements

CITY OF RAYNE, LOUISIANA
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL
Year Ended September 30, 1998

With Comparative Actual Amounts for Year Ended September 30, 1997

	1998		Variance-- Favorable (Unfavorable)	1997
	Budget	Actual		Actual
Revenues:				
Taxes--				
Ad valorem	\$ 114,133	\$ 113,724	(409)	108,487
Utility franchise	94,000	89,526	(4,474)	92,229
Cable TV franchise	15,000	20,522	5,522	17,655
	<u>\$ 223,133</u>	<u>\$ 223,772</u>	<u>\$ 639</u>	<u>\$ 218,371</u>
Intergovernmental revenue--				
Beer tax	\$ 13,800	\$ 13,796	(4)	\$ 16,746
Tobacco tax	45,000	43,186	(1,814)	43,186
Grants	22,155	130,214	108,059	138,699
Housing authority payment in lieu of taxes	18,500	21,266	2,766	18,358
Video poker revenue	42,300	40,955	(1,345)	38,419
	<u>\$ 141,755</u>	<u>\$ 249,417</u>	<u>\$ 107,662</u>	<u>\$ 255,408</u>
Licenses and permits--				
Occupational licenses	\$ 212,000	\$ 215,388	\$ 3,388	\$ 210,219
Permits	19,400	21,172	1,772	16,589
	<u>\$ 231,400</u>	<u>236,560</u>	<u>\$ 5,160</u>	<u>\$ 226,808</u>
Charges for services				
Community center rent	\$ 26,500	\$ 24,705	\$ (1,795)	\$ 23,105
Fines and forfeits	\$ 27,500	\$ 36,577	\$ 9,077	\$ 39,660
Interest on investments	\$ 4,000	\$ 4,325	\$ 325	\$ 2,790
Miscellaneous revenue--				
Lease	\$ 5,500	\$ 5,160	\$ (340)	\$ 10,870
Insurance claims	700	6,093	5,393	-
Police Jury	11,126	11,126	-	11,126
Sale of abandoned equipment	1,500	1,631	131	12,770
Prisoner Reimbursements	24,300	76,904	52,604	76,689
Other	7,555	18,113	10,558	18,990
	<u>\$ 50,681</u>	<u>119,027</u>	<u>\$ 68,346</u>	<u>\$ 130,445</u>
Total Revenues	<u><u>\$ 704,969</u></u>	<u><u>\$ 894,383</u></u>	<u><u>\$ 189,414</u></u>	<u><u>\$ 896,587</u></u>

See Notes To Financial Statements

CITY OF RAYNE, LOUISIANA
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL (CONTINUED)
Year Ended September 30, 1998

With Comparative Actual Amounts for Year Ended September 30, 1997

	1998		Variance-- Favorable (Unfavorable)	1997
	Budget	Actual		Actual
Expenditures:				
Current--				
General government	\$ 718,537	\$ 699,145	\$ 19,392	\$ 673,579
Public safety	880,738	864,604	16,134	784,471
Public works	553,215	526,631	26,584	505,774
Culture and recreation	225,546	240,562	(15,016)	250,547
Total expenditures	<u>\$ 2,378,036</u>	<u>\$ 2,330,942</u>	<u>\$ 47,094</u>	<u>\$ 2,214,371</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (1,673,067)</u>	<u>\$ (1,436,559)</u>	<u>\$ 236,508</u>	<u>\$ (1,317,784)</u>
Other sources (uses):				
Operating transfers in--				
Sales tax fund	\$ 650,000	\$ 650,000	\$ -	\$ 650,000
City Water and Light Plant Fund	1,000,000	1,000,000	-	850,000
Operating transfers out--				
Youth Recreation	(10,000)	(10,000)	-	-
Pass through funds distributed	-	(57,250)	(57,250)	(115,267)
Total other sources	<u>\$ 1,640,000</u>	<u>\$ 1,582,750</u>	<u>\$ (57,250)</u>	<u>\$ 1,384,733</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (33,067)</u>	<u>\$ 146,191</u>	<u>\$ 179,258</u>	<u>\$ 66,949</u>
Fund balance, beginning of year	96,607	96,607	-	29,658
Prior period adjustment	-	-	-	-
Fund balance, end of year	<u>\$ 63,540</u>	<u>\$ 242,798</u>	<u>\$ 179,258</u>	<u>\$ 96,607</u>

See Notes To Financial Statements

CITY OF RAYNE, LOUISIANA
GENERAL FUND
STATEMENT OF EXPENDITURES, COMPARED TO BUDGET (GAAP BASIS)
Year Ended September 30, 1998

With Comparative Actual Amounts for Year Ended September 30, 1997

	1998		Variance-- Favorable (Unfavorable)	1997
	Budget	Actual		Actual
General government:				
Administration--				
Salaries	\$ 105,000	\$ 100,405	\$ 4,595	\$ 97,217
Car expense	1,873	1,732	141	1,871
Payroll taxes	56,456	55,101	1,355	54,925
Group insurance	155,000	118,308	36,692	119,770
General insurance	135,000	158,274	(23,274)	108,632
Publishing and recording	3,975	3,568	407	3,510
Administrative expense--			-	
Retirement system	11,505	11,702	(197)	16,403
Legal and professional	32,000	34,153	(2,153)	29,346
City promotion	6,470	11,761	(5,291)	30,288
Convention expense	4,000	2,281	1,719	3,242
Uniform	1,000	500	500	1,159
Tax roll	5,657	5,657	-	5,598
Utilities & Telephone	29,600	32,512	(2,912)	19,526
Dues and Subscriptions	2,288	3,133	(845)	11,094
City Hall and ground maintenance	2,400	3,306	(906)	1,092
Office supplies	10,450	8,432	2,018	9,611
Capital outlay	3,500	2,194	1,306	334
Festival expense	4,000	165	3,835	1,485
Miscellaneous	6,860	5,973	887	3,211
Equipment rental	500	274	226	33,106
Civil engineering	24,000	25,516	(1,516)	25,427
	<u>\$ 601,534</u>	<u>\$ 584,947</u>	<u>\$ 16,587</u>	<u>\$ 576,847</u>
City Court--				
Salaries	\$ 48,400	46,198	\$ 2,202	45,131
Extra labor	1,920	1,920	-	1,920
Office supplies	13,250	13,026	224	12,336
Professional fees	3,000	3,550	(550)	12,666
Building and grounds maintenance	2,913	1,766	1,147	1,803
Driver Improvement program	5,400	5,400	-	5,400
Uniforms	750	750	-	1,500
Retirement	1,740	1,543	197	992
Utilities	9,367	9,241	126	8,540
Miscellaneous	7,388	7,428	(40)	5,587
Capital outlay	22,875	23,376	(501)	857
	<u>\$ 117,003</u>	<u>\$ 114,198</u>	<u>\$ 2,805</u>	<u>\$ 96,732</u>
Total general government	<u>\$ 718,537</u>	<u>\$ 699,145</u>	<u>\$ 19,392</u>	<u>\$ 673,579</u>

See Notes To Financial Statements

CITY OF RAYNE, LOUISIANA
GENERAL FUND
STATEMENT OF EXPENDITURES, COMPARED TO BUDGET (GAAP BASIS)
Year Ended September 30, 1998

With Comparative Actual Amounts for Year Ended September 30, 1997

	1998		Variance-- Favorable (Unfavorable)	1997
	Budget	Actual		Actual
Public Safety:				
Police Department--				
Salaries	\$ 459,000	\$ 443,130	\$ 15,870	\$ 448,148
Prisoner Care	34,600	35,100	(500)	35,268
Professional Fees	14,000	11,772	2,228	11,752
Car maintenance and operations	50,800	50,229	571	52,253
Miscellaneous	13,155	14,282	(1,127)	16,934
Equipment maintenance	4,100	4,101	(1)	2,975
Uniforms	6,150	6,322	(172)	8,044
Utilities	15,678	16,599	(921)	17,897
Supplies	26,513	27,497	(984)	24,764
Building and ground maintenance	13,627	13,512	115	11,961
Police pension expense	4,150	4,137	13	4,137
Contributions to state police pension fund	35,900	34,096	1,804	31,091
Capital outlay	62,287	64,951	(2,664)	32,350
	<u>\$ 739,960</u>	<u>\$ 725,728</u>	<u>\$ 14,232</u>	<u>\$ 697,574</u>
Fire Department--				
Truck maintenance and operations	\$ 4,250	\$ 5,688	\$ 1,438	\$ 3,806
Utilities	7,500	7,938	438	8,778
Fire attendance	16,452	16,452	-	9,223
Miscellaneous	1,650	1,275	(375)	11,190
Appropriation	50,000	50,000	-	-
Building and equipment rentals	4,200	4,200	-	4,200
Rentals on fire hydrants	10,500	10,500	-	10,000
Fire house maintenance and operations	2,850	3,168	318	2,548
	<u>\$ 97,402</u>	<u>\$ 99,221</u>	<u>\$ 1,819</u>	<u>\$ 49,745</u>
Permit Department--				
Salaries	\$ 34,600	\$ 33,652	\$ 948	\$ 32,647
Office supplies	995	768	227	565
Utilities	750	133	617	270
Capital outlay	-	-	-	-
Miscellaneous	4,531	2,174	2,357	1,847
	<u>\$ 40,876</u>	<u>\$ 36,727</u>	<u>\$ 4,149</u>	<u>\$ 35,329</u>

See Notes To Financial Statements

CITY OF RAYNE, LOUISIANA
GENERAL FUND
STATEMENT OF EXPENDITURES, COMPARED TO BUDGET (GAAP BASIS)
Year Ended September 30, 1998

With Comparative Actual Amounts for Year Ended September 30, 1997

	1998		Variance-- Favorable (Unfavorable)	1997
	Budget	Actual		Actual
Public Safety: (Continued)				
Civil Defense	\$ 2,500	\$ 2,928	\$ (428)	\$ 1,823
Total Public Safety	\$ 880,738	\$ 864,604	\$ 16,134	\$ 784,471
Public Works:				
Salaries	\$ 284,000	\$ 260,363	\$ 23,637	\$ 273,310
Street maintenance materials	84,275	67,338	16,937	29,291
Chemicals and supplies	6,975	6,102	873	9,797
Building and ground maintenance	8,000	6,337	1,663	8,257
Truck and tractor maintenance	60,720	67,922	(7,202)	74,517
Street lighting	31,325	31,319	6	35,219
Uniforms	6,520	7,141	(621)	7,374
Engineering Fees	-	-	-	-
Bridges and culverts	3,350	2,511	839	15,239
Utilities	4,950	5,183	(233)	3,771
Miscellaneous	1,700	993	707	1,079
Equipment rentals	1,400	9,826	(8,426)	12,763
Capital outlay	60,000	61,596	(1,596)	35,157
Total Public Works	\$ 553,215	\$ 526,631	\$ 26,584	\$ 505,774
Culture and Recreation:				
Salaries	\$ 106,500	\$ 96,705	\$ 9,795	\$ 98,338
Miscellaneous	12,044	8,523	3,521	9,528
Upkeep of building and grounds	27,750	29,835	(2,085)	42,974
Utilities	36,602	40,143	(3,541)	44,135
Janitorial supplies	7,950	8,291	(341)	8,627
Capital outlay	26,500	49,997	(23,497)	39,185
Equipment maintenance	8,200	7,068	1,132	7,760
Total Culture and Recreation	\$ 225,546	\$ 240,562	\$ (15,016)	\$ 250,547
Total Expenditures	\$ 2,378,036	\$ 2,330,942	\$ 47,094	\$ 2,214,371

See Notes To Financial Statements

SPECIAL REVENUE FUNDS

Sales Tax Fund--to account for the collection and disbursement of the City's two percent (2%) sales and use tax.

Youth Recreation Fund--to account for the monies used in the daily operation of the City's parks.

Swimming Pool Maintenance Fund--to account for the monies collected by ad valorem taxes for the maintenance of the swimming pools. The fund was closed during fiscal year 96-97.

Section 8--Housing Assistance Fund--to account for the administration of the housing assistance program funded by the Department of Housing and Urban Development.

LCDBG--to account for a grant received from the state of Louisiana for the purpose of water line improvement. All monies were expended and the fund was closed.

CITY OF RAYNE, LOUISIANA
ALL SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET
Year Ended September 30, 1998

With Comparative Actual Amounts for Year Ended September 30, 1997

	<u>Sales Tax Fund</u>	<u>Youth Recreation Fund</u>
ASSETS		
Cash	\$ 147,288	\$ 1,188
Investments, at cost	-	162
Due from other funds	-	-
Accrued interest receivable	-	-
	<hr/>	<hr/>
Total Assets	<u>\$ 147,288</u>	<u>\$ 1,350</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable	\$ 33,465	\$ 1,052
Accrued payroll liabilities	1,001	-
Due to other funds	-	-
Deferred revenues	-	-
Due to Department of Housing and Urban Development	-	-
	<hr/>	<hr/>
Total Liabilities	<u>\$ 34,466</u>	<u>\$ 1,052</u>
FUND BALANCE (DEFICIT)	<u>\$ 112,822</u>	<u>\$ 298</u>
Total Liabilities and Fund Balance	<u>\$ 147,288</u>	<u>\$ 1,350</u>

See Notes to Financial Statements

Exhibit L-1

Swimming Pool Maintenance Fund	Section 8 Housing Assistance Fund	LCDBG Fund	Sept. 30, 1998	Sept. 30, 1997
\$ -	\$ 102,835	\$ -	\$ 251,311	\$ 326,434
-	-	-	162	255
-	229	-	229	316
-	-	-	-	662
<u>\$ -</u>	<u>\$ 103,064</u>	<u>\$ -</u>	<u>\$ 251,702</u>	<u>\$ 327,667</u>
\$ -	\$ 1,492	\$ -	36,009	\$ 3,795
-	883	-	1,884	1,770
-	-	-	-	-
-	21,439	-	21,439	-
-	68,030	-	68,030	11,096
<u>\$ -</u>	<u>\$ 91,844</u>	<u>\$ -</u>	<u>\$ 127,362</u>	<u>\$ 16,661</u>
<u>\$ -</u>	<u>\$ 11,220</u>	<u>\$ -</u>	<u>\$ 124,340</u>	<u>\$ 311,006</u>
<u>\$ -</u>	<u>\$ 103,064</u>	<u>\$ -</u>	<u>\$ 251,702</u>	<u>\$ 327,667</u>

CITY OF RAYNE, LOUISIANA
ALL SPECIAL REVENUE FUNDS

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Year Ended September 30, 1998

With Comparative Actual Amounts for Year Ended September 30, 1997

	Sales Tax Fund	Youth Recreation Fund
Revenues:		
Taxes	\$ 1,147,346	\$ 81,232
Intergovernmental revenue	-	-
Charges for services	-	27,141
Interest on investments	12,154	707
Miscellaneous	-	15,005
Total revenue	\$ 1,159,500	\$ 124,085
Expenditures:		
Current--		
General government	\$ 44,060	\$ -
Public safety	-	-
Culture and recreation	-	146,678
Urban and redevelopment and housing	-	-
Total expenditures	\$ 44,060	\$ 146,678
Excess (deficiency) of revenues over expenditures	\$ 1,115,440	\$ (22,593)
Other sources (uses):		
Operating transfers out	\$ (1,291,586)	\$ -
Operating transfers in	-	10,000
Total other sources (uses)	\$ (1,291,586)	\$ 10,000
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ (176,146)	\$ (12,593)
Fund balance (deficit), beginning of year	288,968	12,891
Transfer of Equity	-	-
Prior Period Adjustment	-	-
Fund balance (deficit), end of year	\$ 112,822	\$ 298

See Notes to Financial Statements

Swimming Pool Maintenance Fund	Section 8 Housing Assistance Fund	LCDBG Fund	Sept. 30, 1998	Sept. 30, 1997
\$ -	\$ -	\$ -	\$ 1,228,578	\$ 1,159,822
-	190,056	323,853	513,909	257,039
-	-	-	27,141	21,133
-	1,387	-	14,248	12,901
-	-	-	15,005	8,730
<u>\$ -</u>	<u>\$ 191,443</u>	<u>\$ 323,853</u>	<u>1,798,881</u>	<u>1,459,625</u>
\$ -	\$ -	\$ -	44,060	38,553
-	-	-	-	-
-	-	-	146,678	144,737
-	186,341	325,575	511,916	212,524
<u>\$ -</u>	<u>\$ 186,341</u>	<u>\$ 325,575</u>	<u>702,654</u>	<u>395,814</u>
\$ -	\$ 5,102	\$ (1,722)	1,096,227	1,063,811
\$ -	\$ -	\$ -	\$ -	\$ (1,167,515)
-	-	-	(1,291,586)	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,281,586)</u>	<u>\$ (1,167,515)</u>
\$ -	\$ 5,102	\$ (1,722)	\$ (103,704)	\$ (103,704)
-	7,425	1,722	418,526	418,526
-	-	-	(2,173)	(2,173)
-	(1,307)	-	(1,643)	(1,643)
<u>\$ -</u>	<u>\$ 11,220</u>	<u>\$ -</u>	<u>\$ 124,340</u>	<u>\$ 311,006</u>

CITY OF RAYNE, LOUISIANA
SPECIAL REVENUE FUNDS
SALES TAX FUND

COMPARATIVE BALANCE SHEET
September 30, 1998 and 1997

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash	\$ 147,288	\$ 289,389
Accrued interest receivable	-	662
Total Assets	<u>\$ 147,288</u>	<u>\$ 290,051</u>
LIABILITIES AND FUND BALANCE		
Accounts payable	\$ 33,465	\$ 4
Accrued Payroll Liabilities	<u>1,001</u>	<u>1,079</u>
Total Liabilities	<u>\$ 34,466</u>	<u>\$ 1,083</u>
FUND BALANCE	<u>\$ 112,822</u>	<u>\$ 288,968</u>
Total Liabilities and Fund Balance	<u><u>\$ 147,288</u></u>	<u><u>\$ 290,051</u></u>

See Notes To Financial Statements

CITY OF RAYNE, LOUISIANA
SPECIAL REVENUE FUNDS
SALES TAX FUND

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL
Year Ended September 30, 1998

With Comparative Actual Amounts for Year Ended September 30, 1997

	1998		Variance-- Favorable (Unfavorable)	1997
	Budget	Actual		Actual
Revenues:				
Taxes--				
Sales tax collections	\$ 1,087,534	\$ 1,147,346	\$ 59,812	\$ 1,082,331
Less fees and adjustments	-	(21,207)	(21,207)	(16,368)
Interest on investments	12,000	12,154	154	11,727
Miscellaneous income	-	-	-	-
Total revenues	\$ 1,099,534	\$ 1,138,293	\$ 38,759	\$ 1,077,690
Expenditures:				
Current--				
General government--				
Salaries	19,960	18,944	1,016	19,274
Insurance	-	-	-	200
Payroll taxes	1,650	1,544	106	1,618
Administrative charge-- retirement system	550	565	(15)	581
Miscellaneous	2,100	1,800	300	512
Total expenditures	\$ 24,260	\$ 22,853	\$ 1,407	\$ 22,185
Excess of revenues over expenditures	\$ 1,075,274	\$ 1,115,440	\$ 40,166	\$ 1,055,505
Other sources (uses):				
Operating transfer (out)--				
General Fund	\$ (650,000)	\$ (650,000)	\$ -	\$ (650,000)
Refunding Bonds	(613,419)	(615,215)	(1,796)	(496,560)
Sewer Bonds	(26,351)	(26,371)	(20)	(20,955)
Total other sources (uses)	\$ (1,289,770)	\$ (1,291,586)	\$ (1,816)	\$ (1,167,515)
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ (214,496)	\$ (176,146)	\$ 38,350	\$ (112,010)
Fund balance, beginning of year	288,968	288,968	-	400,978
Fund balance, end of year	\$ 74,472	\$ 112,822	\$ 38,350	\$ 288,968

See Notes To Financial Statements

CITY OF RAYNE, LOUISIANA
SPECIAL REVENUE FUNDS
YOUTH RECREATION FUND

COMPARATIVE BALANCE SHEET
September 30, 1998 and 1997

ASSETS	<u>1998</u>	<u>1997</u>
Cash	\$ 1,188	\$ 16,286
Investments	162	255
Total Assets	<u>\$ 1,350</u>	<u>\$ 16,541</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	<u>\$ 1,052</u>	<u>\$ 3,650</u>
Total Liabilities	<u>\$ 1,052</u>	<u>\$ 3,650</u>
FUND BALANCE (DEFICIT)	<u>\$ 298</u>	<u>\$ 12,891</u>
Total Liabilities and Fund Balance	<u>\$ 1,350</u>	<u>\$ 16,541</u>

See Notes To Financial Statements

CITY OF RAYNE, LOUISIANA
SPECIAL REVENUE FUNDS
YOUTH RECREATION FUND

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL
Year Ended September 30, 1998
With Comparative Actual Amounts for Year Ended September 30, 1997

	1998		Variance-- Favorable (Unfavorable)	1997
	Budget	Actual		Actual
Revenues:				
Taxes--ad valorem	\$ 81,524	\$ 81,232	\$ (292)	\$ 77,491
Grant Proceeds	-	-	-	35,000
Charges for services				
Concession stand	17,600	19,146	1,546	11,733
Youth athletic program	5,000	7,995	2,995	9,400
Interest on investments	400	707	307	725
Miscellaneous income	18,760	15,005	(3,755)	8,730
Total Revenues	\$ 123,284	\$ 124,085	\$ 801	\$ 143,079
Current--				
Culture and recreation				
Labor	\$ 8,000	\$ 18,922	\$ (10,922)	\$ 8,290
Engineering fees	7,240	7,240	-	8,364
Insurance	3,200	4,573	(1,373)	476
Repairs and maintenance	4,000	3,726	274	4,426
Youth basketball	7,228	7,228	-	12,749
Youth baseball	29,100	31,878	(2,778)	29,347
Youth football	4,500	5,797	(1,297)	3,589
Umpires	9,000	8,606	394	11,141
Youth Camp	7,006	7,006	-	5,930
Material and supplies	700	1,318	(618)	473
Utilities	7,635	7,999	(364)	7,117
Equipment rental	1,210	1,880	(670)	8,215
Miscellaneous	2,156	3,465	(1,309)	2,221
Concession expense	20,200	11,798	8,402	13,043
Capital outlay	24,000	25,242	(1,242)	29,356
Total expenditures	\$ 135,175	\$ 146,678	\$ (11,503)	\$ 144,737
Excess (deficiency) of revenues over expenditures	\$ (11,891)	\$ (22,593)	\$ (10,702)	\$ (1,658)
Other sources (uses)				
Operating transfer (in) General Fund	10,000	10,000	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ (1,891)	\$ (12,593)	\$ (10,702)	\$ (1,658)
Fund balance (deficit), beginning of year	12,891	12,891	\$ -	14,549
Fund balance (deficit), end of year	<u>\$ 11,000</u>	<u>\$ 298</u>	<u>\$ (10,702)</u>	<u>\$ 12,891</u>

See Notes To Financial Statements

CITY OF RAYNE, LOUISIANA
 SPECIAL REVENUE FUNDS
 SWIMMING POOL MAINTENANCE FUND

COMPARATIVE BALANCE SHEET
 September 30, 1998 and 1997

ASSETS	<u>1998</u>	<u>1997</u>
Cash	\$ -	\$ -
Investments, at cost	-	-
Total Assets	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Accounts Payable	\$ -	\$ -
FUND BALANCE (DEFICIT)	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ -</u>	<u>\$ -</u>

See Notes To Financial Statements

CITY OF RAYNE, LOUISIANA
 SPECIAL REVENUE FUNDS
 SWIMMING POOL MAINTENANCE FUND

STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended September 30, 1998

With Comparative Actual Amounts for Year Ended September 30, 1997

	1998		Variance-- Favorable (Unfavorable)	1997
	Budget	Actual		Actual
Revenues:				
Interest on investments	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-
Total Revenues	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:				
Current--				
Culture and recreation--				
Election Expense	\$ -	\$ -	\$ -	\$ -
Pest Control	-	-	-	-
Engineering Fees	-	-	-	-
Maintenance Equipment	-	-	-	-
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (deficiency) of revenues over expenditures	\$ -	\$ -	\$ -	\$ -
Fund balance (deficit), beginning of year	-	-	-	2,173
Transfer of Equity	-	-	-	(2,173)
Fund balance (deficit), end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Notes To Financial Statements

CITY OF RAYNE, LOUISIANA
SPECIAL REVENUE FUNDS
SECTION 8 HOUSING ASSISTANCE FUND

COMPARATIVE BALANCE SHEET
September 30, 1998 and 1997

	1998	1997
ASSETS		
Cash	\$ 102,835	\$ 19,037
Due from General Fund	229	316
Total Assets	\$ 103,064	\$ 19,353
 LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable	\$ 1,492	\$ 141
Accrued payroll liabilities	883	691
Deferred Revenues	21,439	-
Due to Department of Housing and Urban Development	68,030	11,096
Total Liabilities	\$ 91,844	\$ 11,928
FUND BALANCE (DEFICIT)	11,220	7,425
 Total Liabilities and Fund Balance	\$ 103,064	\$ 19,353

See Notes To Financial Statements

CITY OF RAYNE, LOUISIANA
SPECIAL REVENUE FUNDS
SECTION 8--HOUSING ASSISTANCE FUND

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL
Year Ended September 30, 1998

With Comparative Actual Amounts for Year Ended September 30, 1997

	1998		Variance-- Favorable (Unfavorable)	1997
	Budget	Actual		Actual
Revenues:				
Intergovernmental revenues--				
Grant from Federal Government	\$ 195,000	\$ 190,056	\$ (4,944)	\$ 185,548
Interest on investments	500	1,387	887	449
Other income	-	-	-	-
Total revenues	\$ 195,500	\$ 191,443	\$ (4,057)	\$ 185,997
Expenditures:				
Current--				
Urban redevelopment and housing--				
Salaries	\$ 17,675	\$ 17,824	\$ (149)	\$ 17,537
Professional Fees	2,500	4,788	(2,288)	412
Office Rent	-	-	-	-
Office supplies	250	429	(179)	282
Meeting expense	100	60	40	65
Miscellaneous	1,425	1,027	398	1,016
Capital Outlay	-	-	-	-
Payroll taxes	1,250	1,272	(22)	1,197
Car expense	2,000	1,517	483	1,487
Auditing fees	-	-	-	2,000
Utility assistance	8,200	5,833	2,367	7,531
Group insurance	4,250	4,235	15	4,235
Utilities	-	-	-	199
Housing assistance	174,000	149,356	24,644	141,794
Total expenditures	\$ 211,650	\$ 186,341	\$ 25,309	\$ 177,755
Excess of revenues over expenditures	\$ (16,150)	\$ 5,102	\$ 21,252	\$ 8,242
Fund balance (deficit), beginning of year	7,425	7,425	-	826
Prior Period Adjustment	-	(1,307)	(1,307)	(1,643)
Fund balance (deficit), end of year	\$ (8,725)	\$ 11,220	\$ 19,945	\$ 7,425

See Notes To Financial Statements

CITY OF RAYNE, LOUISIANA
 SPECIAL REVENUE FUNDS
 LCDBG FUND

BALANCE SHEET
 September 30, 1998 and 1997

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash	<u>\$ -</u>	<u>\$ 1,722</u>
Total Assets		
LIABILITIES AND FUND BALANCE		
FUND BALANCE (DEFICIT)	<u>\$ -</u>	<u>\$ 1,722</u>
Total Liabilities and Fund Balance	<u>\$ -</u>	<u>\$ 1,722</u>

See Notes To Financial Statements

CITY OF RAYNE, LOUISIANA
SPECIAL REVENUE FUNDS
LCDBG FUND

STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL
Year Ended September 30, 1998

With Comparative Actual Amounts for Year Ended September 30, 1997

	1998		Variance-- Favorable (Unfavorable)	1997
	Budget	Actual		Actual
Revenues:				
Intergovernmental revenues--				
Grant from State Government	\$ 385,000	\$ 323,853	\$ (61,147)	\$ 36,491
Expenditures:				
Current--				
Urban redevelopment and housing--				
Management fees	\$ -	\$ 22,137	\$ (22,137)	\$ 9,363
Engineering fees	-	19,830	(19,830)	25,321
Capital Outlay	385,000	282,870	102,130	
Miscellaneous	-	738	(738)	85
Total Expenditures	\$ 385,000	\$ 325,575	\$ 59,425	\$ 34,769
Excess (deficiency) of revenues over expenditures	\$ -	\$ (1,722)	\$ (1,722)	\$ 1,722
Fund balance, beginning of year	\$ 1,722	\$ 1,722	\$ -	\$ -
Fund balance, end of year	\$ 1,722	\$ -	\$ (1,722)	\$ 1,722

See Notes To Financial Statements

DEBT SERVICE FUNDS

To accumulate monies for payment of two
bond issues of the City.

CITY OF RAYNE, LOUISIANA
DEBT SERVICE FUNDS

COMBINING BALANCE SHEET
Year Ended September 30, 1998

With Comparative Actual Amounts for Year Ended September 30, 1997

	Sales Tax Refunding Bonds Series 1998	Certificates of Indebtedness 03/01/1996
	<u> </u>	<u> </u>
ASSETS		
Equity in cash expense fund	\$ -	\$ -
Due from other funds	116,755	-
Receivable	31,424	-
Investments, at cost	132,418	143
Total assets	<u>\$ 280,597</u>	<u>\$ 143</u>
FUND BALANCE		
Designated for debt service	<u>\$ 280,597</u>	<u>\$ 143</u>

See Notes To Financial Statements

Totals	
Sept. 30, 1998	Sept. 30, 1997
\$ -	\$ 413
116,755	-
31,424	4,224
132,561	504,841
<u>\$ 280,740</u>	<u>\$ 509,478</u>
 <u>\$ 280,740</u>	 <u>\$ 509,478</u>

CITY OF RAYNE, LOUISIANA
DEBT SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended September 30, 1998

With Comparative Actual Amounts for Year Ended September 30, 1997

	<u>Sales Tax Refunding Bonds Series 1998</u>	<u>Certificates of Indebtedness 03/01/1997</u>
Revenues:		
Ad valorem taxes	\$ -	\$ -
Interest on investments	7,006	683
Total revenues	<u>\$ 7,006</u>	<u>\$ 683</u>
Expenditures:		
Debt service--		
Bonds paid	\$ 120,000	\$ 17,070
Interest coupons paid	122,562	7,255
Miscellaneous	428	-
Total expenditures	<u>\$ 242,990</u>	<u>\$ 24,325</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (235,984)</u>	<u>\$ (23,642)</u>
Other sources (uses):		
Operating transfers in--		
Sales Tax Fund	\$ 615,215	\$ 26,371
Unemployment Compensation Fund	100,000	-
Certificate of indebtedness	47,412	-
Bond Proceeds - new debt	1,760,000	-
Operating Transfers out		
Refunding Bonds	-	(47,413)
Deposit to escrow account	(2,426,908)	-
Issuance costs - new debt	(39,565)	-
Total other sources (uses)	<u>\$ 56,154</u>	<u>(21,042)</u>
Excess (deficiency) of revenues and other sources (uses) over expenditures	<u>\$ (179,830)</u>	<u>\$ (44,684)</u>
Fund balance, beginning of year	460,427	49,051
Prior Period Adjustment	<u>-</u>	<u>(4,224)</u>
Fund balance, end of year	<u>\$ 280,597</u>	<u>\$ 143</u>

See Notes To Financial Statements

Exhibit M-2

Totals	
Sept. 30, 1998	Sept. 30, 1997
\$ -	\$ -
7,689	5,492
<u>\$ 7,689</u>	<u>\$ 5,492</u>
\$ 137,070	\$ 314,795
129,817	204,628
428	457
<u>\$ 267,315</u>	<u>\$ 519,880</u>
<u>\$ (259,626)</u>	<u>\$ (514,388)</u>
\$ 641,586	\$ 517,515
100,000	-
47,412	-
1,760,000	-
(47,413)	-
(2,426,908)	-
(39,565)	-
<u>\$ 35,112</u>	<u>\$ 517,515</u>
\$ (224,514)	\$ 3,127
509,478	-
(4,224)	506,351
<u>\$ 280,740</u>	<u>\$ 509,478</u>

CITY OF RAYNE, LOUISIANA
DEBT SERVICE FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL
Year Ended September 30, 1998

	Sales Tax - Refunding Bonds--Series 1998		
	Budget	Actual	Variance-- Favorable (Unfavorable)
Revenues:			
Ad valorem taxes	\$ -	\$ -	\$ -
Interest on investments	2,645	7,006	4,361
Total revenues	\$ 2,645	\$ 7,006	\$ 4,361
Expenditures:			
Debt Service--			
Bonds paid	\$ 120,000	\$ 120,000	\$ -
Interest coupons paid	218,946	122,562	96,384
Paying agent fees	-	428	(428)
Total Expenditures	\$ 338,946	\$ 242,990	\$ 95,956
Excess (deficiency) of revenues over expenditures	\$ (336,301)	\$ (235,984)	\$ 100,317
Other sources:			
Operating transfer in--			
Sales tax fund	\$ 613,419	\$ 615,215	\$ 1,796
Unemployment Fund	100,000	100,000	-
Certificates of indebtedness	-	47,413	47,413
Bond Proceeds - new debt	-	1,760,000	1,760,000
Operating transfers out --			
Refunding bonds	-	-	-
Deposit to Escrow Account	(706,473)	(2,426,909)	(1,720,436)
Issuance Costs - New debt	-	(39,565)	(39,565)
Total Other Sources (uses)	\$ 6,946	\$ 56,154	\$ 49,208
Excess of revenues and other sources (uses) over expenditures	\$ (329,355)	\$ (179,830)	\$ 149,525
Fund balance, beginning of year	460,427	460,427	-
Prior Period Adjustment	-	-	-
Fund balance, end of year	\$ 131,072	\$ 280,597	\$ 149,525

See Notes To Financial Statements

Certificates of Indebtedness--03/01/96

Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
700	683	(17)
<u>\$ 700</u>	<u>\$ 683</u>	<u>\$ (17)</u>
\$ 17,070	\$ 17,070	\$ -
7,255	7,255	-
-	-	-
<u>\$ 24,325</u>	<u>\$ 24,325</u>	<u>\$ -</u>
\$ (23,625)	\$ (23,642)	\$ (17)
\$ 26,351	\$ 26,371	20
-	-	-
-	-	-
-	-	-
-	(47,413)	(47,413)
-	-	-
-	-	-
<u>\$ 26,351</u>	<u>\$ (21,042)</u>	<u>\$ (47,393)</u>
\$ 2,726	\$ (44,684)	\$ (47,410)
49,051	49,051	-
-	(4,224)	(4,224)
<u>\$ 51,777</u>	<u>\$ 143</u>	<u>\$ (51,634)</u>

(Continued)

See Notes To Financial Statements

CITY OF RAYNE, LOUISIANA
DEBT SERVICE FUNDS

STATEMENTS OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL (CONTINUED)
Year Ended September 30, 1998

	Totals		Variance-- Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Ad valorem taxes	\$ -	\$ -	\$ -
Interest on investments	3,345	7,689	4,344
Total Revenues	<u>\$ 3,345</u>	<u>\$ 7,689</u>	<u>\$ 4,344</u>
Expenditures:			
Debt service--			
Bonds paid	\$ 137,070	\$ 137,070	\$ -
Interest coupons paid	226,201	129,817	96,384
Paying agent fees	-	428	(428)
Total Expenditures	<u>\$ 363,271</u>	<u>\$ 267,315</u>	<u>\$ 95,956</u>
Excess (deficiency) of Revenues over Expenditures	<u>\$ (359,926)</u>	<u>\$ (259,626)</u>	<u>\$ 100,300</u>
Other sources:			
Operating transfer in--			
Sales Tax Fund	\$ 639,770	\$ 641,586	\$ 1,816
Unemployment Fund	100,000	100,000	-
Certificates of indebtedness	-	47,413	47,413
Bond Proceeds - New debit	-	1,760,000	1,760,000
Operating transfers out - -			
Refunding Bonds	-	(47,413)	(47,413)
Deposit to Escrow Account	(706,473)	(2,426,909)	(1,720,436)
Issuance Costs - New debit	-	(39,565)	(39,565)
Total Other Sources (uses)	<u>\$ 33,297</u>	<u>\$ 35,112</u>	<u>\$ 1,815</u>
Excess of Revenues and Other Sources over Expenditures	<u>\$ (326,629)</u>	<u>\$ (224,514)</u>	<u>\$ 102,115</u>
Fund Balance, beginning of year	509,478	509,478	-
Prior Period Adjustment	-	(4,224)	(4,224)
Fund balance, end of year	<u>\$ 182,849</u>	<u>\$ 280,740</u>	<u>\$ 97,891</u>

See Notes To Financial Statements

ENTERPRISE FUND

City Water and Light Plant Fund (Utility Fund)--to account for the provision of electricity and water services to the residents of the City and some residents of the Parish. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administrative, maintenance, financing and related debt service, and billing and collection.

Sanitation Fund (Sewer Fund)--to account for the provision of waste water treatment services to the residents of the City and some residents of the Parish. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, maintenance, financing and related debt service, billing and collection.

CITY OF RAYNE, LOUISIANA
ENTERPRISE FUND

COMBINING BALANCE SHEETS
September 30, 1998 and 1997

ASSETS	<u>UTILITY FUND</u>	<u>SANITATION FUND</u>
CURRENT ASSETS		
Cash	\$ 432,652	\$ 43,117
Accounts receivable, Net	695,863	155,564
Due from other funds	-	-
Other receivables	154	-
Investments	86,150	254,579
Inventories--supplies (at cost)	169,636	-
Prepaid expenses	29,892	-
Total Current Assets	<u>\$ 1,414,347</u>	<u>\$ 453,260</u>
RESTRICTED ASSETS		
Bond reserve fund:		
Investments, at cost	\$ -	\$ 492,625
Bond depreciation and contingency fund:		
Investments, at cost	-	75,000
Customers' deposits:		
Cash	3,455	-
Investments, at cost	260,791	-
Total restricted assets	<u>\$ 264,246</u>	<u>\$ 567,625</u>
PLANT AND EQUIPMENT, at cost, net of accumulated depreciation		
Land	\$ 3,313,650	\$ 5,195,851
Construction in Progress	-	500,000
Total Plant and Equipment	<u>\$ 3,313,650</u>	<u>\$ 5,695,851</u>
IDLE PLANT FACILITY, at cost, net of accumulated depreciation		
	<u>\$ 510,326</u>	<u>\$ -</u>
Total Assets	<u><u>\$ 5,502,569</u></u>	<u><u>\$ 6,716,736</u></u>

See Notes To Financial Statements

TOTALS	
September 30, 1998	September 30, 1997
\$ 475,769	\$ 333,632
851,427	739,713
-	112
154	61,629
340,729	479,023
169,636	167,774
29,892	47,793
<u>\$ 1,867,607</u>	<u>\$ 1,829,676</u>
\$ 492,625	\$ 272,000
75,000	75,000
3,455	8,082
260,791	244,204
<u>\$ 831,871</u>	<u>\$ 599,286</u>
\$ 8,509,501	\$ 8,856,343
500,000	-
-	-
<u>\$ 9,009,501</u>	<u>\$ 8,856,343</u>
<u>\$ 510,326</u>	<u>\$ 592,837</u>
<u>\$ 12,219,305</u>	<u>\$ 11,878,142</u>

CITY OF RAYNE, LOUISIANA
ENTERPRISE FUND

COMBINING BALANCE SHEET
September 30, 1998 and 1997

LIABILITIES AND FUND EQUITY	UTILITY	SANITATION
CURRENT LIABILITIES (payable from current assets)		
Accounts payable	\$ 433,740	\$ 16,556
Sales tax payable	22,463	-
Accrued payroll	16,324	3,274
Accrued vacation pay	30,050	2,574
Retainage Payable	-	6,000
Due to other funds	116,755	-
	\$ 619,332	\$ 28,404
CURRENT LIABILITIES (payable from restricted assets)		
Revenue bonds payable (due 3/01)	\$ -	\$ 270,000
Customers' deposits	263,204	-
	\$ 263,204	\$ 270,000
Total Current Liabilities	\$ 882,536	\$ 298,404
LONG-TERM LIABILITIES		
General obligation bonds	\$ 451,865	\$ 420,000
Revenue bonds payable	-	4,664,843
Total Long-Term Liabilities	\$ 451,865	\$ 5,084,843
Total Liabilities	\$ 1,334,401	\$ 5,383,247
FUND EQUITY		
Contributed capital:		
Contributions from Municipality	\$ 616,313	\$ -
Contributions from Federal Government	210,277	-
Contributions from State Government	49,524	-
	\$ 876,114	\$ -
Retained earnings:		
Reserved for revenue bond retirement	\$ -	\$ 492,625
Reserved for revenue bond contingency	-	75,000
Unreserved	3,292,054	765,864
	\$ 3,292,054	\$ 1,333,489
Total Fund Equity	\$ 4,168,168	\$ 1,333,489
Total Liabilities and Fund Equity	\$ 5,502,569	\$ 6,716,736

See Notes To Financial Statements

TOTALS	
September 30, 1998	September 30, 1997
\$ 450,296	\$ 488,154
22,463	17,758
19,598	16,717
32,624	39,188
6,000	-
116,755	
<u>\$ 647,736</u>	<u>\$ 561,817</u>
\$ 270,000	\$ -
263,204	260,831
<u>\$ 533,204</u>	<u>\$ 260,831</u>
\$ 1,180,940	\$ 822,648
\$ 871,865	\$ 969,795
4,664,843	4,967,543
<u>\$ 5,536,708</u>	<u>\$ 5,937,338</u>
\$ 6,717,648	\$ 6,759,986
\$ 616,313	\$ 616,313
210,277	210,277
49,524	49,524
<u>\$ 876,114</u>	<u>\$ 876,114</u>
\$ 492,625	\$ 655,086
75,000	75,000
4,057,918	3,505,956
<u>\$ 4,625,543</u>	<u>\$ 4,236,042</u>
\$ 5,501,657	\$ 5,112,156
<u>\$ 12,219,305</u>	<u>\$ 11,872,142</u>

CITY OF RAYNE, LOUISIANA
ENTERPRISE FUND

UTILITY FUND
COMPARATIVE BALANCE SHEET
September 30, 1998 and 1997

ASSETS	<u>1998</u>	<u>1997</u>
CURRENT ASSETS		
Cash	\$ 432,652	\$ 264,677
Accounts receivable, net of allowance for uncollectable accounts (1998--\$109,981; 1997--\$98,992)	695,863	627,823
Other receivables	154	112
Investments	86,150	-
Inventories--supplies (at cost)	169,636	167,774
Prepaid expenses	29,892	47,793
Total current assets	<u>\$ 1,414,347</u>	<u>\$ 1,108,179</u>
RESTRICTED ASSETS		
Customers' deposits:		
Cash	\$ 3,455	\$ 8,082
Investments, at cost	260,791	244,204
Total restricted assets	<u>\$ 264,246</u>	<u>\$ 252,286</u>
PLANT AND EQUIPMENT, at cost, net of accumulated depreciation (1998 - \$4,982,719; 1997 - \$4,715,219)	<u>\$ 3,313,650</u>	<u>\$ 3,329,892</u>
IDLE PLANT FACILITY, at cost, net of accumulated depreciation (1998 - \$ 2,775,826; 1997 - \$2,693,315)	<u>\$ 510,326</u>	<u>\$ 592,837</u>
Total Assets	<u><u>\$ 5,502,569</u></u>	<u><u>\$ 5,283,194</u></u>

See Notes To Financial Statements

CITY OF RAYNE, LOUISIANA
ENTERPRISE FUND

UTILITY FUND
COMPARATIVE BALANCE SHEET
September 30, 1998 and 1997

LIABILITIES AND FUND EQUITY	1998	1997
CURRENT LIABILITIES (payable from current assets)		
Accounts payable	\$ 433,740	\$ 430,774
Sales tax payable	22,463	17,758
Accrued payroll	16,324	13,741
Accrued vacation pay	30,050	35,389
Due to other funds	116,755	-
	\$ 619,332	\$ 497,662
CURRENT LIABILITIES (payable from restricted assets)		
Customers' deposits	263,204	260,831
	\$ 263,204	\$ 260,831
Total Current Liabilities	\$ 882,536	\$ 758,493
LONG-TERM LIABILITIES		
General obligation bonds	\$ 451,865	\$ 509,795
Total Long-Term Liabilities	\$ 451,865	\$ 509,795
Total Liabilities	\$ 1,334,401	\$ 1,268,288
FUND EQUITY		
Contributed capital:		
Contributions from municipality	\$ 616,313	\$ 616,313
Contributions from Federal Government	210,277	210,277
Contributions from State Government	49,524	49,524
	\$ 876,114	\$ 876,114
Retained earnings:		
Unreserved	3,292,054	3,138,792
	\$ 3,292,054	\$ 3,138,792
Total Fund Equity	\$ 4,168,168	\$ 4,014,906
Total Liability and Fund Equity	\$ 5,502,569	\$ 5,283,194

CITY OF RAYNE, LOUISIANA
ENTERPRISE FUNDUTILITY FUND
STATEMENT OF CHANGES IN RETAINED EARNINGS
Years Ended September 30, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Balance, beginning	\$ 3,138,792	\$ 3,011,075
Net Income (loss)	<u>153,262</u>	<u>127,717</u>
Balance, ending	<u>\$ 3,292,054</u>	<u>\$ 3,138,792</u>

See Notes To Financial Statements

CITY OF RAYNE, LOUISIANA
ENTERPRISE FUND

UTILITY FUND
STATEMENT OF REVENUE AND EXPENSES--BUDGET (GAAP BASIS) AND ACTUAL
Year Ended September 30, 1998

With Comparative Actual Amounts for Year Ended September 30, 1997

	1998		Variance-- Favorable (Unfavorable)	1997
	Budget	Actual		Actual
Operating Revenues:				
Power customers	\$ 225,931	\$ 255,833	\$ 29,902	\$ 234,606
Residential	3,381,500	3,560,783	179,283	3,204,485
Commercial	1,607,750	1,669,660	61,910	1,598,368
Street Lighting	31,000	31,000	-	30,000
Water revenue	402,142	416,020	13,878	401,742
Fire hydrant rental	10,500	10,500	-	10,000
Delinquent charges	51,100	52,288	1,188	27,556
	<u>\$ 5,709,923</u>	<u>\$ 5,996,084</u>	<u>\$ 286,161</u>	<u>\$ 5,506,757</u>
Other operating revenue	130,522	134,607	4,085	162,423
Total Operating Revenues	<u>\$ 5,840,445</u>	<u>\$ 6,130,691</u>	<u>\$ 290,246</u>	<u>\$ 5,669,180</u>
Operating Expenses:				
Electric generating expense	\$ 3,187,300	\$ 3,302,628	\$ (115,328)	\$ 2,962,989
Electric distribution expense	272,829	262,422	10,407	287,705
Water department expense	225,722	216,754	8,968	231,226
Water treatment plant expense	140,954	137,687	3,267	147,516
Overhead expense	929,328	1,043,171	(113,843)	1,112,854
Warehouse expense	37,432	36,520	912	32,981
	<u>\$ 4,793,565</u>	<u>\$ 4,999,182</u>	<u>\$ (205,617)</u>	<u>\$ 4,775,271</u>
Total Operating Income	<u>\$ 1,046,880</u>	<u>\$ 1,131,509</u>	<u>\$ 84,629</u>	<u>\$ 893,909</u>
Non-Operating Revenues (expense)	10,774	21,753	10,979	83,808
Income before Operating Transfers	<u>\$ 1,057,654</u>	<u>\$ 1,153,262</u>	<u>\$ 95,608</u>	<u>\$ 977,717</u>
Other sources (uses):				
Operating transfers out	\$ (1,000,000)	\$ (1,000,000)	\$ -	\$ (850,000)
Total Other Sources	<u>\$ (1,000,000)</u>	<u>\$ (1,000,000)</u>	<u>\$ -</u>	<u>\$ (850,000)</u>
Net Income (Loss)	<u>\$ 57,654</u>	<u>\$ 153,262</u>	<u>\$ 95,608</u>	<u>\$ 127,717</u>

See Notes To Financial Statements

CITY OF RAYNE, LOUISIANA
ENTERPRISE FUND

UTILITY FUND
STATEMENT OF OPERATING EXPENSES--BUDGET (GAAP BASIS) AND ACTUAL
Year Ended September 30, 1998

With Comparative Actual Amounts for Year Ended September 30, 1997

	1998		Variance-- Favorable (Unfavorable)	1997
	Budget	Actual		Actual
Electric Generating Expense:				
Salaries	\$ 56,000	\$ 58,655	\$ (2,655)	\$ 52,052
Fuel	56,600	49,823	6,777	40,156
Repairs to generators	15,500	11,364	4,136	13,003
Purchased power	3,053,500	3,177,671	(124,171)	2,853,656
Small tools and supplies	1,200	828	372	610
Miscellaneous	4,500	4,287	213	3,512
	<u>\$ 3,187,300</u>	<u>\$ 3,302,628</u>	<u>\$ (115,328)</u>	<u>\$ 2,962,989</u>
Electric Distribution Expense:				
Salaries and wages	\$ 178,500	\$ 169,739	\$ 8,761	\$ 178,486
Line maintenance	30,979	31,301	(322)	54,890
Street light maintenance	14,500	13,475	1,025	12,798
Meter maintenance	7,000	7,224	(224)	9,214
Maintenance equipment	2,000	2,763	(763)	3,123
Truck operation and maintenance	22,000	22,683	(683)	16,955
Tools and supplies	6,100	5,121	979	4,446
Uniforms	4,600	4,867	(267)	4,174
Miscellaneous	7,150	5,249	1,901	3,619
	<u>\$ 272,829</u>	<u>\$ 262,422</u>	<u>\$ 10,407</u>	<u>\$ 287,705</u>
Water Department Expense:				
Salaries and wages	\$ 103,000	\$ 97,914	\$ 5,086	\$ 107,171
Well maintenance	10,300	7,708	2,592	40,546
Line maintenance	20,550	24,127	(3,577)	11,176
Meter maintenance	13,610	13,775	(165)	16,819
Uniforms	3,900	4,173	(273)	4,988
Truck Operation and maintenance	13,072	12,845	227	12,025
Engineering fees	-	-	-	5,134
Small tools and supplies	6,050	5,825	225	4,902
Chemicals	50,540	38,095	12,445	17,505
Miscellaneous	4,700	12,292	(7,592)	10,960
	<u>\$ 225,722</u>	<u>\$ 216,754</u>	<u>\$ 8,968</u>	<u>\$ 231,226</u>

(continued)

CITY OF RAYNE, LOUISIANA
ENTERPRISE FUND

UTILITY FUND
STATEMENT OF OPERATING EXPENSES--BUDGET (GAAP BASIS) AND ACTUAL (CONTINUED)
Year Ended September 30, 1998

With Comparative Actual Amounts for Year Ended September 30, 1997

	1998		Variance-- Favorable (Unfavorable)	1997
	Budget	Actual		Actual
Water Treatment Plant:				
Salaries	\$ 105,200	\$ 100,324	\$ 4,876	\$ 103,217
Chemicals	23,000	27,501	(4,501)	34,381
Tools and equipment maintenance	2,800	2,183	617	700
Building maintenance	2,264	2,090	174	2,202
Utilities	2,965	2,567	398	2,517
Miscellaneous	4,725	3,022	1,703	4,499
	<u>\$ 140,954</u>	<u>\$ 137,687</u>	<u>\$ 3,267</u>	<u>\$ 147,516</u>
Overhead Expenses:				
Salaries and wages	173,000	161,968	11,032	190,067
Payroll taxes	50,300	46,541	3,759	49,106
Group insurance	99,000	94,448	4,552	104,166
Professional fees	40,143	45,872	(5,729)	23,437
General insurance	109,600	119,826	(10,226)	109,466
Depreciation	250,600	362,582	(111,982)	318,635
Postage and supplies	66,700	65,254	1,446	56,135
Utilities	17,900	17,806	94	15,791
Equipment maintenance	25,800	25,993	(193)	19,681
Bad debt expense	-	10,989	(10,989)	16,407
Promotions	39,800	35,953	3,847	48,972
Building and ground maintenance	20,960	20,493	467	16,019
Engineering fees	3,500	3,942	(442)	101,376
Miscellaneous	16,925	15,439	1,486	24,221
Administrative expense-Retirement	13,100	14,065	(965)	17,080
Uniforms	2,000	2,000	-	2,295
	<u>\$ 929,328</u>	<u>\$ 1,043,171</u>	<u>\$ (113,843)</u>	<u>\$ 1,112,854</u>
Warehouse Expense:				
Salaries and wages	\$ 21,900	\$ 23,241	\$ (1,341)	\$ 20,045
Tools and equipment maintenance	800	580	220	932
Building and ground maintenance	7,307	5,605	1,702	6,134
Supplies	3,700	3,468	232	3,407
Miscellaneous	3,725	3,626	99	2,463
	<u>\$ 37,432</u>	<u>\$ 36,520</u>	<u>\$ 912</u>	<u>\$ 32,981</u>
Total Operating Expenses	<u>\$ 4,793,565</u>	<u>\$ 4,999,182</u>	<u>\$ (205,617)</u>	<u>\$ 4,775,271</u>

See Notes To Financial Statements

CITY OF RAYNE, LOUISIANA
ENTERPRISE FUND

UTILITY FUND
STATEMENT OF NON-OPERATING REVENUE AND EXPENSES
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended September 30, 1998

With Comparative Actual Amounts for Year Ended September 30, 1997

	1998		Variance-- Favorable (Unfavorable)	1997
	Budget	Actual		Actual
Non-Operating Revenue:				
Interest earned on investments	\$ 25,000	\$ 26,895	\$ 1,895	\$ 38,950
Sale of equipment	9,000	9,000	-	-
State contract	-	-	-	75,000
Miscellaneous	8,646	10,390	1,744	11,285
	<u>\$ 42,646</u>	<u>\$ 46,285</u>	<u>\$ 3,639</u>	<u>\$ 125,235</u>
Non-Operating Expenses:				
Bond interest expense	\$ 31,872	\$ 24,532	\$ (7,340)	\$ 41,427
Other expenses	-	-	-	-
	<u>\$ 31,872</u>	<u>\$ 24,532</u>	<u>\$ (7,340)</u>	<u>\$ 41,427</u>
Non-operating revenue (expenses)	<u>\$ 10,774</u>	<u>\$ 21,753</u>	<u>\$ 10,979</u>	<u>\$ 83,808</u>

See Notes To Financial Statements

CITY OF RAYNE, LOUISIANA
ENTERPRISE FUND

UTILITY FUND
SCHEDULE OF ADDITIONS TO PROPERTY, PLANT, AND EQUIPMENT
Year Ended September 30, 1998

	Cost
Electric Distribution Department:	
Line extensions and improvements - Sills Project	\$ 79,380
Load Breaker	2,605
TV with wall mount and video	427
Line improvements	32,198
Metal Building	9,332
Electrical system - Vieux Racine	5,932
	\$ 129,874
Water Department:	
Line improvements	\$ 26,331
Vacuum Truck	67,275
Shotgun	372
Water Plant Improvements	10,340
	\$ 104,318
General and Administrative Department:	
Computers	\$ 6,038
Mail Machine	2,395
Fence - Depot Square	4,250
Air conditioner	1,255
Water Service and Installation	7,695
	\$ 21,633
Warehouse	
Improvements	\$ 1,074
Computer	2,189
	\$ 3,263
Water Treatment:	
Improvements	\$ 2,383
Electric Production	
Improvements	\$ 2,355
Total Additions to Property, Plant and Equipment	\$ 263,826

See Notes To Financial Statements

CITY OF RAYNE, LOUISIANA
ENTERPRISE FUND

SANITATION FUND
COMPARATIVE BALANCE SHEET
Years Ended September 30, 1998 and 1997

ASSETS	1998	1997
CURRENT ASSETS		
Cash	\$ 43,117	\$ 68,955
Accounts Receivable - Utilities Net of Allowance for Uncollectables of (1998 - \$12,575; 1997 - \$10,493)	155,564	111,890
Other Receivables	-	61,629
Investments	254,579	479,023
Total Current Assets	<u>\$ 453,260</u>	<u>\$ 721,497</u>
RESTRICTED ASSETS		
Bond Reserve Fund Investment, at cost	\$ 492,625	\$ 272,000
Bond Contingency Fund Investments, at cost	75,000	75,000
Total Restricted Assets	<u>\$ 567,625</u>	<u>\$ 347,000</u>
Land	\$ 500,000	\$ 500,000
Plant and Equipment, at cost, Net of Accumulated Depreciation (1998 - \$175,509; 1997 - \$15,478)	5,195,851	126,495
Construction in Progress	-	4,899,956
Total Plant and Equipment	<u>\$ 5,695,851</u>	<u>\$ 5,526,451</u>
Total Assets	<u>\$ 6,716,736</u>	<u>\$ 6,594,948</u>
LIABILITIES AND FUND BALANCE		
CURRENT LIABILITIES		
Accounts Payable	\$ 16,556	\$ 57,380
Accrued Payroll Liabilities	3,274	2,976
Vacation Accrual	2,574	3,799
Retainage Payable	6,000	6,000
Due to Other Funds	-	-
Total Liabilities	<u>\$ 28,404</u>	<u>\$ 70,155</u>
CURRENT LIABILITIES (Payable from restricted assets)	\$ 270,000	\$ -
Revenue Bonds Payable	270,000	-
Total Current Liabilities	<u>\$ 298,404</u>	<u>\$ 70,155</u>
LONG-TERM LIABILITIES		
Revenue Bonds Payable	\$ 4,664,843	\$ 4,967,543
Certificate of Indebtedness	420,000	460,000
Total Long-Term Liabilities	<u>\$ 5,084,843</u>	<u>\$ 5,427,543</u>
FUND BALANCE (DEFICIT)	<u>\$ 1,333,489</u>	<u>\$ 1,097,250</u>
Total Liabilities and Fund Balance	<u>\$ 6,716,736</u>	<u>\$ 6,594,948</u>

See Notes To Financial Statements

CITY OF RAYNE, LOUISIANA
ENTERPRISE FUND

SANITATION FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL
Year Ended September 30, 1998
With Comparative Actual Amounts for Year Ended September 30, 1997

	1998		Variance-- Favorable (Unfavorable)	1997
	Budget	Actual		Actual
Revenues:				
Operating Revenues:				
Charges for service	\$ 805,170	\$ 826,322	\$ 21,152	\$ 806,075
Non-Operating Revenues:				
Miscellaneous income	-	4,188	4,188	392
Interest on investments	24,145	31,822	7,677	22,208
Total Revenues	\$ 829,315	\$ 862,332	\$ 33,017	\$ 828,675
Expenditures:				
Current--				
Sanitation--				
Salaries	\$ 134,585	\$ 128,538	6,047	\$ 92,558
Payroll Taxes	10,550	10,033	517	7,338
Line maintenance	1,875	2,173	(298)	10,248
Repairs and maintenance	17,305	21,156	(3,851)	25,804
Insurance	8,700	9,972	(1,272)	6,254
Utility	43,665	45,948	(2,283)	28,690
Chemicals	5,250	15,885	(10,635)	11,221
Lab fees	12,850	11,641	1,209	17,834
Group insurance	12,930	13,001	(71)	4,531
Professional fees	1,000	-	1,000	1,275
Retirement system	2,050	2,390	(340)	2,039
Engineering fees	36,640	21,664	14,976	25,583
Sludge pickup	-	-	-	1,200
Miscellaneous	11,485	10,269	1,216	9,031
Depreciation	32,000	160,031	(128,031)	8,541
Bad Debt	6,000	2,082	3,918	5,741
Bond interest	231,400	171,310	60,090	115,701
Total Expenditures	\$ 568,285	\$ 626,093	\$ (57,808)	\$ 373,589
Excess (deficiency) of revenue over expenditures	\$ 261,030	\$ 236,239	\$ (24,791)	\$ 455,086
Fund Balance, beginning of year	\$ 1,097,250	\$ 1,097,250	\$ -	\$ 685,615
Prior Period Adjustment	-	-	-	(43,451)
Fund Balance, end of year	\$ 1,358,280	\$ 1,333,489	\$ (24,791)	\$ 1,097,250

See Notes To Financial Statements

CITY OF RAYNE, LOUISIANA
ENTERPRISE FUNDSANITATION FUND
SCHEDULE OF ADDITIONS TO PROPERTY, PLANT, AND EQUIPMENT
Year Ended September 30, 1998

	<u>Cost</u>
Sanitation Fund:	
Vacuum Sewer Cleaner	\$ 100,000
Building & fence for Duckweed Pond	2,597
Bush hog	4,857
Magmeter	10,867
Backhoe Scoop	1,500
Boat Cutter	1,100
Radio	668
Winch	549
Additional Construction Wastewater Treatment Plant	<u>207,300</u>
Total Additions to Property, Plant, and Equipment	<u>\$ 329,438</u>

See Notes To Financial Statements

FIDUCIARY FUNDS

Payroll Fund--to account for the disbursement of salaries and expenditures incurred in conjunction with payrolls.

Unemployment Compensation Fund--to account for the disbursements arising from actual claims under the workmen's compensation laws of the state.

CITY OF RAYNE, LOUISIANA
PAYROLL FUND

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year Ended September 30, 1998

	Balance Sept. 30, 1997	Additions	Deductions	Balance Sept. 30, 1998
ASSETS				
Cash	\$ 1	\$ 1,758,247	\$ 1,758,247	\$ 1
Total Assets	<u>\$ 1</u>	<u>\$ 1,758,247</u>	<u>\$ 1,758,247</u>	<u>\$ 1</u>
LIABILITIES				
Payroll taxes payable	\$ -	\$ 278,337	\$ 278,337	\$ -
Insurance payable	-	148,471	148,471	-
Other payables	1	1,331,439	1,331,439	1
Total Liabilities	<u>\$ 1</u>	<u>\$ 1,758,247</u>	<u>\$ 1,758,247</u>	<u>\$ 1</u>

See Notes To Financial Statements

CITY OF RAYNE, LOUISIANA
 UNEMPLOYMENT COMPENSATION FUND

COMPARATIVE BALANCE SHEET
 September 30, 1998 and 1997

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash	\$ 9,802	\$ 8,771
Investments, at cost	6,694	98,007
Total Assets	<u>\$ 16,496</u>	<u>\$ 106,778</u>
FUND BALANCE	<u>\$ 16,496</u>	<u>\$ 106,778</u>

See Notes To Financial Statements

CITY OF RAYNE, LOUISIANA
UNEMPLOYMENT COMPENSATION FUND

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL
Year Ended September 30, 1998

With Comparative Actual Amounts for Year Ended September 30, 1997

	1998		Variance-- Favorable (Unfavorable)	1997
	Budget	Actual		Actual
Revenues:				
Contributions from other funds	\$ 9,080	\$ 8,791	\$ (289)	\$ 8,840
Interest on investments	1,000	1,687	687	1,984
Total Revenues	\$ 10,080	\$ 10,478	\$ 398	\$ 10,824
Expenditures:				
Administrative Fees	\$ -	\$ 760	\$ (760)	\$ -
Excess of Revenues over Expenditures	\$ 10,080	\$ 9,718	\$ (362)	\$ 10,824
Other sources (uses):				
Operating transfers out				
Refunding Bonds	\$ 100,000	\$ 100,000	\$ -	\$ -
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ (89,920)	\$ (90,282)	\$ (362)	\$ 10,824
Fund Balance, beginning of year	106,778	106,778	-	95,954
Fund Balance, end of year	\$ 16,858	\$ 16,496	\$ (362)	\$ 106,778

See Notes To Financial Statements

GENERAL FIXED ASSET GROUP OF ACCOUNTS

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

CITY OF RAYNE, LOUISIANA
GENERAL FIXED ASSET GROUP OF ACCOUNTS

STATEMENT OF CHANGES IN GENERAL FIXED ASSETS
Year Ended September 30, 1998

	Balance Sept. 30, 1997	Additions	Deductions	Balance Sept. 30, 1998
General Fixed Assets, at cost:				
Buildings	\$ 1,281,568	\$ 20,910	\$ -	\$ 1,302,478
Improvements other than buildings	6,536,167	333,426	-	6,869,593
Equipment, Autos & Trucks	937,560	155,551	26,535	1,066,576
Total General Fixed Assets	<u>\$ 8,755,295</u>	<u>\$ 509,887</u>	<u>\$ 26,535</u>	<u>\$ 9,238,647</u>
Investments in General Fixed Assets:				
Property acquired prior to October 1, 1978	\$ 1,722,099	\$ -	\$ -	1,722,099
Property acquired after October 1, 1978 from -				
General Fund	1,536,970	202,115	26,535	1,712,550
Special Revenue Funds	673,599	307,772	-	981,371
Capital Projects Funds	4,822,627	-	-	4,822,627
Total Investments in General Fixed Assets	<u>\$ 8,755,295</u>	<u>\$ 509,887</u>	<u>\$ 26,535</u>	<u>\$ 9,238,647</u>

See Notes To Financial Statements

CITY OF RAYNE, LOUISIANA
GENERAL FIXED ASSET GROUP OF ACCOUNTS

SCHEDULE OF ADDITIONS TO GENERAL FIXED ASSETS
Year Ended September 30, 1998

	Cost
General Fund--	
Computer	\$ 2,194
Computer Equipment	4,718
Mail Machine	2,395
Phone System	2,914
Roof	12,840
City Court Alarm Improvement	509
Voice loggon & audio intelligence system	18,489
2 - Crown Victorias	41,348
Bikes	3,541
Dodge Spirit	1,050
Truck Repairs	522
Street Department Improvements	8,899
(3) Trimmers & (5) decks	2,480
Pressure Washer	2,400
Heater	491
Tractor	35,984
Hopper	2,247
Fogger & Resin	9,100
Improvements - C.P.&R.	37,155
Recreation Equipment	12,841
Total General Fund	\$ 202,117
Special Revenue Funds--	
Improvements - W. Rayne Fire Prot	\$ 282,870
Concession Stand	20,909
Improvements - S. Rayne	1,685
	2,306
Total Special Revenue Fund	\$ 307,770
Total All Funds	\$ 509,887

See Notes To Financial Statements

GENERAL LONG-TERM DEBT GROUP OF ACCOUNTS

To account for general long-term liabilities of governmental units other than proprietary fund.

CITY OF RAYNE, LOUISIANA

STATEMENT OF GENERAL LONG-TERM DEBT
 Year Ended September 30, 1998

With Comparative Actual Amounts for Year Ended September 30, 1997

	Sales Tax Refunding Bonds Series 1998	Certificates of Indebtedness 03/01/1997
AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE PAYMENT OF GENERAL LONG-TERM DEBT		
Amount available in Debt Service Funds for debt retirement	\$ 280,597	\$ 143
Amount to be provided from --		
Ad valorem taxes	-	-
2% sales and use taxes	<u>1,359,403</u>	<u>132,992</u>
Total available and to be provided	<u>\$ 1,640,000</u>	<u>\$ 133,135</u>
GENERAL LONG-TERM DEBT PAYABLE		
Bonds payable:		
Due within one year	\$ 300,000	\$ 18,208
Due after one year	<u>1,340,000</u>	<u>114,927</u>
Total Bonds Payable	<u>\$ 1,640,000</u>	<u>\$ 133,135</u>

See Notes To Financial Statements

Totals	
<u>Sept. 30, 1998</u>	<u>Sept. 30, 1997</u>
\$ 280,740	\$ 505,255
-	-
<u>1,492,395</u>	<u>1,959,950</u>
<u>\$ 1,773,135</u>	<u>\$ 2,465,205</u>
\$ 318,208	\$ 337,070
<u>1,454,927</u>	<u>2,128,135</u>
<u>\$ 1,773,135</u>	<u>\$ 2,465,205</u>

Brupbacher & Associates

A PROFESSIONAL ACCOUNTING CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 34 • 801 The Boulevard Suite B • Rayne, Louisiana 70578 • (318) 334-7251 FAX (318) 334-7002

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 James J. Petitjean
And the Board of Alderman
City of Rayne, Louisiana

We have audited the financial statements of City of Rayne as of and for the year ended September 30, 1998, and have issued our report thereon dated December 29, 1998. 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 Comptroller of the United States.

Compliance

As part of obtaining reasonable assurance about whether City of Rayne's 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 instances of noncompliance that are required to be reported under *Government Auditing Standards*, which are described in the accompanying schedule of findings and questioned costs as item 98-1 and 98-2.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City of Rayne's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect City of Rayne's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 98-2.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by

MEMBER OF
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

The Honorable James J. Petitjean
And the Board of Alderman
City of Rayne, Louisiana

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 none of the reportable conditions described above is a material weakness. However, we noted other matters involving the internal control over financial reporting that we have reported to management of City of Rayne in a separate letter dated December 29, 1998.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Brupbacher & Associates
A Professional Accounting Corporation

Rayne, Louisiana
December 29, 1998

Brupbacher & Associates

A PROFESSIONAL ACCOUNTING CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 34 • 801 The Boulevard Suite B • Rayne, Louisiana 70578 • (318) 334-7251 FAX (318) 334-7002

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Honorable James J. Petitjean, Mayor
And the Board of Alderman
City of Rayne, Louisiana

Compliance

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

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

In our opinion, City of Rayne complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 1998.

Internal Control Over Compliance

The management of City of Rayne is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered City of Rayne's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of

MEMBER OF
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

The Honorable James J. Petitjean, Mayor
And the Board of Alderman
City of Rayne, Louisiana

one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Brupbacher & Associates
A Professional Accounting Corporation

Rayne, Louisiana
December 29, 1998

CITY OF RAYNE, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended September 30, 1998

Federal Grantor Program Title	Federal CFDA Number	Expenditures	Amounts to Subrecipients
U.S. Department of Housing and Urban Development Direct programs: Low income housing assistance-- Section 8 existing housing	14.156	\$ 186,341	\$ -
U.S. Department of Justice Office of Community Oriented Policing Services Grant Programs: COPS FAST	16.170	\$ 15,456	\$ -
U.S. Department of Agriculture Rural Development Rural Business Enterprise Grant	10.424	\$ -	\$ -
Department of Transportation and Development Public Transportation Operating Assistance Program Passed through to Acadia Council on Aging, Inc.	20.509	\$ 57,250	\$ 57,250

City of Rayne, Louisiana

Schedule of Corrective Action Taken on Prior Year Findings
Year Ended September 30, 1998

Part 1

Reportable Condition - Financial Reporting

97-1 Internal Control over concession inventory

Finding: There is a lack of control over the youth recreation concessions.

Recommendation: Development of an operating manual to govern the inventory policies and procedures and operations of the concession sales.

Current Status: In the current year, the City of Rayne appointed an individual to coordinate the youth recreation concessions. Inventories were taken regularly and reconciled, which resulted in an increased profit margin.

97-2 Budget Exceeding Five Percent

Finding: The LCDBG fund exceeded budget amounts by more than five percent which is a violation of the Local Government Budget Act.

Recommendation: The City should consider scheduling the budget meeting later in the month to allow for unexpected budgeting items that may occur.

Current Status: In the current year, the LCDBG Fund did not exceed budgeted expenditures by more than five percent.

Part 2

Findings relating to an audit in accordance with Government Auditing Standards.

97-1 See 97-1 above.

Part 3

Findings and questioned costs relating to federal programs.

There were no findings or questioned costs relating to federal programs.

Part 4

Management Letter

Findings: Inadequate documentation of business meal expenses.

Recommendation: Establishment of an ordinance to include documentation requirements for officials, employees and other representatives of the City.

Management Response: Amended ordinance #918 to include documentation requirements.

Findings: Immaterial noncompliance relating to youth recreation registration fees and a holiday meal provided to on duty officers.

Recommendation: To educate the administration and department heads regarding proper expenditures.

Response: The administration will educate themselves and their department heads to promote awareness and will encourage them to seek advise when questionable matters arise.

City of Rayne, Louisiana

Schedule of Findings and Questioned Cost
Year Ended September 30, 1998

Part I Summary of Auditor's Results

Financial Statements

Auditor's Report

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

Reportable Conditions

The reportable conditions in internal control over financial reporting were disclosed during the audit of the financial statements and are shown as item 98-1 in Part 2.

Material Noncompliance – Financial Reporting

One instance of material noncompliance was disclosed during the audit of the financial statements as shown in item 98-2 in Part 2.

Federal Awards

Major Program – Identification

The City of Rayne, Louisiana, at September 30, 1998, was not required to have a single audit but requested to follow single audit guidelines and the following were audited as major programs: (1) Section 5311 – *Public Transportation for Non-urbanized Areas, which receives funds from the Department of Transportation and Development* “passed through” to the Acadia Council on Aging, Inc. and (2) Section 8 – *Rental Certificates which provides help to eligible low income families or individuals to obtain decent safe and sanitary housing through a system of rental subsidies.*

Major Program – Threshold

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

Low-Risk Auditee

The City of Rayne is not considered a low-risk auditee for the fiscal year ended September 30, 1998.

Auditor's Report – Major Programs

An unqualified opinion has been issued on the City of Rayne's compliance for major programs as of September 30, 1998.

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

98-1 Budget Compliance

The City's actual expenses exceeded budget amounts by 8.5% in the youth recreation fund and 10.17% in the Sanitation Fund.

Recommendation

The City of Rayne should continue to utilize the budget and make revisions as they become necessary.

98-2 Pledged Securities

During the course of the audit, we found that the funds at one financial institution exceeded FDIC insurance and bank pledged securities by \$304,597.

Recommendation

We recommend that the City develop procedures in conjunction with the financial institutions to insure adequate amounts of securities are pledged on the City's behalf.

Part 3 Findings and Questioned Costs Relating to Federal Programs

There were no findings or questioned costs relating to federal programs as defined in OMB Circular A-133 Section 510.

City of Rayne
Rayne, Louisiana

Corrective Action Plan
Year ended September 30, 1998

Response to findings:

98-1 Budget Compliance

Due to the state law requirements for final year-end budget revisions and the publication requirements, the budget revisions are prepared approximately two months before year end. Due to the timing of these events, unforeseen expenses occasionally occur. The sanitation fund budget variance was due to the capitalization of the construction in progress and the corresponding depreciation. The City does monitor the budget very closely for the necessary revisions.

98-2 Pledged Securities

The City has implemented monthly procedures to insure that adequate amounts of securities are pledged. The savings and time certificates were properly secured but the checking accounts were not monitored monthly due to the fluctuation of the balances. The city has secured additional pledged securities and is monitoring monthly.

STATISTICAL INFORMATION

CITY OF RAYNE, LOUISIANA
Statistical Information

Table 1

PROPERTY TAX LEVIES AND COLLECTION
FOR THE LAST TEN FISCAL YEARS

<u>Year</u>	<u>Valuation</u>	<u>Millage</u>	<u>Taxes</u>
1987-88	9,124,950	27.00	246,385
1988-89	9,741,560	28.00	272,798
1989-90	9,944,720	27.50	273,415
1990-91	10,113,760	27.50	278,128
1991-92	10,319,760	26.50	273,476
1992-93	13,475,810	19.34	260,622
1993-94	13,843,530	19.34	267,735
1994-95	13,856,640	20.36	282,121
1995-96	13,976,060	12.00	167,713
1996-97	15,498,190	12.00	185,978
1997-98	16,246,560	12.00	194,959

Table 2

GENERAL REVENUES BY SOURCE*
FOR THE LAST FOUR FISCAL YEARS

	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
Taxes	\$ 1,452,350	\$ 1,378,193	\$ 1,311,487	\$ 1,265,267
Licenses and permits	236,560	226,808	241,575	194,265
Intergovernmental	763,326	512,447	352,415	441,196
Charges for services	51,846	44,238	39,873	30,010
Fines	36,577	39,660	50,845	45,933
Miscellaneous	170,772	160,358	130,133	168,022
Totals	<u>\$ 2,711,431</u>	<u>\$ 2,361,704</u>	<u>\$ 2,126,328</u>	<u>\$ 2,144,693</u>

*Includes General, Special Revenue, and Debt Service Funds.

CITY OF RAYNE, LOUISIANA
STATISTICAL INFORMATION

Table 3

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION*
FOR THE LAST FOUR FISCAL YEARS

	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
General governments	\$ 743,965	\$ 827,399	\$ 622,933	\$ 615,582
Public safety	864,604	784,471	812,521	776,556
Public works	526,631	505,774	429,756	376,543
Sanitation	-	-	-	32,955
Culture and recreation	387,240	395,284	260,053	263,161
Urban and housing redevelopment	511,916	212,524	182,352	336,451
Debt service	267,315	519,880	537,631	536,357
Totals	<u>\$ 3,301,671</u>	<u>\$ 3,245,332</u>	<u>\$ 2,845,246</u>	<u>\$ 2,937,605</u>

* Includes General, Special Revenue, and Debt Service Funds.

Table 4

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL BONDED DEBT TO TOTAL EXPENDITURES

	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
Principal	\$ 137,070	\$ 314,795	\$ 305,000	\$ 285,000
Interest	130,245	205,085	232,631	251,357
Total Debt Service	<u>\$ 267,315</u>	<u>\$ 519,880</u>	<u>\$ 537,631</u>	<u>\$ 536,357</u>
Total general expenditures	<u>\$ 3,301,671</u>	<u>\$ 3,245,332</u>	<u>\$ 2,845,246</u>	<u>\$ 2,937,605</u>
Ratio of debt service to total general expenditures	<u>8.1%</u>	<u>16.0%</u>	<u>18.9%</u>	<u>18.2%</u>

Includes General, Special Revenue, and Debt Service Funds.

CITY OF RAYNE, LOUISIANA
STATISTICAL INFORMATION

Table 5

UTILITY REVENUE BOND COVERAGE
FOR THE LAST FOUR FISCAL YEARS

	1998	1997	1996	1995
Gross revenues*	\$ 6,993,023	\$ 5,794,415	\$ 5,816,415	\$ 5,666,462
Operating expenditures**	4,932,832	4,775,271	4,534,939	4,213,698
Net available for debt service	<u>\$ 2,060,191</u>	<u>\$ 1,019,144</u>	<u>\$ 1,281,476</u>	<u>\$ 1,452,764</u>
Debt service requirements:				
Principal	\$ 301,792	\$ 197,000	\$ 187,000	\$ 187,000
Interest	195,842	41,427	51,575	56,130
Total	<u>\$ 497,634</u>	<u>\$ 238,427</u>	<u>\$ 238,575</u>	<u>\$ 243,130</u>
Coverage	<u>4.1</u>	<u>4.2</u>	<u>5.4</u>	<u>5.9</u>

* Includes revenue from all sources.

** Includes all expenditures except debt service interest and depreciation.

Table 6

GROSS SALARIES BY FUNCTION
FOR LAST FOUR FISCAL YEARS

	1998	1997	1996	1995
General government	\$ 165,547	\$ 161,622	\$ 157,675	\$ 159,117
Public safety	476,782	480,795	472,394	439,514
Public works	260,363	273,310	231,844	200,209
Culture and recreations	96,705	98,338	84,381	89,347
Urban redevelopment and housing	17,824	17,537	16,087	16,787
Enterprise	<u>740,379</u>	<u>743,596</u>	<u>732,277</u>	<u>735,308</u>
Totals	<u>\$ 1,757,600</u>	<u>\$ 1,775,198</u>	<u>\$ 1,694,658</u>	<u>\$ 1,640,282</u>