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**CITY OF JEANERETTE, LOUISIANA**

**Financial Report**

**Year Ended June 30, 1999**

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

Release Date 1-19-00

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Arthur L. Verret, Mayor  
and Members of the Board of Aldermen  
City of Jeanerette, Louisiana

We have audited the accompanying general purpose financial statements of the City of Jeanerette, Louisiana, as of June 30, 1999, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the management of the City of Jeanerette, Louisiana. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Jeanerette, Louisiana, as of June 30, 1999, and the results of its operations and the cash flows of its proprietary fund type for the year then ended, in conformity with generally accepted accounting principles.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The year 2000 supplementary information on page 35 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that the City is or will become year 2000 compliant, the City's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the City does business are or will become year 2000 compliant.

In accordance with Government Auditing Standards, we have also issued our report dated October 27, 1999 on our consideration of the City of Jeanerette, Louisiana's internal control over financial reporting and our tests of its compliance with laws, regulations, contracts and grants.

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

Morgan City, Louisiana  
October 27, 1999

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

CITY OF JEANERETTE, LOUISIANA

Combined Balance Sheet  
All Fund Types and Account Groups  
June 30, 1999

	Governmental Fund Types				Proprietary Fund Type Enterprise	Fiduciary Fund Type Agency	Account Groups		Totals (Memorandum Only)	
	General Fund	Special		Capital Projects			General Fixed Assets	General Long-Term Debt		
		Revenue	Debt Service							
<b>ASSETS AND OTHER DEBITS</b>										
Cash and interest-bearing deposits	\$ 37,115	\$ 78,251	\$ 15,928	\$ 28,016	\$ 43,049	\$ 52,369	\$ -	\$ -	\$ 254,728	
Investments, at cost	-	-	366,483	-	-	-	-	-	366,483	
Receivables -										
Accounts (net)	-	-	-	-	149,199	-	-	-	149,199	
Due from other funds	7,748	87,731	59	-	430,227	378,750	-	-	904,515	
Due from other governmental agencies	15,690	7,021	-	-	-	-	-	-	22,711	
Other	25,873	-	-	-	-	1,000	-	-	26,873	
Restricted assets:										
Cash and interest-bearing deposits	-	-	-	-	6,169	-	-	-	6,169	
Investments, at cost	-	-	-	-	45,168	-	-	-	45,168	
Buildings	-	-	-	-	-	-	2,315,933	-	2,315,933	
Improvements other than buildings	-	-	-	-	-	-	4,524,549	-	4,524,549	
Equipment	-	-	-	-	-	-	1,118,420	-	1,118,420	
Utility property, plant and equipment (net)	-	-	-	-	5,708,651	-	-	-	5,708,651	
Amount available in debt service funds	-	-	-	-	-	-	-	382,470	382,470	
Amount to be provided for retirement of general long-term debt and capital lease obligations	-	-	-	-	-	-	-	1,128,955	1,128,955	
<b>Total assets and other debits</b>	<b>\$ 86,426</b>	<b>\$173,003</b>	<b>\$382,470</b>	<b>\$ 28,016</b>	<b>\$ 6,382,463</b>	<b>\$ 432,119</b>	<b>\$ 7,958,902</b>	<b>\$ 1,511,425</b>	<b>\$ 16,954,824</b>	

(continued)

The accompanying notes are an integral part of this statement.

CITY OF JEANERETTE, LOUISIANA

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

	Governmental Fund Types				Proprietary Fund Type		Fiduciary Fund Type		Account Groups			Totals (Memorandum Only)
	General Fund	Special Revenue	Debt Service	Capital Projects	Enterprise	Agency	General Fixed Assets	Long-Term Debt	General			
									General	Long-Term Debt		
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>												
Liabilities:												
Accounts payables	\$ 145,458	\$ 2,264	\$ -	\$ 14,978	\$ 98,742	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 261,442
Payroll liabilities	-	-	-	-	-	29,852	-	-	-	-	-	29,852
Accrued expenses	-	8	-	-	-	-	-	-	-	-	-	8
Deferred revenues	-	13,449	-	-	-	-	-	-	-	-	-	13,449
Due to other governmental agencies	-	2,140	-	-	-	-	-	-	-	-	-	2,140
Due to other funds	392,783	13,031	-	40,476	55,958	402,267	-	-	-	-	-	904,515
Payable from restricted assets -												
Customers' deposits	-	-	-	-	84,328	-	-	-	-	-	-	84,328
General obligation bonds payable	-	-	-	-	-	-	1,455,000	-	-	-	-	1,455,000
Obligations under capital lease	-	-	-	-	-	-	56,425	-	-	-	-	56,425
Total liabilities	538,241	30,892	-	55,454	239,028	432,119	1,511,425	-	-	-	-	2,807,159
Equity and other credits:												
Contributed capital (net of accumulated amortization)	-	-	-	-	6,420,676	-	-	-	-	-	-	6,420,676
Investment in general fixed assets	-	-	-	-	-	-	7,958,902	-	-	-	-	7,958,902
Retained earnings (deficit) - Unreserved	-	-	-	-	(277,241)	-	-	-	-	-	-	(277,241)
Fund balances (deficit)-												
Reserved for debt service	-	-	382,470	-	-	-	-	-	-	-	-	382,470
Reserved for capital expenditures	-	-	-	18,963	-	-	-	-	-	-	-	18,963
Unreserved:												
Designated	1,109	-	-	-	-	-	-	-	-	-	-	1,109
Undesignated	(452,924)	142,111	-	(46,401)	-	-	-	-	-	-	-	(357,214)
Total equity and other credits	(451,815)	142,111	382,470	(27,438)	6,143,435	-	7,958,902	-	-	-	-	14,147,665
Total liabilities, equity and other credits	\$ 86,426	\$ 173,003	\$ 382,470	\$ 28,016	\$ 6,382,463	\$ 432,119	\$ 1,511,425	\$ -	\$ -	\$ -	\$ -	\$ 16,954,824

The accompanying notes are an integral part of this statement.



CITY OF JEANERETTE, LOUISIANA

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

	General Fund	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
<b>Revenues:</b>					
Taxes	\$ 266,801	\$556,356	\$232,836	\$ -	\$ 1,055,993
Licenses and permits	150,920	-	-	-	150,920
Intergovernmental	224,668	154,827	-	-	379,495
Fines and forfeits	9,817	-	-	-	9,817
Leases and rents	6,509	-	-	-	6,509
Interest	-	-	9,435	778	10,213
Miscellaneous	66,193	832	-	-	67,025
Total revenues	<u>724,908</u>	<u>712,015</u>	<u>242,271</u>	<u>778</u>	<u>1,679,972</u>
<b>Expenditures:</b>					
Current -					
General government	493,838	25,367	1,772	-	520,977
Public safety:					
Police	582,252	-	-	-	582,252
Fire	25,988	-	-	-	25,988
Streets and drainage	227,035	-	-	-	227,035
Welfare - feeding program	-	48,364	-	-	48,364
Urban redevelopment and housing	-	110,280	-	-	110,280
Construction Cost	-	-	-	13,950	13,950
Engineering Fees	-	-	-	42,347	42,347
Administration Fees	-	-	-	1,117	1,117
Capital outlay	-	-	-	7,689	7,689
Debt service -					
Principal retirement	229,544	-	150,000	-	379,544
Interest and fiscal charges	11,663	-	104,202	-	115,865
Total expenditures	<u>1,570,320</u>	<u>184,011</u>	<u>255,974</u>	<u>65,103</u>	<u>2,075,408</u>
Excess (deficiency) of revenues over expenditures	<u>(845,412)</u>	<u>528,004</u>	<u>(13,703)</u>	<u>(64,325)</u>	<u>(395,436)</u>
<b>Other financing sources (uses):</b>					
Operating transfers in	862,910	48,311	84,151	52,291	1,047,663
Operating transfers out	(69,418)	(609,544)	(5,999)	(40,518)	(725,479)
Proceeds from short term certificates	200,000	-	-	-	200,000
Total other financing sources (uses)	<u>993,492</u>	<u>(561,233)</u>	<u>78,152</u>	<u>11,773</u>	<u>522,184</u>
Excess (deficiency) of revenues and other sources over expenditures other uses	148,080	(33,229)	64,449	(52,552)	126,748
Fund balances (deficit), beginning	<u>(599,895)</u>	<u>175,340</u>	<u>318,021</u>	<u>25,114</u>	<u>(81,420)</u>
Fund balances (deficit), ending	<u>\$ (451,815)</u>	<u>\$142,111</u>	<u>\$382,470</u>	<u>\$ (27,438)</u>	<u>\$ 45,328</u>

The accompanying notes are an integral part of this statement.

CITY OF JEANERETTE, LOUISIANA

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
General and Special Revenue Funds  
Year Ended June 30, 1999

	General Fund (GAAP Basis)			Special Revenue Funds (GAAP Basis)		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
<b>Revenues:</b>						
Taxes	\$ 252,400	\$ 266,801	\$ 14,401	\$ 505,860	\$556,356	\$ 50,496
Licenses and permits	155,000	150,920	(4,080)	-	-	-
Intergovernmental	146,100	224,668	78,568	231,670	154,827	(76,843)
Charges for services	244,200	-	(244,200)	-	-	-
Fines and forfeits	4,000	9,817	5,817	-	-	-
Leases and rents	-	6,509	6,509	-	-	-
Miscellaneous	14,920	66,193	51,273	-	832	832
Total revenues	<u>816,620</u>	<u>724,908</u>	<u>(91,712)</u>	<u>737,530</u>	<u>712,015</u>	<u>(25,515)</u>
<b>Expenditures:</b>						
Current -						
General government	381,743	493,838	(112,095)	20,500	25,367	(4,867)
Public safety:						
Police	527,200	582,252	(55,052)	-	-	-
Fire	16,700	25,988	(9,288)	-	-	-
Streets and drainage	166,225	227,035	(60,810)	-	-	-
Sanitation	216,000	-	216,000	-	-	-
Welfare - feeding program	-	-	-	127,000	48,364	78,636
Urban redevelopment and housing	-	-	-	104,670	110,280	(5,610)
Debt service -						
Principal retirement	232,000	229,544	2,456	-	-	-
Interest and fiscal charges	7,000	11,663	(4,663)	-	-	-
Total expenditures	<u>1,546,868</u>	<u>1,570,320</u>	<u>(23,452)</u>	<u>252,170</u>	<u>184,011</u>	<u>68,159</u>
Excess (deficiency) of revenues over expenditures	<u>(730,248)</u>	<u>(845,412)</u>	<u>(115,164)</u>	<u>485,360</u>	<u>528,004</u>	<u>42,644</u>
<b>Other financing sources (uses):</b>						
Operating transfers in	587,350	862,910	275,560	23,663	48,311	24,648
Operating transfers out	(18,663)	(69,418)	(50,755)	(484,200)	(609,544)	(125,344)
Proceeds from short term certificates	200,000	200,000	-	-	-	-
Total other financing sources (uses)	<u>768,687</u>	<u>993,492</u>	<u>224,805</u>	<u>(460,537)</u>	<u>(561,233)</u>	<u>(100,696)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	38,439	148,080	109,641	24,823	(33,229)	(58,052)
Fund balances (deficit), beginning	<u>(544,719)</u>	<u>(599,895)</u>	<u>(55,176)</u>	<u>120,338</u>	<u>175,340</u>	<u>55,002</u>
Fund balances (deficit), ending	<u>\$ (506,280)</u>	<u>\$ (451,815)</u>	<u>\$ 54,465</u>	<u>\$ 145,161</u>	<u>\$142,111</u>	<u>\$ (3,050)</u>

The accompanying notes are an integral part of this statement.

CITY OF JEANERETTE, LOUISIANA

Statement of Revenues, Expenses, and Changes in Retained Earnings  
 Enterprise Fund  
 Year Ended June 30, 1999

Operating revenues:	
Charges for services -	
Water sales	\$ 590,005
Sewer service charges	367,756
Garbage revenue	220,929
Connections, installations, etc.	15,262
Penalties	42,842
Miscellaneous	9,743
Total operating revenues	<u>1,246,537</u>
Operating expenses:	
Bad debts	63,030
Chemicals	43,018
Consulting and testing fees	14,414
Depreciation expense	275,555
DEQ fees	3,941
Equipment rental	5,581
Garbage service contract	212,126
Insurance	55,714
Miscellaneous	1,719
Office expense	12,691
Payroll taxes	2,856
Professional fees	24,170
Salaries and benefits	236,833
Supplies and repairs	63,365
Truck expense	7,943
Utilities and telephone	100,392
Total operating expenses	<u>1,123,348</u>
Operating income	<u>123,189</u>

(continued)

CITY OF JEANERETTE, LOUISIANA

Statement of Revenues, Expenses, and Changes in Retained Earnings (Continued)  
Enterprise Fund  
Year Ended June 30, 1999

Nonoperating revenues:	
Interest income	<u>1,162</u>
Total nonoperating revenues	<u>1,162</u>
Income before operating transfers	<u>124,351</u>
Other financing sources (uses):	
Operating transfers in	166,288
Operating transfers out	<u>(488,472)</u>
Total other financing (uses)	<u>(322,184)</u>
Net loss	(197,833)
Add: Depreciation on fixed assets acquired by federal grant revenues externally restricted for capital acquisitions and construction that reduces contributed capital	178,831
Retained earnings (deficit), beginning	<u>(258,239)</u>
Retained earnings (deficit), ending	<u>\$ (277,241)</u>

The accompanying notes are an integral part of this statement.

CITY OF JEANERETTE, LOUISIANA

Statement of Cash Flows  
Enterprise Fund  
Year Ended June 30, 1999

Cash flows from operating activities:	
Operating loss	<u>\$ (197,833)</u>
Adjustments to reconcile net operating income to net cash provided by operating activities -	
Depreciation	275,555
Changes in current assets and liabilities:	
(Increase) Decrease in accounts receivable	52,959
(Increase) Decrease in due from other funds	(72,767)
(Increase) Decrease in investments	(45,168)
Increase (Decrease) in accounts payable	(10,554)
Increase (Decrease) in customer deposits	4,319
Increase (Decrease) to other funds	<u>(442)</u>
Total adjustments	<u>203,902</u>
Net cash provided by operating activities	6,069
Cash flows from investing activities:	
Purchase of property, plant and equipment	<u>(24,367)</u>
Net increase (decrease) in cash and cash equivalents	(18,298)
Cash, cash equivalents and restricted cash, beginning of period	<u>67,516</u>
Cash, cash equivalents and restricted cash, end of period	<u>\$ 49,218</u>

The accompanying notes are an integral part of this statement.

CITY OF JEANERETTE, LOUISIANA  
Notes to Financial Statements (Continued)

Introduction

The City of Jeanerette was incorporated under special charter in 1878. The City operates under a Mayor-Board of Aldermen form of government.

(1) Summary of Significant Accounting Policies

The accounting and reporting policies of the City of Jeanerette conform to generally accepted accounting principles as applicable to governmental units on a consistent basis between periods. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide and to the industry audit guide, Audits of State and Local Governmental Units.

A. The Reporting Entity

Governmental Accounting Statement 14 established criteria for determining which component units should be considered part of the City of Jeanerette, Louisiana for financial reporting purposes. The basic criterion 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. These criteria include:

1. Appointing a voting majority of an organization's governing body, and
  - a. the ability of the City 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 City.
2. Organizations for which the City does not appoint a voting majority, but are fiscally dependent on the City.
3. Organizations for which the reporting entity financial statements would be misleading if the data of the organization is not included because of the nature of significance of the relationship.

Based upon the application of the above criteria, the following is a brief review of each potential component unit addressed in defining the City's reporting entity.

CITY OF JEANERETTE, LOUISIANA

Notes to Financial Statements (Continued)

The following component unit has been presented as a blended component unit:

Jeanerette Volunteer Fire Department -

The Jeanerette Volunteer Fire Department is governed by a group of volunteer citizens. The Jeanerette Volunteer Fire Department is not fiscally dependent on the City of Jeanerette; however, the City of Jeanerette includes revenues received and expenditures paid for the Fire Department as part of its general fund. The City of Jeanerette also provides for the Fire Department facilities and equipment and the Jeanerette Volunteer Fire Department provides public safety service almost exclusively to benefit the City of Jeanerette; therefore, these general-purpose financial statements include expenditures incurred directly by the Jeanerette Volunteer Fire Department from public funds in the General Fund. These general-purpose financial statements include operating expenditures paid with self-generated funds of the Jeanerette Volunteer Fire Department.

The following organizations are related organizations which have not been included in the reporting entity:

Jeanerette City Court -

The Jeanerette City Court is staffed by independently elected officials. Although the city does provide facilities and some of its financing, no control is exercised over its operations.

Bicentennial Park and Museum Board -

The Mayor and Board of Alderman are responsible for appointing the members of the Board, but the City's accountability for this organization does not extend beyond making these appointments.

B. Fund Accounting

The accounts of the City of Jeanerette are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

## CITY OF JEANERETTE, LOUISIANA

### Notes to Financial Statements (Continued)

The various funds are grouped, in the financial statements in this report, into six generic fund types and three broad fund categories as follows:

#### Governmental Fund Types:

##### 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 or major capital projects) that are legally restricted to expenditures for specified purposes.

##### Debt Service Funds

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

##### Capital Projects Funds

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major facilities (other than those financed by proprietary fund, special assessment funds, and trust funds).

#### Proprietary Fund Type:

##### 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 cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City of Jeanerette's enterprise fund is the Utility Fund.*

#### Fiduciary Fund Types:

##### 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.



CITY OF JEANERETTE, LOUISIANA

Notes to Financial Statements (Continued)

Account Groups:

Account groups are used to establish accounting control and accountability for the City's general fixed assets and general long-term debt. The account groups are not funds. They are concerned only with the measurement of financial position, not with measurement of results of operations.

*General Fixed Assets Account Group*

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group.

*General Long-Term Debt Account Group*

Long-term debt expected to be financed from governmental funds is accounted for in the general long-term debt account group.

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

*Governmental Fund Types*

All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of the governmental funds and expendable trust funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types and expendable trust funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

CITY OF JEANERETTE, LOUISIANA

Notes to Financial Statements (Continued)

The following practices in recording revenues and expenditures have been used for the governmental funds:

Revenues

Revenues are recognized when they become measurable and available as current assets.

Sales tax is considered as "measurable" when in the hands of the Sales Tax Collector and is recognized as revenue at that time. Ad valorem taxes are recognized as revenue in the year in which such taxes are billed to taxpayers. Other major revenues that are considered susceptible to accrual include earned grant revenues and other intergovernmental revenues, charges for services, and franchise fees. Licenses and permits are recognized when received because they are not objectively measurable. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Interest income on time deposits and revenues from rentals, leases, and royalties are recorded when earned.

Substantially all other revenues are recorded when received.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except that accumulated unpaid vacation and sick pay are not accrued and principal and interest on general long-term debt is recognized as an expenditure when due.

Commitments under construction contracts are recognized as expenditures when earned by the contractor.

All other expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, if it is expected to be paid within the next twelve months. Liabilities, which will not be liquidated with expendable available financial resources, are recorded in the general long-term debt account group.

Deferred Revenues

Deferred revenues arise when resources are received before the City has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures.

In subsequent periods, when the City has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and the revenue is recognized.

CITY OF JEANERETTE, LOUISIANA

Notes to Financial Statements (Continued)

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, debt extinguishment, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Proprietary Fund Type

All proprietary funds are accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance.

With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The proprietary funds use the *accrual basis of accounting*. Revenues are recognized when earned, and expenses are recognized at the time liabilities are incurred.

The School Board applies all applicable Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989 in accounting and reporting for its proprietary operations unless those pronouncements conflict with or contradict Governmental Accounting Standards Board (GASB) pronouncements.

Agency Funds

Agency Fund assets and liabilities are accounted for on the modified accrual basis.

D. Budget and Budgetary Accounting

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

1. The Mayor, Finance Chairman, and Secretary-Treasurer prepare a proposed budget and submit it to the Board of Aldermen no later than *fifteen days prior to the beginning of each fiscal year*.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to *finalize and implement the budget*, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.

## CITY OF JEANERETTE, LOUISIANA

### Notes to Financial Statements (Continued)

5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Aldermen.
8. Budgetary control is exercised at the fund level.

#### E. Encumbrances

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

#### F. Bad Debts

Uncollectible amounts due for ad valorem taxes and customers' utility receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable.

#### G. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the City may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the City may invest in United States bonds, treasury notes or certificates. These are classified as investments if their original maturities exceed 90 days. Investments are stated at cost, which approximates market.

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

CITY OF JEANERETTE, LOUISIANA

Notes to Financial Statements (Continued)

H. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

I. Restricted Assets

Certain cash balances in the enterprise funds are restricted because they represent customer meter deposits held on behalf of utility customers.

J. Vacation and Sick Leave

Vacation and sick leave are recorded as expenditures of the period in which paid. Vacation credits earned by employees range from 4 hours per month to 14 hours per month depending upon length of service. Two-thirds (2/3) of vacation credits earned during an employment year must be taken that year. Only one-third (1/3) of accumulated vacation time may be carried over to the following year. Employees may accumulate a maximum of 120 sick days, and any sick leave credit due an employee whose service with the City is terminated by reason of resignation or discharge is canceled.

The City's liability for accumulated unpaid vacation was immaterial and therefore is not accrued.

K. Fixed Assets

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. These assets are recorded as expenditures in the governmental fund types when purchased. The City has elected to capitalize public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including streets, bridges, sidewalks, and drainage improvements. No depreciation has been provided on general fixed assets.

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

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

CITY OF JEANERETTE, LOUISIANA

Notes to Financial Statements (Continued)

The estimated useful lives are as follows:

Water Utility -	
Wells	25 years
Storage tanks	30 years
Equipment and automotive	3-10 years
Improvement and lines	15-50 years
Sewerage Utility -	
Pump stations, lines and other improvements	30-50 years
Automotive	3-8 years
Other equipment	5-10 years

The City follows the policy of capitalizing interest as a component of the cost of property, plant, and equipment constructed for its own use.

At June 30, 1999 no capitalized interest was recorded in the financial statements.

L. Long-term Obligations

Long-term obligations expected to be financed from governmental funds are accounted for in the general long-term debt account group.

Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

M. Fund Equity

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developer's, customers, or other funds.

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

CITY OF JEANERETTE, LOUISIANA  
Notes to Financial Statements (Continued)

N. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers of the primary government are reported as operating transfers.

O. Total Columns on Combined Statements

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

(2) Cash and Cash Equivalents

At June 30, 1999, the City has cash and cash equivalents (book balances) as follows:

Cash and interest-bearing deposits	<u>\$ 260,897</u>
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These deposits are state at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. 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. At June 30, 1999 the City has \$292,875 in deposits (bank balances).

These deposits are entirely secured from risk by federal deposit insurance.

CITY OF JEANERETTE, LOUISIANA

Notes to Financial Statements (Continued)

(3) Investments

The City can invest in direct debt securities of the United States unless such an investment is expressly prohibited by law. The City's investments are categorized to give an indication of the level of risk assumed by it at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments with securities held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments with securities held by the counterparty, or by its trust department or agent, but not in the City's name.

In accordance with GASB Codification Section I50.165, the investment in LAMP is not categorized in the three risk categories provided by GASB Codification Section I50.164 because the investment is in the pool of funds and thereby not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc.; a non-profit corporation organized under the laws of the State of Louisiana, and is governed by a board of directors comprised of representatives from various local governments and statewide professional organizations. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2-a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments.

The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U. S. Treasury, the U. S. government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair market value of investments is determined on a weekly basis to monitor any variances between amortized cost and market value. For purposes of determining participants' shares, investments are valued at amortized cost. GASB Statement No. 31 requires that investments, that fall within the definitions of said statement, be recorded at fair value. However, Statement No. 31 also states that investments in an external investment pool can be reported at amortized cost if the external investment pool operates in a manner consistent with the Security Exchange Commission's (SEC's) Rule 2a7. LAMP is an external investment pool that operates in a manner consistent with SEC Rule 2a7.

At June 30, 1999, the City's investments totaled \$411,651 as follows:

Description	Category	Interest Rate	Carrying Amount/ Amortized Cost	Approximate Fair Value
Louisiana Asset Management Pool (LAMP)	N/A	4.450%	\$ 411,651	\$ 411,651
			<u>\$ 411,651</u>	<u>\$ 411,651</u>



CITY OF JEANERETTE, LOUISIANA  
Notes to Financial Statements (Continued)

(4) Receivables

Accounts receivable in the enterprise funds consisted of the following at June 30, 1999:

Accounts -		
Utility system fund	\$	223,755
Less: Allowance for uncollectibles		<u>(74,556)</u>
Total	\$	<u>149,199</u>

Due from other governmental agencies at June 30, 1999 consisted of:

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Total</u>
Tobacco tax	\$ 7,880	\$ -	\$ 7,880
Beer tax	1,587	-	1,587
Sales tax	-	7,021	7,021
Video poker	1,112	-	1,112
Other	<u>5,111</u>	<u>-</u>	<u>5,111</u>
Total	<u>\$ 15,690</u>	<u>\$ 7,021</u>	<u>\$ 22,711</u>

Other receivables consisted of the following at June 30, 1999:

	<u>General Fund</u>	<u>Agency Fund</u>	<u>Total</u>
Telephone franchise fee	\$ 6,093	\$ -	\$ 6,093
Cable franchise fee	2,701	-	2,701
Electric franchise fee	12,168	-	12,168
Fines and forfeitures	1,001	-	1,001
Miscellaneous	<u>3,910</u>	<u>1,000</u>	<u>4,910</u>
Total	<u>\$ 25,873</u>	<u>\$ 1,000</u>	<u>\$ 26,873</u>

CITY OF JEANERETTE, LOUISIANA

Notes to Financial Statements (Continued)

(5) Interfund Receivables, Payables

Interfund receivables and payables at June 30, 1999 consisted of the following:

	Receivables	Payables
General fund	\$ 7,748	\$ 392,783
Special revenue funds:		
1 % sales tax fund	15,886	2,268
1/4 % sales tax fund (1973)	37,000	-
1/4 % sales tax fund (1985)	-	1,224
Park fund	9,474	145
HUD Section 8 Housing	2,226	3,153
Water works and street maintenance	3,145	-
Summer feeding program	20,000	6,241
Debt service fund:		
Waterworks Improvement	59	-
Capital projects fund:		
Waterworks improvement project	-	40,476
Enterprise funds:		
Utility fund	430,227	55,958
Agency funds:		
Payroll fund	9,439	29,478
Disbursement fund	369,311	372,789
Total	\$ 904,515	\$ 904,515

(6) Restricted Assets – Proprietary Funds

Restricted assets consisted of the following accounts at June 30, 1999:

Customer meter deposits	
Cash and interest-bearing deposits	\$ 6,169
Investments, at cost	45,168
Total	\$ 51,337

CITY OF JEANERETTE, LOUISIANA

Notes to Financial Statements (Continued)

(7) Changes in Fixed Assets

A summary of changes in general fixed assets for the year ended June 30, 1999 is as follows:

	Balance 6/30/98	Additions	Deletions	Balance 6/30/99
Buildings	\$ 2,315,933	\$ -	\$ -	\$ 2,315,933
Improvements other than buildings	4,516,860	7,689	-	4,524,549
Equipment	1,118,420	-	-	1,118,420
Total general fixed assets	<u>\$ 7,951,213</u>	<u>\$ 7,689</u>	<u>\$ -</u>	<u>\$ 7,958,902</u>

Summary of enterprise fund type property, plant and equipment at June 30, 1999 is as follows:

	Balance 6/30/98	Additions	Deletions	Balance 6/30/99
Land	\$ 40,372	\$ -	\$ -	\$ 40,372
Equipment	103,055	-	-	103,055
Utility systems:				
Sewer system	6,220,352	24,367	-	6,244,719
Water system	3,863,389	-	-	3,863,389
Less:				
Accumulated depreciation	4,267,329	275,555	-	4,542,884
	<u>\$ 5,959,839</u>	<u>\$ (251,188)</u>	<u>\$ -</u>	<u>\$ 5,708,651</u>

Depreciation expense on fixed assets used by enterprise funds for the year ended June 30, 1999 was \$275,555.

CITY OF JEANERETTE, LOUISIANA

Notes to Financial Statements (Continued)

(8) Interfund Transfers

Transfers between funds for the year ended June 30, 1999, were:

	Transfers in	Transfers out
<b>General Fund:</b>		
1% Sales Tax Fund	\$ 257,000	\$ 1,000
1/4% Sales Tax Fund (1973)	5,500	
1/4% Sales Tax Fund (1985)	105,500	-
Sewer Improvements of 1973 Fund	68	
Park Fund	10,000	-
Summer Feeding Program Fund	-	1,400
Waterworks Improvements Fund	802	18
1996 General Obligation Bond Fund	568	
King Joseph Park Pavilion Project Fund	-	10,000
Utilitiy Fund	483,472	57,000
<b>Special Revenue Funds:</b>		
1% Sales Tax Fund -		
General Fund	1,000	257,000
1/4% Sales Tax Fund (1973)	-	-
1/4% Sales Tax Fund (1985)	16,183	20,228
Sales Tax Bond Sinking Fund	-	84,133
Sales Tax Bond Reserve Fund	4,500	-
Utility Fund	5,000	-
1/4% Sales Tax Fund (1973)		
General Fund	-	5,500
Utility Fund	-	86,000
1/4% Sales Tax Fund (1985)-		
General Fund	-	105,500
1% Sales Tax Fund	20,228	16,183
Park Fund -		
General Fund	-	10,000
T J Viator Memorial Park Pavilion Project Fund	-	25,000
Summer Feeding -		
General Fund	1,400	-

CITY OF JEANERETTE, LOUISIANA

Notes to Financial Statements (Continued)

	Transfers In	Transfers Out
<b>Debt Service Funds:</b>		
Sewer Improvement of 1973 Fund -		
General Fund	-	68
Sewer Improvement of 1973 District #1 Fund -		
Utility Fund	-	61
Waterworks Improvement Fund -		
General Fund	18	802
Sales Tax Bond Sinking Fund -		
1% Sales Tax Fund	84,133	-
Sales Tax Bond Reserve Fund -		
1% Sales Tax Fund	-	4,500
1996 General Obligation Bond Fund		
General Fund	-	568
<b>Capital Projects Funds:</b>		
Waterworks Improvements Fund-		
Utility Fund	-	17
LCDBG Street Improvements Fund -		
1986 G.O. Bond Construction Fund	17,291	-
King Joseph Pavilion Project Fund -		
General Fund	10,000	-
1986 G.O. Bond Construction Fund -		
LCDBG Street Improvements Fund	-	17,291
Utility Fund	-	23,210
T J Viator Memorial Park Pavilion Project Fund -		
Park Fund	25,000	-
<b>Enterprise Funds:</b>		
Utility Fund-		
General Fund	57,000	483,472
1% Sales Tax Fund	-	5,000
1/4% Sales Tax Fund (1973)	86,000	-
Sewer Improvement of 1973 District #1 Fund	61	-
1986 G.O. Bond Construction	23,210	-
Waterworks Improvement Fund	17	-
<b>Total</b>	<b>\$ 1,213,951</b>	<b>\$ 1,213,951</b>

CITY OF JEANERETTE, LOUISIANA

Notes to Financial Statements (Continued)

(9) Changes in Long-term Debt

The following is a summary of long-term debt transactions of the City for the year ending June 30, 1999:

	6/30/98	Additions	Deletions	6/30/99
General obligation bonds	\$ 1,605,000	\$ -	\$150,000	\$ 1,455,000
Obligations under capital lease	85,969	-	29,544	56,425
Total general long-term debt	\$ 1,690,969	\$ -	\$179,544	\$ 1,511,425

General Long-Term Debt

Bonds and obligations under capital leases payable at June 30, 1999 are comprised of the following individual issues:

General Obligation Bonds:

\$700,000 1980 Public Improvement Bonds due in annual installments of \$50,000 to \$65,000 through 12/1/2000; interest at 8% per annum	\$ 125,000
700,000 1980 Public Improvement Bonds due in annual installments of \$50,000 to \$65,000 through 12/1/2000; interest at 8.0%; payable from 1% sales tax revenues	545,000
\$850,000 1996 General Obligation Bonds due in annual installments of \$20,000 to \$70,000 through 3/1/2016; interest at 5.5% - 8% payable from the levy of a specific ad valorem tax	785,000
	\$ 1,455,000

Obligations Under Capital Leases:

Vehicle and computer capital lease obligations due in monthly installments of \$2,482 through 8/30/2000, and \$839 thereafter through 10/31/2001	\$ 56,425
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CITY OF JEANERETTE, LOUISIANA

Notes to Financial Statements (Continued)

The annual requirements to amortize all long-term debt outstanding as of June 30, 1999, including interest payments of \$651,234, are as follows:

<u>Year Ending June 30</u>	<u>General Obligation</u>	<u>Obligations Under Capital Leases</u>	<u>Total</u>
2000	\$ 263,058	\$ 30,965	\$ 294,023
2001	255,998	31,696	287,694
2002	191,058	-	191,058
2003	187,798	-	187,798
2004	189,248	-	189,248
2005-2009	486,506	-	486,506
2010-2014	376,213	-	376,213
2015-2019	150,119	-	150,119
	<u>\$ 2,099,998</u>	<u>\$ 62,661</u>	<u>\$ 2,162,659</u>

A resolution adopted October 22, 1980 authorizing the issuance of \$700,000 Public Improvement and Refunding Bonds, Series 1980, requires the establishment and maintenance of a sales tax bond sinking fund. During the year ended June 30, 1999, the City was not in compliance with the terms and conditions of the resolution by failing to make required transfers to the sinking fund.

(10) Ad Valorem Taxes

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

The City bills and collects its own property taxes using the assessed values determined by the tax assessor of Iberia Parish.

For the year ended June 30, 1999, taxes of 22.07 mills were levied on property with assessed valuations totaling \$17,439,618 and were dedicated as follows:

General corporate purposes 8.72 mills

Debt service:

Water system improvements 7.85 mills

General obligation bonds 5.50 mills

Total taxes levied for the year ended June 30, 1999 were \$384,892.

CITY OF JEANERETTE, LOUISIANA

Notes to Financial Statements (Continued)

(11) Dedication of Proceeds and Flow of Funds – 1% Sales and Use Tax

Proceeds of a 1% sales and use tax levied by the City of Jeanerette (1999 collections, \$370,904; 1998, \$367,540) are dedicated to the following purposes:

Constructing, acquiring, extending, improving, operating and/or maintaining drainage facilities, street lighting facilities, sidewalks, sewers and sewerage disposal works, recreational facilities, public buildings and/or fire department stations and equipment, including fire engines; purchasing and acquiring equipment and furnishings for the aforesaid public works, buildings, improvements and facilities; and maintaining and operating the municipal police department and garbage collection and disposal facilities, including the purchase of equipment therefore, title to which improvements shall be in the public name; or for any one or more of said purposes; and such tax to be subject to findings funding into bonds by the City into the manner authorized by Louisiana Revised Statutes of 1950.

A portion of the proceeds of the sales tax collections, after the payment of all reasonable and necessary costs and expenses of collecting and administering the tax, is dedicated to the retirement of public improvement bonds dated December 1, 1980. These monies are required to be transferred monthly to a debt retirement fund in accordance with the schedule of payments in the bond agreement.

(12) Dedication of Proceeds and Flow of Funds – Sales and Use Tax (1973)

Proceeds of a sales and uses tax levied by the City of Jeanerette beginning in 1973 (1999 collections \$92,726; 1998, \$91,885) are dedicated to the following purposes:

Constructing, acquiring, extending, improving, operating and/or maintaining sewers and sewerage disposal works and waterworks facilities, and purchasing and acquiring the necessary land, equipment and furnishings for the aforesaid public works, improvements and facilities.

(13) Dedication of Proceeds and Flow of Funds – Sales and Use Tax (1985)

Proceeds of a 1/4% sales and use tax levied by the City of Jeanerette (1999 collections \$92,726; 1998 \$91,885) beginning of April 1985 are dedicated to and may be used for any lawful corporate purpose.



CITY OF JEANERETTE, LOUISIANA

Notes to Financial Statements (Continued)

(14) Pension Plans

Eligible employees of the City participate in two multiple – employer public employee retirement systems (PERS) which are controlled and administered by two separate boards of trustees. These retirement systems provide retirement, disability and death benefits to plan members and their beneficiaries. Benefits under each system are established and amended by state statutes. Pertinent information for each system follows:

A. Municipal Employee's Retirement System

Plan members are required to contribute 5.75% of their annual covered salary to the system while the City is required to contribute at the statutory rate of 9.25% of the total annual covered salary. The City's contributions to the system for the years ended June 30, 1999, 1998 and 1997 were \$30,904, \$39,651, \$38,606, respectively, equal to the required contribution for each year.

A publicly available financial report that includes financial statements and required supplemental financial information may be obtained by writing to the Municipal Employee's Retirement System, 79337 Office Park Blvd., Baton Rouge, Louisiana, 70809.

B. Municipal Police Employee's Retirement System

Plan members are required to contribute 7.5% of their annual covered salary to the system while the City is required to contribute at the statutory rate of 9.0% of contributions to the system for the years ended June 30, 1999, 1998 and 1997 were \$21,006, \$28,713, \$29,125 respectively, equal to the required contribution for each year.

A publicly available financial report that includes financial statements and required supplemental financial information may be obtained by writing to the Municipal Police Employee's Retirement System, P. O. Box 94095 – Capital Station, Baton Rouge, Louisiana 70804-9095.

CITY OF JEANERETTE, LOUISIANA

Notes to Financial Statements (Continued)

(15) Reservation and Designation of Fund Equity

A. Governmental Funds

The unreserved fund balances for governmental funds represent the amount available for the budgeting future operations. Reservations of fund balances of governmental funds are created to either (1) satisfy legal covenants that require that a portion of the fund balance be segregated or (2) to identify the portion of the fund balance that is not appropriable for future expenditures. Designations are established to indicate tentative plans for financial resources utilization in a future period. Specific reservations and designations of the fund balance accounts are summarized below.

Reserved for Debt Service – this reserve is created by the legal restriction of bond agreements requiring the City to segregate a portion of fund balance to service principal and interest payments on general obligation bonds.

Reserve for capital projects – this reserve is for unused bond proceeds to be used for city improvements.

B. Proprietary Funds

Unreserved retained earnings for proprietary funds represent the net assets available for future operations or distributions.

(16) Contributed Capital

Amounts contributed to the Utility Fund for acquisition or construction of fixed assets are recognized as contributed capital. Contributed capital generated through grants externally restricted for capital acquisitions is amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such grants. This depreciation is closed to the appropriate contributed capital account and is reflected as an adjustment to net income on the Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings.

The sources of contributed capital used to acquire and construct facilities of the enterprise fund are as follows:

	<u>Municipality</u>	<u>Parish Grants</u>	<u>State and Federal Grants</u>	<u>Total</u>
Total contributed capital	\$ 2,622,167	\$ 10,000	\$ 6,340,655	\$ 8,972,822
Less: accumulated amortization	-	-	2,552,146	2,552,146
Net contributed capital	<u>\$ 2,622,167</u>	<u>\$ 10,000</u>	<u>\$ 3,788,509</u>	<u>\$ 6,420,676</u>

CITY OF JEANERETTE, LOUISIANA

Notes to Financial Statements (Continued)

(17) Fund Deficits

The following funds have deficits in unreserved fund balance or retained earnings at June 30, 1999:

General Fund	(451,815)
Capital Projects Funds:	
Waterworks Improvement Project	(40,476)
King Joseph Pavilion Project	(5,925)
Utility Fund	(277,241)

(18) Commitments and Contingencies

A. At June 30, 1999, the City was a defendant in various lawsuits. The City's legal counsel has reviewed the claims and lawsuits in order to evaluate the likelihood of an unfavorable outcome to the City and to arrive at an estimate, if any, of the amount or range of potential loss to the City. As a result of the review, the various claims and lawsuits have been categorized into "probable", "reasonably possible", or "remote", as defined by the Governmental Accounting Standards Board. It is the opinion of the City after conferring with legal counsel, that the liability, if any, which might arise from these lawsuits would not have a material adverse effect on the City's financial position.

B. Grant Audits

The City receives grants for specific purposes that are subject to review and audit by governmental agencies. Such audits could result in a request for reimbursement by the grantor for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of the City, such allowances, if any, will not be significant.

CITY OF JEANERETTE, LOUISIANA

Notes to Financial Statements (Continued)

(19) Compensation of Elected Officials

A detail of compensation paid to elected officials for the year ended June 30, 1999 follows:

	<u>Compensation</u>	<u>Term Expires</u>
James Alexander, Sr., Mayor	\$ 23,122	June 30, 1999
Board of Aldermen:		
Robert Grattner	5,100	June 30, 1999
Rinzer Bouie, Jr.	5,100	June 30, 1999
Willie Roman	5,100	June 30, 1999
Arthur Kahn	5,100	June 30, 1999
Whitney Vernon	5,100	June 30, 1999
	<u>\$ 48,622</u>	

(20) Expenditures in Excess of Appropriations

The following funds had expenditures in excess of budgeted appropriations:

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
General Fund	\$ 1,546,868	\$ 1,570,320	\$ (23,452)
Special Revenue Funds -			
1% Sales Tax Fund	20,500	25,367	(4,867)
Section 8 Housing Fund	104,670	110,280	(5,610)

(21) Subsequent Events

Subsequent to June 30, 1999, the City obtained permission to issue \$460,000 Certificates of Indebtedness, Series A of 1999 and \$375,000 Certificates of Indebtedness, Series B of 1999. The Series A of 1999 Certificates are being issued to refund and refinance an outstanding issue of Public Improvement and Refinancing Bonds, satisfy certain lease purchase obligations, and pay in full certain contractual obligations which are in arrears. The Series A of 1999 Certificates are payable at an average rate of 3.66 percent per annum. The Series B of 1999 Certificates are being issued for the purpose of constructing and acquiring improvements to the waterworks plant and distribution system and are payable at an average rate of 5.28 percent per annum. The certificates are secured and payable solely from the pledge and dedication of excess annual revenues and are payable on March 1, and September 1 of each year, commencing March 1, 2000.

**SUPPLEMENTAL INFORMATION**

## CITY OF JEANERETTE, LOUISIANA

### SUPPLEMENTAL INFORMATION Impact of Year 2000 on Computer Programs (Unaudited)

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

The City has completed an inventory of computer systems and other electronic equipment that may be affected by the year 2000 issue and that are necessary to conducting the City's operations and have identified such systems as being the City's network of computers used for financial reporting purposes.

- The City's system and personal computers have been assessed.
- The City's customized software programs are currently being remediated by a vendor.

No contracted amounts are committed to these projects as of June 30, 1999.

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

**SCHEDULES OF INDIVIDUAL FUNDS AND ACCOUNT GROUPS**

## **GENERAL FUND**

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



CITY OF JEANERETTE, LOUISIANA  
General Fund

Balance Sheet  
June 30, 1999

ASSETS

Cash and interest-bearing deposits	\$ 37,115
Receivables -	
Due from other funds	7,748
Due from other governmental agencies	15,690
Other	<u>25,873</u>
 Total assets	 <u>\$ 86,426</u>

LIABILITIES AND FUND BALANCE

Liabilities -	
Accounts payable	\$ 145,458
Due to other funds	<u>392,783</u>
Total liabilities	<u>538,241</u>
 Fund Balance (deficit)-	
Unreserved:	
Designated	1,109
Undesignated	<u>(452,924)</u>
Total fund balance (deficit)	<u>(451,815)</u>
 Total liabilities and fund balance	 <u>\$ 86,426</u>

CITY OF JEANERETTE, LOUISIANA  
General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance  
Year Ended June 30, 1999

Revenues:	
Taxes	\$ 266,801
Licenses and permits	150,920
Intergovernmental	224,668
Fines and forfeits	9,817
Leases and rents	6,509
Miscellaneous	<u>66,193</u>
Total revenues	<u>724,908</u>
Expenditures:	
Current -	
General government	493,838
Public safety:	
Police	582,252
Fire	25,988
Streets and drainage	227,035
Capital outlay	-
Debt service -	
Principal retirement	229,544
Interest and fiscal charges	<u>11,663</u>
Total expenditures	<u>1,570,320</u>
Deficiency of revenues over expenditures	<u>(845,412)</u>
Other financing sources (uses):	
Operating transfers in	862,910
Operating transfers out	(69,418)
Proceeds from shoert term certificates	<u>200,000</u>
Total other financing sources	<u>993,492</u>
Deficiency of revenues and other sources over expenditures and other uses	148,080
Fund (deficit), beginning	<u>(599,895)</u>
Fund (deficit), ending	<u>\$ (451,815)</u>

CITY OF JEANERETTE, LOUISIANA  
General Fund

Statement of Revenues  
Budget (GAAP Basis) and Actual  
Year Ended June 30, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<b>TAXES -</b>			
Ad valorem tax	\$143,000	\$153,132	\$ 10,132
Franchise fees:			
Electric	48,000	51,694	3,694
Cable TV	10,400	10,489	89
Telephone	18,000	23,568	5,568
Gas	<u>33,000</u>	<u>27,918</u>	<u>(5,082)</u>
Total taxes	<u>252,400</u>	<u>266,801</u>	<u>14,401</u>
<b>LICENSES AND PERMITS -</b>			
Occupational	144,000	144,452	452
Permits	<u>11,000</u>	<u>6,468</u>	<u>(4,532)</u>
Total licenses and permits	<u>155,000</u>	<u>150,920</u>	<u>(4,080)</u>
<b>INTERGOVERNMENTAL -</b>			
Federal grants	15,000	49,000	34,000
Tobacco taxes	30,000	31,518	1,518
Beer taxes	9,200	10,128	928
Fire protection	12,000	27,686	15,686
Video poker	9,900	5,807	(4,093)
La. Commission on Law Enforcement Grant	-	-	-
Mosquito Control & Drainage	70,000	98,092	28,092
Office of Rural development	-	-	-
Drug Awareness	-	1,250	1,250
Drug Grant	-	1,187	1,187
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total intergovernmental	<u>146,100</u>	<u>224,668</u>	<u>78,568</u>
<b>CHARGES FOR SERVICES -</b>			
Garbage collection	<u>244,200</u>	<u>-</u>	<u>(244,200)</u>
<b>FINES AND FORFEITS</b>			
	<u>4,000</u>	<u>9,817</u>	<u>5,817</u>
<b>LEASES AND RENTS</b>			
	<u>-</u>	<u>6,509</u>	<u>6,509</u>
<b>MISCELLANEOUS -</b>			
Interest income	1,200	1,559	359
Miscellaneous	<u>13,720</u>	<u>64,634</u>	<u>50,914</u>
Total miscellaneous	<u>14,920</u>	<u>66,193</u>	<u>51,273</u>
Total revenues	<u>\$816,620</u>	<u>\$724,908</u>	<u>\$ (91,712)</u>

CITY OF JEANERETTE, LOUISIANA  
General Fund

Statement of Expenditures  
Budget (GAAP Basis) and Actual  
Year Ended June 30, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
GENERAL GOVERNMENT -			
Salaries-administrative	\$ 145,000	\$ 162,403	\$ (17,403)
Salaries-executive	25,500	25,500	-
Legal and professional	26,400	46,087	(19,687)
Accounting and auditing fees	25,000	35,461	(10,461)
Insurance	40,400	33,438	6,962
Retirement	12,413	6,428	5,985
Council on Aging appropriations	1,000	500	500
Equipment rental	4,800	-	4,800
Telephone	8,500	12,921	(4,421)
Utilities	3,500	6,447	(2,947)
Tax assessor fees	5,200	3,278	1,922
Inspection fees	2,000	1,942	58
Office supplies and expenses	18,700	36,731	(18,031)
City court expenses	43,570	68,585	(25,015)
Payroll taxes	4,010	7,515	(3,505)
Repairs and maintenance	2,500	6,801	(4,301)
Travel	6,000	10,064	(4,064)
Election expense	-	7,272	(7,272)
Meetings & conventions	-	2,561	(2,561)
Miscellaneous	7,250	19,904	(12,654)
Total general government	<u>381,743</u>	<u>493,838</u>	<u>(112,095)</u>

(continued)

CITY OF JEANERETTE, LOUISIANA  
General Fund

Statement of Expenditures  
Budget (GAAP Basis) and Actual (continued)  
Year Ended June 30, 1999

	Budget	Actual	Variance - Favorable (Unfavorable)
<b>POLICE PROTECTION -</b>			
Salaries	290,000	356,797	(66,797)
Payroll taxes and employee benefits	7,100	4,406	2,694
Insurance	93,000	99,326	(6,326)
Retirement	27,000	30,715	(3,715)
Prisoner expenditures	11,500	3,853	7,647
Repairs and maintenance	7,000	2,975	4,025
Auto expense	30,000	23,288	6,712
Juvenile detention	-	4,724	(4,724)
Meetings & conventions	-	842	(842)
Utilities and telephone	18,500	16,810	1,690
Uniforms	2,000	(2,291)	4,291
Office supplies	3,500	9,824	(6,324)
Professional fees	-	2,975	(2,975)
Training	3,500	740	2,760
Miscellaneous	34,100	27,268	6,832
Total police protection	527,200	582,252	(55,052)
<b>FIRE PROTECTION -</b>			
Insurance	\$ 5,000	\$ 4,469	\$ 531
Fire truck maintenance and repairs	3,500	3,267	233
Maintenance of fire station and equipment	1,500	766	734
Utilities and telephone	5,000	5,162	(162)
Training	1,300	2,021	(721)
Miscellaneous	400	10,303	(9,903)
Total fire protection	16,700	25,988	(9,288)

(continued)

CITY OF JEANERETTE, LOUISIANA  
General Fund

Statement of Expenditures  
Budget (GAAP Basis) and Actual (Continued)  
Year Ended June 30, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<b>STREETS AND DRAINAGE -</b>			
Salaries	88,000	129,729	(41,729)
Payroll taxes and employee benefits	2,100	780	1,320
Retirement	8,625	6,052	2,573
Equipment maintenance	12,450	10,292	2,158
Equipment rental	150	1,252	(1,102)
Gradall maintenance	4,000	746	3,254
Materials, gravel and hauling	5,000	2,544	2,456
Insurance	34,000	41,734	(7,734)
Paint and signs	1,000	(66)	1,066
Road projects	2,000	2,197	(197)
Sidewalk repairs	750	10,842	(10,092)
Tool and equipment	3,500	1,795	1,705
Utilities and repair	4,200	16,074	(11,874)
Miscellaneous	450	3,064	(2,614)
Total streets and drainage	<u>166,225</u>	<u>227,035</u>	<u>(60,810)</u>
 <b>SANITATION -</b>			
Garbage service contract	<u>216,000</u>	<u>-</u>	<u>216,000</u>
 <b>DEBT SERVICE -</b>			
Principal retirement	232,000	229,544	2,456
Interest expense	<u>7,000</u>	<u>11,663</u>	<u>(4,663)</u>
Total debt service	<u>239,000</u>	<u>241,207</u>	<u>(2,207)</u>
 Total expenditures	 <u>\$ 1,546,868</u>	 <u>\$ 1,570,320</u>	 <u>\$ (23,452)</u>

## **SPECIAL REVENUE FUNDS**

### **1 % Sales Tax Fund**

To account for the receipt and use of proceeds of the City's 1 % sales and use tax.

### **1/4 % Sales Tax Fund (1973)**

To account for the receipt and use of proceeds of the City's 1/4% sales and use tax levied since 1973.

### **1/4 % Sales Tax Fund (1985)**

To account for the receipt and use of proceeds of the City's 1/4% sales and use tax levied since April 1, 1985.

### **Park Fund**

To account for the receipt and use of ad valorem taxes dedicated to recreation.

### **Section 8 Housing Fund**

To account for the receipt and use of grants received from the U.S. Department of Housing and Urban Development for rental assistance to low income renters in the City.

### **Summer Feeding Program Fund**

To account for the receipt and use of a grant received from the U.S. Department of Agriculture through the Louisiana Department of Education for the purpose of providing meals at no charge to children during the summer months.

### **Waterworks and Street Maintenance and Operation Fund**

To account for the receipt and use of ad valorem taxes dedicated to the purpose of constructing waterworks and street improvements and paying the maintenance and operating expenses thereof.

CITY OF JEANERETTE, LOUISIANA  
Special Revenue Funds

Combining Balance Sheet  
June 30, 1999

	1% Sales Tax	1/4% Sales Tax (1973)	1/4% Sales Tax (1985)	Park	Section 8 Housing	Summer Feeding Program	Waterworks and Street Maintenance and Operations	Totals
<b>ASSETS</b>								
Cash and interest-bearing deposits	\$24,432	\$ 8,572	\$ 8,478	\$ 7,165	\$16,888	\$12,716	\$ -	\$ 78,251
Receivables -								
Due from other funds	15,886	37,000	-	9,474	2,226	20,000	3,145	87,731
Due from other governmental agencies	<u>4,681</u>	<u>1,170</u>	<u>1,170</u>	-	-	-	-	<u>7,021</u>
Total assets	<u>\$44,999</u>	<u>\$46,742</u>	<u>\$ 9,648</u>	<u>\$16,639</u>	<u>\$19,114</u>	<u>\$32,716</u>	<u>\$3,145</u>	<u>\$173,003</u>
<b>LIABILITIES AND FUND BALANCE</b>								
Liabilities:								
Accounts payable	\$ 1,875	\$ -	\$ -	\$ -	\$ 372	\$ 17	\$ -	\$ 2,264
Accrued expenses	8	-	-	-	-	-	-	8
Deferred revenue	-	-	-	-	13,449	-	-	13,449
Due to other governmental agencies	-	-	-	-	2,140	-	-	2,140
Due to other funds	<u>2,268</u>	<u>1,224</u>	<u>1,224</u>	<u>145</u>	<u>3,153</u>	<u>6,241</u>	<u>-</u>	<u>13,031</u>
Total liabilities	4,151	1,224	1,224	145	19,114	6,258	-	30,892
Fund balance:								
Unreserved, undesignated	<u>40,848</u>	<u>46,742</u>	<u>8,424</u>	<u>16,494</u>	-	<u>26,458</u>	<u>3,145</u>	<u>142,111</u>
Total liabilities and fund balance	<u>\$44,999</u>	<u>\$46,742</u>	<u>\$ 9,648</u>	<u>\$16,639</u>	<u>\$19,114</u>	<u>\$32,716</u>	<u>\$3,145</u>	<u>\$173,003</u>



CITY OF JEANERETTE, LOUISIANA  
Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Year Ended June 30, 1999

	1% Sales Tax	1/4% Sales Tax (1973)	1/4% Sales Tax (1985)	Park	Section 8 Housing	Summer Feeding Program	Waterworks and Street Maintenance and Operations	Totals
<b>Revenues:</b>								
Taxes	\$370,904	\$92,726	\$92,726	\$ -	\$ -	\$ -	\$ -	\$556,356
Intergovernmental	-	-	-	-	110,280	44,547	-	154,827
Miscellaneous	159	95	131	447	-	-	-	832
Total revenues	<u>371,063</u>	<u>92,821</u>	<u>92,857</u>	<u>447</u>	<u>110,280</u>	<u>44,547</u>	<u>-</u>	<u>712,015</u>
<b>Expenditures:</b>								
Current -								
General government	25,367	-	-	-	-	-	-	25,367
Welfare - feeding program	-	-	-	-	-	48,364	-	48,364
Urban redevelopment and housing	-	-	-	-	110,280	-	-	110,280
Total expenditures	<u>25,367</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>110,280</u>	<u>48,364</u>	<u>-</u>	<u>184,011</u>
Excess of revenues over expenditures	345,696	92,821	92,857	447	-	(3,817)	-	528,004
Other financing sources (uses):								
Operating transfers in	26,683	-	20,228	-	-	1,400	-	48,311
Operating transfers out	(361,361)	(91,500)	(121,683)	(35,000)	-	-	-	(609,544)
Total other financing sources (uses)	<u>(334,678)</u>	<u>(91,500)</u>	<u>(101,455)</u>	<u>(35,000)</u>	<u>-</u>	<u>1,400</u>	<u>-</u>	<u>(561,233)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	11,018	1,321	(8,598)	(34,553)	-	(2,417)	-	(33,229)
Fund balance (deficit), beginning	29,830	45,421	17,022	51,047	-	28,875	3,145	175,340
Fund balance, ending	<u>\$ 40,848</u>	<u>\$ 46,742</u>	<u>\$ 8,424</u>	<u>\$16,494</u>	<u>\$ -</u>	<u>\$ 26,458</u>	<u>\$ 3,145</u>	<u>\$142,111</u>

CITY OF JEANERETTE, LOUISIANA  
Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Budget (GAAP Basis) and Actual  
Year Ended June 30, 1999

	1% Sales Tax			1/4% Sales Tax (1973)		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:						
Taxes	\$ 339,720	\$ 370,904	\$ 31,184	\$ 85,200	\$ 92,726	\$ 7,526
Miscellaneous	-	159	159	-	95	95
Total revenues	339,720	371,063	31,343	85,200	92,821	7,621
Expenditures:						
Current -						
General government	20,500	25,367	(4,867)	-	-	-
Total expenditures	20,500	25,367	(4,867)	-	-	-
Excess of revenues over expenditures	319,220	345,696	26,476	85,200	92,821	7,621
Other financing sources (uses)						
Operating transfers in	-	26,683	26,683	-	-	-
Operating transfers out	(319,000)	(361,361)	(42,361)	(85,200)	(91,500)	(6,300)
Total other financing (uses)	(319,000)	(334,678)	(15,678)	(85,200)	(91,500)	(6,300)
Excess (deficiency) of revenues and other sources over expenditures and other uses	220	11,018	10,798	-	1,321	1,321
Fund balance, beginning	36,405	29,830	(6,575)	45,364	45,421	57
Fund balance, ending	\$ 36,625	\$ 40,848	\$ 4,223	\$ 45,364	\$ 46,742	\$ 1,378

(continued)

CITY OF JEANERETTE, LOUISIANA  
Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)  
Budget (GAAP Basis) and Actual  
Year Ended June 30, 1999

	1/4% Sales Tax (1985)			Park		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:						
Taxes	\$ 80,940	\$ 92,726	\$ 11,786	\$ -	\$ -	\$ -
Miscellaneous	-	131	131	-	447	447
Total revenues	<u>80,940</u>	<u>92,857</u>	<u>11,917</u>	<u>-</u>	<u>447</u>	<u>447</u>
Expenditures:						
Current -						
General government	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>80,940</u>	<u>92,857</u>	<u>11,917</u>	<u>-</u>	<u>447</u>	<u>447</u>
Other financing sources (uses)						
Operating transfers in	-	20,228	20,228	-	-	-
Operating transfers out	<u>(80,000)</u>	<u>(121,683)</u>	<u>(41,683)</u>	<u>-</u>	<u>(35,000)</u>	<u>(35,000)</u>
Total other financing (uses)	<u>(80,000)</u>	<u>(101,455)</u>	<u>(21,455)</u>	<u>-</u>	<u>(35,000)</u>	<u>(35,000)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	940	(8,598)	(9,538)	-	(34,553)	(34,553)
Fund balance, beginning	<u>22,586</u>	<u>17,022</u>	<u>(5,564)</u>	<u>39,646</u>	<u>51,047</u>	<u>11,401</u>
Fund balance, ending	<u>\$ 23,526</u>	<u>\$ 8,424</u>	<u>\$ (15,102)</u>	<u>\$ 39,646</u>	<u>\$ 16,494</u>	<u>\$ (23,152)</u>

CITY OF JEANERETTE, LOUISIANA  
Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Budget (GAAP Basis) and Actual  
Year Ended June 30, 1999

	Section 8 Housing			Summer Feeding Program		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:						
Intergovernmental	\$ 104,670	\$ 110,280	\$ 5,610	\$ 127,000	\$ 44,547	\$ (82,453)
Total revenues	<u>104,670</u>	<u>110,280</u>	<u>5,610</u>	<u>127,000</u>	<u>44,547</u>	<u>(82,453)</u>
Expenditures:						
Current -						
Welfare - feeding program	-	-	-	127,000	48,364	78,636
Urban redevelopment and housing	<u>104,670</u>	<u>110,280</u>	<u>(5,610)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>104,670</u>	<u>110,280</u>	<u>(5,610)</u>	<u>127,000</u>	<u>48,364</u>	<u>78,636</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,817)</u>	<u>(3,817)</u>
Other financing sources (uses)						
Operating transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,663</u>	<u>1,400</u>	<u>(22,263)</u>
Total other financing (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,663</u>	<u>1,400</u>	<u>(22,263)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,663</u>	<u>(2,417)</u>	<u>(26,080)</u>
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,663)</u>	<u>28,875</u>	<u>52,538</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,458</u>	<u>\$ 26,458</u>

(continued)

CITY OF JEANERETTE, LOUISIANA  
Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Cont  
Budget (GAAP Basis) and Actual  
Year Ended June 30, 1999

	Totals		Variance - Favorable (Unfavorable)
	Budget	Actual	
<b>Revenues:</b>			
Taxes	\$ 505,860	\$ 556,356	\$ 50,496
Intergovernmental	231,670	154,827	(76,843)
Miscellaneous	-	832	832
Total revenues	<u>737,530</u>	<u>712,015</u>	<u>(25,515)</u>
<b>Expenditures:</b>			
Current -			
General government	20,500	25,367	(4,867)
Welfare - feeding program	127,000	48,364	78,636
Urban redevelopment and housing	104,670	110,280	(5,610)
Total expenditures	<u>252,170</u>	<u>184,011</u>	<u>68,159</u>
Excess of revenues over expenditures	<u>485,360</u>	<u>528,004</u>	<u>42,644</u>
<b>Other financing sources (uses)</b>			
Operating transfers in	23,663	48,311	24,648
Operating transfers out	(484,200)	(609,544)	(125,344)
Total other financing (uses)	<u>(460,537)</u>	<u>(561,233)</u>	<u>(100,696)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	24,823	(33,229)	(58,052)
Fund balance, beginning	<u>120,338</u>	<u>172,195</u>	<u>51,857</u>
Fund balance, ending	<u>\$ 145,161</u>	<u>\$ 138,966</u>	<u>\$ (6,195)</u>

## **DEBT SERVICE FUNDS**

### **Sewerage Improvement of 1973**

To accumulate monies for repayment of the 1973 public improvements bonds, which were paid off in the year ended June 30, 1996.

### **Sewerage District #1 Improvements of 1973**

To accumulate monies for repayment of the 1973 public improvements bonds of sewerage district #1, which were paid off in the year ended June 30, 1996.

### **Waterworks Improvements of 1985 & 1991**

To accumulate monies for repayment of the 1985 and 1991 general obligation bonds which are serial bonds due in annual installments, plus interest, through maturity in 2005. Debt service is financed by the levy of an ad valorem tax.

### **Sales Tax Bond Sinking Fund of 1980**

To accumulate monies for the payment of the 1980 public improvement bonds which are serial bonds due in annual installments, plus interest, through maturity in 2000. Debt service is financed by the collection of the 1% sales tax.

### **Sales Tax Bond Reserve Fund of 1980**

To accumulate monies for the payment of the 1980 public improvement bonds (see Sales Tax Sinking Fund of 1980 above).

### **1996 General Obligation Bonds**

To accumulate monies for repayment of the 1996 general obligation bonds which are serial bonds due in annual installments, plus interest, through maturity in 2016. Debt service is financed by the levy of an ad valorem tax.

CITY OF JEANERETTE, LOUISIANA  
Debt Service Funds

Combining Balance Sheet  
June 30, 1999

	Waterworks Improvements 1985 & 1991	Sales Tax Bonds of 1980	1996 General Obligation Bonds	Totals
	Sinking	Reserve		
Cash and interest-bearing deposits	\$ 10,245	\$ (18)	\$ 4,838	\$ 15,928
Investments, at cost	180,672	75,574	80,299	366,483
Receivables-				
Due from other funds	59	-	-	59
Total assets	\$ 190,976	\$ 75,556	\$ 85,137	\$ 382,470
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities:	\$ -	\$ -	\$ -	\$ -
Fund balance -				
Reserved for debt service	190,976	75,556	85,137	382,470
Total fund balance	190,976	75,556	85,137	382,470
Total liabilities and fund balance	\$ 190,976	\$ 75,556	\$ 85,137	\$ 382,470

CITY OF JEANERETTE, LOUISIANA  
Debt Service Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Year Ended June 30, 1999

	Sewerage Improvements	Waterworks Improvements 1985 & 1991	Sales Tax Bonds of 1980	1996 General Obligation Bonds	Totals
	1973	1973 (Dist. #1)	Sinking Reserve		
<b>Revenues:</b>					
Ad valorem taxes	\$ -	\$ 136,913	\$ -	\$ 95,923	\$232,836
Interest income	-	4,402	656	1,782	9,435
Total revenues	-	141,315	656	97,705	242,271
<b>Expenditures:</b>					
General government - Paying agent fees	-	-	-	675	675
Other expenses	-	-	74	450	1,097
Total general government	-	-	74	1,125	1,772
<b>Debt service-</b>					
Principal retirement	-	70,000	55,000	25,000	150,000
Interest and fiscal charges	-	39,462	12,200	52,540	104,202
Other	-	-	-	-	-
Total debt service	-	109,462	67,200	77,540	254,202
Total expenditures	-	109,462	67,773	78,665	255,974
Excess (deficiency) of revenues over expenditures	-	31,853	(67,117)	19,040	(13,703)
<b>Other financing sources (uses):</b>					
Operating transfers in	-	18	84,133	-	84,151
Operating transfers out	(68)	(802)	(4,500)	(568)	(5,999)
Total other financial sources (uses)	(68)	(784)	84,133	(568)	78,152
Excess (deficiency) of revenues and other sources over expenditures and other uses	(68)	31,069	17,016	18,472	64,449
Fund balances, beginning	68	159,907	13,785	66,665	318,021
Fund balances, ending	\$ -	\$ 190,976	\$30,801	\$ 85,137	\$382,470



## **CAPITAL PROJECTS FUNDS**

### **Waterworks Improvements Fund**

To account for water system improvements to be financed from the proceeds of the \$1,000,000 general obligation bond issue dated November 1, 1985.

### **Louisiana Community Development Block Grant Fund**

To account for the balance remaining from a grant from the State of Louisiana for sewer system improvements.

### **King Joseph Pavilion Project Fund**

To account for the grant process from the State of Louisiana financing the expansion of facilities at the King Joseph Recreation Park.

### **1996 General Obligation Bonds Construction Fund**

To account for street and sewerage improvements to be financed by the proceeds of the \$850,000 general obligation bond issue of 1996.

### **T. J. Viator Memorial Park Pavilion Project Fund**

To account for the grant process from the State of Louisiana financing the expansion of facilities at the T. J. Viator Memorial Park.

CITY OF JEANERETTE, LOUISIANA  
Capital Projects Funds

Combining Balance Sheet  
June 30, 1999

		King Joseph Pavilion Project	1996 General Obligation Bonds Construction	T. J. Viator Memorial Park Pavilion Project	Totals
<b>ASSETS</b>					
Cash and interest-bearing deposits	\$ -	\$ 9,053	\$ 7,318	\$ 11,645	\$ 28,016
Total assets	<u>\$ -</u>	<u>\$ 9,053</u>	<u>\$ 7,318</u>	<u>\$ 11,645</u>	<u>\$ 28,016</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities -					
Accounts payable	\$ -	\$ 14,978	\$ -	\$ -	\$ 14,978
Due to other funds	40,476	-	-	-	40,476
Total Liabilities	<u>40,476</u>	<u>14,978</u>	<u>-</u>	<u>-</u>	<u>55,454</u>
Fund balances (deficit)-					
Unreserved, undesignated	(40,476)	(5,925)	-	-	(46,401)
Reserved for capital expenditures	-	-	7,318	11,645	18,963
Total fund balances (deficit)	<u>(40,476)</u>	<u>(5,925)</u>	<u>7,318</u>	<u>11,645</u>	<u>(27,438)</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 9,053</u>	<u>\$ 7,318</u>	<u>\$ 11,645</u>	<u>\$ 28,016</u>

CITY OF JEANERETTE, LOUISIANA  
Capital Projects Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Year Ended June 30, 1999

	Waterworks Improvements	Louisiana Community Development Block Grant	King Joseph Pavilion Project	1996 General Obligation Bonds Construction	T.J. Viator Memorial Park Pavilion Project	Totals
<b>Revenues:</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	503	275	778
Miscellaneous	-	-	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>503</u>	<u>275</u>	<u>778</u>
<b>Expenditures:</b>						
Construction Cost	-	-	13,950	-	-	\$ 13,950
Engineering Fees	-	-	28,717	-	13,630	42,347
Administration Fees	-	711	406	-	-	1,117
Capital outlay	-	-	-	7,689	-	7,689
<b>Total Expenditures</b>	<u>-</u>	<u>711</u>	<u>43,073</u>	<u>7,689</u>	<u>13,630</u>	<u>65,103</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>-</u>	<u>(711)</u>	<u>(43,073)</u>	<u>(7,186)</u>	<u>(13,355)</u>	<u>(64,325)</u>
<b>Other financing sources (uses):</b>						
Operating transfers in	-	17,291	10,000	-	25,000	52,291
Operating transfers out	(17)	-	-	(40,501)	-	(40,518)
<b>Total other financing sources (uses)</b>	<u>(17)</u>	<u>17,291</u>	<u>10,000</u>	<u>(40,501)</u>	<u>25,000</u>	<u>11,773</u>
<b>Excess (deficiency) of revenues and other sources over expenditures</b>	<u>(17)</u>	<u>16,580</u>	<u>(33,073)</u>	<u>(47,687)</u>	<u>11,645</u>	<u>(52,552)</u>
<b>Fund balances (deficit), beginning</b>	<u>(40,459)</u>	<u>(16,580)</u>	<u>27,148</u>	<u>55,005</u>	<u>-</u>	<u>25,114</u>
<b>Fund balances (deficit), ending</b>	<u>\$ (40,476)</u>	<u>\$ -</u>	<u>\$ (5,925)</u>	<u>\$ 7,318</u>	<u>\$ 11,645</u>	<u>\$ (27,438)</u>

## **ENTERPRISE FUND**

### **Utility Fund**

To account for the provision of water and sewerage services to residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to administration, operations, maintenance, financing and related debt service, and billing and

CITY OF JEANERETTE, LOUISIANA  
Enterprise Fund

Balance Sheet  
June 30, 1999

ASSETS	
Current assets:	
Cash and interest bearing deposits	\$ 43,049
Receivables:	
Accounts (net)	149,199
Due from other funds	<u>430,227</u>
Total current assets	<u>622,475</u>
Restricted assets:	
Customers' deposits	6,169
Investments, at cost	<u>45,168</u>
Total restricted assets	<u>51,337</u>
Property, plant and equipment:	
Property, plant and equipment, at cost, net of accumulated depreciation	<u>5,708,651</u>
Total assets	<u>\$ 6,382,463</u>
LIABILITIES AND FUND EQUITY	
Liabilities:	
Current liabilities (payable from current assets) -	
Accounts payable	\$ 98,742
Due to other funds	<u>55,958</u>
Total current liabilities payable from current assets	<u>154,700</u>
Current liabilities (payable from restricted assets) -	
Customers' deposits	<u>84,328</u>
Total liabilities	<u>239,028</u>
Fund equity:	
Contributed capital, net-	
Municipality	2,622,167
Parish grants	10,000
State and federal grants	<u>3,788,509</u>
Total contributed capital	6,420,676
Retained earnings (deficit) -	
Unreserved	<u>(277,241)</u>
Total fund equity	<u>6,143,435</u>
Total liabilities and fund equity	<u>\$ 6,382,463</u>

CITY OF JEANERETTE, LOUISIANA  
Enterprise Fund

Statement of Revenues, Expenses, and Changes in Retained Earnings  
Year Ended June 30, 1999

Operating revenues:	
<i>Charges for services -</i>	
Water sales	\$ 590,005
Sewer service charges	367,756
Garbage revenue	220,929
Connections, installations, etc.	15,262
Penalties	42,842
Miscellaneous	<u>9,743</u>
Total operating revenues	<u>1,246,537</u>
Operating expenses:	
Bad debts	63,030
Chemicals	43,018
Consulting and testing fees	14,414
Depreciation expense	275,555
DEQ fees	3,941
Equipment rental	5,581
Garbage service contract	212,126
Insurance	55,714
Miscellaneous	1,719
Office expense	12,691
Payroll taxes	2,856
Professional fees	24,170
Salaries and benefits	236,833
Supplies and repairs	63,365
Truck expense	7,943
Utilities and telephone	<u>100,392</u>
Total operating expenses	<u>1,123,348</u>
Operating income	<u>123,189</u>
Nonoperating revenues:	
Interest income	<u>1,162</u>
Total nonoperating revenues	<u>1,162</u>

(continued)

CITY OF JEANERETTE, LOUISIANA  
Enterprise Fund

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

Income before operating transfers	<u>124,351</u>
Other financing sources (uses):	
Operating transfers in	166,288
Operating transfers out	<u>(488,472)</u>
Total other financing (uses)	<u>(322,184)</u>
Net loss	(197,833)
Add: Depreciation on fixed assets acquired by federal grant revenues externally restricted for capital acquisitions and construction that reduces contributed capital	178,831
Retained earnings (deficit), beginning	<u>(258,239)</u>
Retained earnings (deficit), ending	<u>\$ (277,241)</u>

CITY OF JEANERETTE, LOUISIANA  
Enterprise Fund

Statement of Cash Flows  
Year Ended June 30, 1999

Cash flows from operating activities:	
Operating loss	<u>\$ (197,833)</u>
Adjustments to reconcile net operating income to net cash provided by operating activities -	
Depreciation	275,555
Changes in current assets and liabilities:	
(Increase) Decrease in accounts receivable	52,959
(Increase) Decrease in due from other funds	(72,767)
(Increase) Decrease in investments	(45,168)
Increase (Decrease) in accounts payable	(10,554)
Increase (Decrease) in customer deposits	4,319
Increase (Decrease) to other funds	<u>(442)</u>
Total adjustments	<u>203,902</u>
Net cash provided by operating activities	6,069
Cash flows from investing activities:	
Purchase of property, plant and equipment	<u>(24,367)</u>
Net increase (decrease) in cash and cash equivalents	(18,298)
Cash, cash equivalents and restricted cash, beginning of period	<u>67,516</u>
Cash, cash equivalents and restricted cash, end of period	<u>\$ 49,218</u>



## AGENCY FUNDS

### **Payroll and Disbursements Funds**

To account for the centralization of two clearing accounts which are used for the disbursements of all City funds, including those for purchases, payroll and payroll-related costs.

CITY OF JEANERETTE, LOUISIANA  
Agency Funds

Combining Balance Sheet  
June 30, 1999

	<u>Payroll Fund</u>	<u>Disbursement Fund</u>	<u>Totals</u>
<b>ASSETS</b>			
Cash	\$ 49,891	\$ 2,478	\$ 52,369
Receivables			
Due from other funds	9,439	369,311	378,750
Other	<u>-</u>	<u>1,000</u>	<u>1,000</u>
 Total assets	 <u>\$ 59,330</u>	 <u>\$372,789</u>	 <u>\$ 432,119</u>
 <b>LIABILITIES</b>			
Payroll liabilities	\$ 29,852	\$ -	\$ 29,852
Due to other funds	<u>29,478</u>	<u>372,789</u>	<u>402,267</u>
 Total liabilities	 <u>\$ 59,330</u>	 <u>\$372,789</u>	 <u>\$ 432,119</u>

CITY OF JEANERETTE, LOUISIANA  
Agency Funds

Combining Statement of Changes in Assets and Liabilities  
Year Ended June 30, 1999

	Balances June 30, 1998	Additions	Deductions	Balances June 30, 1999
<u>PAYROLL FUND</u>				
ASSETS				
Cash	\$ -	\$ 1,079,685	\$ 1,029,794	\$ 49,891
Receivables-				
Due from other funds	<u>58,254</u>	<u>1,136,435</u>	<u>1,185,250</u>	<u>9,439</u>
Total assets	<u>\$ 58,254</u>	<u>\$ 2,216,120</u>	<u>\$ 2,215,044</u>	<u>\$ 59,330</u>
LIABILITIES				
Bank overdraft	\$ 6,231	\$ -	\$ 6,231	\$ -
Payroll liabilities	29,478	267,520	267,146	29,852
Due to other funds	<u>22,545</u>	<u>6,933</u>	<u>-</u>	<u>29,478</u>
Total liabilities	<u>\$ 58,254</u>	<u>\$ 274,453</u>	<u>\$ 273,377</u>	<u>\$ 59,330</u>
<u>DISBURSEMENT FUND</u>				
ASSETS				
Cash	\$ -	\$ 923,778	\$ 921,300	\$ 2,478
Receivables-				
Due from other funds	412,943	873,883	917,515	369,311
Other	<u>100</u>	<u>900</u>	<u>-</u>	<u>1,000</u>
Total assets	<u>\$ 413,043</u>	<u>\$ 1,798,561</u>	<u>\$ 1,838,815</u>	<u>\$ 372,789</u>
LIABILITIES				
Bank overdraft	\$ 99,595	\$ -	\$ 99,595	\$ -
Due to other funds	<u>313,448</u>	<u>105,082</u>	<u>45,741</u>	<u>372,789</u>
Total liabilities	<u>\$ 413,043</u>	<u>\$ 105,082</u>	<u>\$ 145,336</u>	<u>\$ 372,789</u>
<u>TOTALS</u>				
ASSETS				
Cash	\$ -	\$ 2,003,463	\$ 1,951,094	\$ 52,369
Receivables-				
Due from other funds	471,197	2,010,318	2,102,765	378,750
Other	<u>100</u>	<u>900</u>	<u>-</u>	<u>1,000</u>
Total assets	<u>\$ 471,297</u>	<u>\$ 4,014,681</u>	<u>\$ 4,053,859</u>	<u>\$ 432,119</u>
LIABILITIES				
Bank overdraft	\$ 105,826	\$ -	\$ 105,826	\$ -
Payroll liabilities	29,478	267,520	267,146	29,852
Due to other funds	<u>335,993</u>	<u>112,015</u>	<u>45,741</u>	<u>402,267</u>
Total liabilities	<u>\$ 471,297</u>	<u>\$ 379,535</u>	<u>\$ 418,713</u>	<u>\$ 432,119</u>

## **GENERAL FIXED ASSETS ACCOUNT GROUP**

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

CITY OF JEANERETTE, LOUISIANA

Statement of General Fixed Assets  
Fiscal Year Ended June 30, 1999

	<u>1999</u>
General fixed assets, at cost:	
Buildings	\$2,315,933
Improvements other than buildings	4,524,549
Equipment	<u>1,118,420</u>
 Total general fixed assets	 <u>\$7,958,902</u>
 Investment in general fixed assets	
Property acquired from -	
Federal and state grants	\$4,327,792
Parish grants	97,648
General Fund revenues	1,686,624
Tax bond proceeds	1,188,569
Assessment of property owners	464,732
Donations	<u>193,537</u>
 Total investment in general fixed assets	 <u>\$7,958,902</u>

CITY OF JEANERETTE, LOUISIANA

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

	<u>Buildings</u>	<u>Improvements Other Than Buildings</u>	<u>Equipment</u>	<u>Total</u>
General fixed assets, beginning of year	\$2,315,933	\$ 4,516,860	\$1,118,420	\$7,951,213
Additions:	-	7,689	-	7,689
Deletions:	-	-	-	-
General fixed assets, end of year	<u>\$2,315,933</u>	<u>\$ 4,524,549</u>	<u>\$1,118,420</u>	<u>\$7,958,902</u>

## **GENERAL LONG-TERM DEBT ACCOUNT GROUP**

To account for unmatured principal on general long-term debt expected to be financed from governmental fund type. Payment of maturing obligations, including interest, are accounted for in the debt service funds.

CITY OF JEANERETTE, LOUISIANA

Statement of General Long-Term Debt  
June 30, 1999

	Waterworks Improvements 1985 & 1991	Sales Tax Bond of 1980 Sinking	Reserve	1996 General Obligation Bond	Equipment Under Capital Lease	Totals
AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT						
Amount available in debt service funds for debt retirement	\$ 190,976	\$ 30,801	\$ 75,556	\$ 85,137	\$ -	\$ 382,470
Amount to be provided for debt retirement	<u>354,024</u>	<u>94,199</u>	<u>(75,556)</u>	<u>699,863</u>	<u>56,425</u>	<u>1,128,955</u>
Total amount available and to be provided	<u>\$545,000</u>	<u>\$125,000</u>	<u>\$ -</u>	<u>\$ 785,000</u>	<u>\$56,425</u>	<u>\$1,511,425</u>
GENERAL LONG-TERM DEBT PAYABLE						
Bonds and certificates of indebtedness payable	\$545,000	\$125,000	\$ -	\$ 785,000	\$ -	\$1,455,000
Obligations under capital lease	-	-	-	-	<u>56,425</u>	<u>56,425</u>
Total general long-term debt payable	<u>\$545,000</u>	<u>\$125,000</u>	<u>\$ -</u>	<u>\$ 785,000</u>	<u>\$56,425</u>	<u>\$1,511,425</u>



**INTERNAL CONTROL AND COMPLIANCE**

# KOLDER, CHAMPAGNE, SLAVEN & RAINEY, LLC

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## 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 Arthur L. Verret, Mayor  
and Members of the Board of Alderman  
City of Jeanerette, Louisiana

We have audited the general purpose financial statements of the City of Jeanerette, Louisiana as of and for the year ended June 30, 1999, and have issued our report thereon dated October 27, 1999, which was qualified because insufficient audit evidence exists to support the City of Jeanerette's disclosures with respect to the year 2000 issue. Except as discussed in the preceding sentence, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the City of Jeanerette, Louisiana's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards which are described in the accompanying corrective action plan for current year findings as Items 99-1 through 99-5 and 99-14 through 99-16. We also noted certain immaterial instances of noncompliance that we have reported to the management of the City of Jeanerette, Louisiana in a separate letter dated October 27, 1999.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Jeanerette, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City of Jeanerette, Louisiana's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable conditions noted are described in the accompanying schedule of prior and current audit findings and management's corrective action plan as Items 99-6 through 99-13 and 99-17 through 99-23.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions referred to in the schedule of prior and current audit findings and management's corrective action plan, we consider Item 98-7 through 98-13 to be material weaknesses. We also noted other matters involving the internal control over financial reporting that we have reported to the management of the City of Jeanerette, Louisiana in a separate letter dated October 27, 1999.

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

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

Morgan City, Louisiana  
October 27, 1999

CITY OF JEANERETTE  
Jeanerette, Louisiana

Summary Schedule of Prior Audit Findings  
Year Ended June 30, 1999

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken (Yes, No, Partially)	Planned Corrective Action/Partial Corrective Action Taken	
				Planned Corrective Action/Partial Corrective Action Taken	Planned Corrective Action/Partial Corrective Action Taken
Section I - Internal control and compliance material to the financial statements.					
98-2	1997 or prior	The City of Jeanerette incurred expenditures in violation of Louisiana State Constitution Article 14, "Donation, Loan, or Pledge of Public Credit".	No	See 99-1	
98-5	1997 or prior	The City of Jeanerette failed to prepare and legally adopt budgets for each special revenue fund in violation of LSA-RS 39:1304(A) et seq.	Yes	N/A	
98-7	1997 or prior	The City adopted a deficit reduction plan but failed to comply with the terms and conditions of the plan.	No	See 99-2	
98-8	1997 or prior	Subsidiary registers (utility receivable and utility customer deposit) are not reconciled to the general ledger on a periodic basis.	No	See 99-6	
98-9	1997 or prior	Collections on utility deposits are not deposited on a timely basis.	Yes	N/A	

CITY OF JEANERETTE  
Jeanerette, Louisiana

Summary Schedule of Prior Audit Findings  
Year Ended June 30, 1999

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken (Yes, No, Partially)	Planned Corrective Action/Partial Corrective Action Taken
98-10	1997 or prior	Expenditures selected for testing did not evidence adequate supporting documentation.	No	See 99-7
98-11	1997 or prior	General ledger transactions were not updated on a timely basis.	No	See 99-8
98-12		Bank reconciliations were not prepared on a timely basis.	No	See 99-9
98-13	1997 or prior	The City of Jeanerette does not have adequate segregation of functions within the accounting system.	No	See 99-10
Section Ia - Other Internal control and compliance				
98-1	1997 or prior	Required transfers from the 1% Sales Tax Special Revenue Fund to the Sales Tax Bond Debt Service Sinking Fund required by resolution adopted October 22, 1980 were not timely made.	Partially	See 99-14
98-3	1997 or prior	The City of Jeanerette incurred budget variances in excess of 5% in violation of LSA-RS 39:1310 et seq.		See 99-15

CITY OF JEANERETTE  
Jeanerette, Louisiana

Summary Schedule of Prior Audit Findings  
Year Ended June 30, 1999

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken (Yes, No, Partially)	Planned Corrective Action/Partial Corrective Action Taken
98-4	1997 or prior	The City of Jeanerette violated the provisions of LSA-RS 38:2211 et seq by failing to properly advertise and solicit bids on vehicle purchases.	Yes	N/A
98-6	1998	The audit of the financial statements were not completed within six months of the close of the fiscal year in violation of LSA-RS 24:513 (A) (3).	Yes	N/A
98-14	1998	Periodic comparisons of budget to actual were not prepared and evaluated.	No	See 99-17
98-15	1998	Nonstandard journal entries are not reviewed and approved by individuals in supervisory capacities.	No	See 99-18
98-16	1998	The City of Jeanerette has no policy regarding the issuance of manual checks.	No	See 99-19
98-17	1998	The City of Jeanerette is not properly monitoring and documenting usage of gasoline pumps.	Yes	N/A

CITY OF JEANERETTE  
Jeanerette, Louisiana

Summary Schedule of Prior Audit Findings  
Year Ended June 30, 1999

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken (Yes, No, Partially)	Planned Corrective Action/Partial Corrective Action Taken
98-18	1998	The potential effects of the year 2000 issue have not been adequately addressed.	No	See 99-20
Section II - Management letter				
98-19	1997 or prior	The proposed budget document prepared by the administrative authority and presented to the legislative authority did not contain a budget message as required by LSA-RS 39:1304(C).	No	See 99-24
98-20	1997 or prior	Utility billing edits are not reviewed prior to the preparation of customer utility billings.	No	See 99-25
98-21	1998	Monthly sales tax reports were not subjected to review by supervisory personnel.	No	See 99-26
98-22	1997 or prior	Utility receivables in excess of 90 days past due are not subjected to enforcement action on a timely basis.	No	See 99-27
98-23	1997 or prior	The City of Jeanerette's water loss rate approximates 46%.	No	See 99-28
98-24	1998	Professional consultants were paid retainers.	Yes	N/A

CITY OF JEANERETTE  
Jeanerette, Louisiana

Summary Schedule of Prior Audit Findings  
Year Ended June 30, 1999

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
98-25	1998	The City of Jeanerette's personnel files do not contain adequate documentation such as applications, I-9's, or current pay rates.	No	See 99-29
98-26	1997 or prior	The City of Jeanerette incurred bank charges in excess of \$27,900 during the current fiscal year.	Yes	N/A
98-27	1997 or prior	Inadequate filing practices resulted in delays in producing supporting documentation.	No	See 99-30
98-28	1997 or prior	A codification of adopted policies and procedures has not been developed.	No	See 99-31
98-29	1997 or prior	Substantial fund deficits exist in numerous funds.	No	See 99-32



CITY OF JEANERETTE  
Jeanerette, Louisiana

Corrective Action Plan for Current Year Findings  
Year Ended June 30, 1999

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
<b>Section I - Internal control and compliance material to the financial statements.</b>				
<u>Compliance</u>				
99-1	The City of Jeanerette incurred expenditures in violation of Louisiana State Constitution Article 7, Section 14, "Donation, Loan, or Pledge of Public Credit".	Current policy does not allow expenditures as cited in this report.	Eddie Harrison, City Clerk	Monitored on an on-going basis.
99-2	The City adopted a deficit reduction plan but failed to comply with the terms and conditions of the plan.	The City has revised the deficit reduction plan that was approved by The Board of Aldermen and accepted by the Fiscal Review Committee of the State Bond Commission. The provisions of this deficit reduction plan have been implemented since July 1999.	Eddie Harrison, City Clerk	Completed prior to report issuance.
99-3	A police officer received 27 hours of pay for one day.	The procedure of checking time cards and sheets as outlined in Ref. No. 99-13 should eliminate this type of overpayment.	Eddie Harrison, City Clerk	Completed prior to report issuance.
99-4	Employees are paid through different funds for concurrent hours worked.	This situation resulted from employees performing work on City time for the City of Jeanerette's Summer Feeding Program and being paid by both bodies for concurrent hours worked. Performance of duties for other programs will be performed after hours or program funds will be utilized to hire appropriate staff.	Eddie Harrison, City Clerk	Approximately June 1, 2000 when the Summer Feeding Program begins.
99-5	Employees were compensated for unapproved time off.	The closing of city hall or other departments of the City except for authorized holidays is not anticipated. However, if such occasions arise, it would be duly and legally authorized.	Eddie Harrison, City Clerk	N/A
<u>Internal Control</u>				
99-6	Subsidiary registers (utility receivable and utility customer deposit) are not reconciled to the general ledger on a periodic basis.	The city clerk has been instructed to reconcile subsidiary registers (utility receivables and customers deposits) on a monthly basis. Our CPA has also been requested to verify this during his monthly accounting overview of our accounting records.	Eddie Harrison, City Clerk	Completed prior to report issuance.

CITY OF JEANERETTE  
Jeanerette, Louisiana

Corrective Action Plan for Current Year Findings  
Year Ended June 30, 1999

Ref. No.	Description of Finding	Corrective Action Planned	Name(s) of Contact Person(s)	Anticipated Completion Date
99-7	Expenditures selected for testing did not evidence adequate supporting documentation.	We have implemented a very strict procedure whereby a requisition is required to be turned in before purchase orders are issued. For expenditures over \$1,000, we require three (3) quotations. We have recently received quotes for a six (6) month period covering a large number of items frequently purchased.	Eddie Harrison, City Clerk	Completed prior to report issuance.
99-8	General ledger transactions were not updated on a timely basis.	Currently, our general ledger is being posted and balanced on a timely basis.	Eddie Harrison, City Clerk	Completed prior to report issuance.
99-9	Bank reconciliations were not prepared on a timely basis.	This problem has been and is currently being addressed. At a recent meeting with the city clerk, treasurer, and our CPA, it was pointed out that bank reconciliations must be done on a timely basis. Our programmer is currently working on implementing a program that will provide that the bank reconciliations will be done by computer on a monthly basis.	Eddie Harrison, City Clerk	Completed prior to report issuance.
99-10	The City of Jeanerette does not have adequate segregation of functions within the accounting system.	This is an ongoing problem that all small accounting and clerical staff's experience. We recognize the exposure involved with inadequate segregation of duties. This is why we will continue to attempt to find ways to correct this problem.	Eddie Harrison, City Clerk	Undetermined
99-11	The City of Jeanerette incurred interest/finance charges and/or penalties on account balances with vendors for failure to timely remit payments.	The City has paid out all of its delinquent accounts payable. We are currently paying our bills on a timely basis that eliminates late or finance charges on overdue bills. There may be isolated instances whereby very small penalties may have to be paid due to invoices that are being held for further checking and review prior to payment.	Eddie Harrison, City Clerk	Completed prior to report issuance.
99-12	The employees of the City of Jeanerette have the ability to access and manipulate source code.	A formal written policy "computer security" has been adopted as of September 1, 1999. This policy clearly defines authority to issue passwords. Each password will identify the activity performed by each employee utilizing the system and will track any unauthorized access into other programs. The computer programmer has been instructed to develop a code that would prevent anyone to have the ability to access and manipulate the source code.	Eddie Harrison, City Clerk	Completed prior to report issuance.

CITY OF JEANERETTE  
Jeanerette, Louisiana

Corrective Action Plan for Current Year Findings  
Year Ended June 30, 1999

Ref. No.	Description of Finding	Corrective Action Planned	Name(s) of Contact Person(s)	Anticipated Completion Date
99-13	Timesheets are not approved by supervisors.	The City Clerk has been given the responsibility of checking all timesheets to verify hours worked, overtime hours worked, and accuracy of total hours turned in. In addition, the Mayor performs a cursory review of all timesheets with the city clerk. All time clock cards are turned in with payroll sheets so a comparison can be made between the two documents.	Eddie Harrison, City Clerk	Completed prior to report issuance.
Section Ia - Other Internal control and compliance				
<u>Compliance</u>				
99-14	Required transfers from the 1% Sales Tax Special Revenue Fund to the Sales Tax Bond Debt Service Sinking Fund required by resolution adopted October 22, 1980 were not timely made.	We have a firm policy in place that these required transfers must be done as required by resolution. We additionally have made retroactive transfers to this sales tax bond debt service sinking fund so that the current balance should be in compliance with the bond resolution.	Eddie Harrison, City Clerk	Completed prior to report issuance.
99-15	The City of Jeanerette incurred budget variances in excess of 5% in violation of LSA-RS 39:1310 et seq.	The city clerk and our treasurer have been instructed to notify the mayor whenever budget variances exceed 5%. We have recently requested that the accounting staff prepare an analysis of budget line variances (revenue and expenditures) in order that we can amend our budget. Even though we are in the midst of not only updating our accounting records and putting procedures in place to assure accuracy, (a situation we inherited) we understand that budgets that experience a 5% variance must be amended.	Eddie Harrison, City Clerk	Completed prior to report issuance.
99-16	Advertisement was placed in the POLK Directory, which included the former Mayor's name.	Under this new administration, such expenditures are no longer authorized. When in doubt about legality of certain expenditures, it is cleared with legal counsel or our CPA. (i.e. - Employees 1999 Christmas social was paid for with private donations.)	Eddie Harrison, City Clerk	Completed prior to report issuance.

CITY OF JEANERETTE  
Jeanerette, Louisiana

Corrective Action Plan for Current Year Findings  
Year Ended June 30, 1999

Ref. No.	Description of Finding	Corrective Action Planned	Name(s) of Contact Person(s)	Anticipated Completion Date
<u>Internal Control</u>				
99-17	Periodic comparisons of budget to actual were not prepared and evaluated.	A monthly budget report is furnished to the Mayor and Board of Aldermen on a monthly basis. A finance committee consisting of the Mayor, Board of Aldermen, city clerk, and city treasurer is held once monthly to review the budget document at which time revenue, expenditures, capital expenditures are reviewed and questioned. This finance committee also reviews accounts payable invoices and brings them to the Board of Aldermen for approval prior to payment being made.	Edie Harrison, City Clerk	Completed prior to report issuance.
99-18	Nonstandard journal entries are not reviewed and approved by individuals in supervisory capacities.	Currently, nonstandard journal entries are being reviewed by the City Treasurer or, in her absence, by the City Clerk prior to posting entries to the general ledger.	Edie Harrison, City Clerk	Completed prior to report issuance.
99-19	The City of Jeanerette has no policy regarding the issuance of manual checks.	Currently, before any manual checks are written by administration personnel, prior written approval by way of an authorized form must be approved by the city treasurer. Additionally, blank manual checks are kept in a locked cabinet inside the vault. Keys to the locked cabinet containing manual checks are available only to the city clerk and city treasurer.	Edie Harrison, City Clerk	Completed prior to report issuance.
99-20	The potential effects of the year 2000 issue have not been adequately addressed.	Since July 1999, the Y2K issue has been addressed with all of the City's departments. Individual meetings with the department heads and all department heads as a group have been held to review emergency plans in the event we should experience a Y2K problem. We have made changes to our computer hardware and software to assure they will be Y2K ready. We have secured assurances from many of our major vendors and suppliers of their Y2K preparedness plan.	Edie Harrison, City Clerk	Completed prior to report issuance.

CITY OF JEANERETTE  
Jeanerette, Louisiana

Corrective Action Plan for Current Year Findings  
Year Ended June 30, 1999

Ref. No.	Description of Finding	Corrective Action Planned	Name(s) of Contact Person(s)	Anticipated Completion Date
99-21	Utility adjustments are not properly documented or approved.	We have adopted a formal written policy outlining conditions where- by a utility adjustment can be made and we have placed this responsibility solely with the city clerk. The city clerk furnishes the Mayor and finance committee chairman a standard form on a monthly basis that outlines the utility customers' name, address, and reason for adjustment, and the amount of adjustment.	Eddie Harrison, City Clerk	Completed prior to report issuance.
99-22	The City of Jeanerette has no adjustment policy.	The City has adopted a written adjustment policy as more specifically outlined in Ref. No. 99-21 above.	Eddie Harrison, City Clerk	Completed prior to report issuance.
99-23	Employees receiving disability pay did not comply with the terms and conditions of the City's policy.	The City adopted a "disability leave policy" on December 6, 1991. The leave granted and allowed by the former mayor was not in compliance with terms of this policy. No leave has been granted under this policy since July 1999. In fact, this policy was rescinded at our December 13, 1999 Board of Aldermen meeting.	Eddie Harrison, City Clerk	Completed prior to report issuance.
Section II - Management letter				
99-24	The proposed budget document prepared by the administrative authority and presented to the legislative authority did not contain a budget message as required by LSA-RS 39:1304(C).	The upcoming budget for fiscal period of July 1, 2000 - June 30, 2001 will be prepared by the new administration. Not only will a budget message be prepared for the legislative authority as required by law, but the budget message is necessary to inform the legislative authority of the City's financial status and also to point out specific areas of concern and interest.	Eddie Harrison, City Clerk	Completed prior to report issuance.
99-25	Utility billing edits are not reviewed prior to the preparation of customer utility billings.	Currently, utility billing edits are reviewed by the billing clerk and meter reader prior to final customer billing.	Eddie Harrison, City Clerk	Completed prior to report issuance.
99-26	Monthly sales tax reports were not subjected to review by supervisory personnel.	Currently, sales tax reports covering sales taxes to the state are reviewed and signed by the city clerk. Sales tax payments are currently being filed electronically in sufficient time to avoid penalties.	Eddie Harrison, City Clerk	Completed prior to report issuance.

CITY OF JEANERETTE  
Jeanerette, Louisiana

Corrective Action Plan for Current Year Findings  
Year Ended June 30, 1999

Ref. No.	Description of Finding	Corrective Action Planned	Name(s) of Contact Person(s)	Anticipated Completion Date
99-27	Utility receivables in excess of 90 days past due are not subjected to enforcement action on a timely basis.	<p>Since July 1999, action has been taken on a systematic basis to disconnect all delinquent accounts. A formal, written policy to this effect has been adopted on September 1999; section 5 of our service policies and conditions policies - "delinquent accounts and restoration of service."</p> <p>Another written policy, under our administrative department policies and procedures section has been adopted in September 1999 that clearly outlines the specific terms and conditions whereby an extension is given to a customer for payment of utility bills. The city clerk is held solely responsible for implementation of this policy.</p>	Eddie Harrison, City Clerk	Completed prior to report issuance.
99-28	The City of Jeanerette's water loss rate approximates 46%.	<p>We have acquired funds to make major improvements to our water plant, phase I, and to our system of water lines, phase II. Bids have been awarded to a contractor who has begun work on our water plant, phase I and construction for phase II, water lines, should begin in the very near future. This improvement project will reduce our water loss rates substantially. With a reduction in operating cost due to elimination of the water leaks, this will provide for a more efficient waterworks system.</p>	Eddie Harrison, City Clerk	June, 2000
99-29	The City of Jeanerette's personnel files do not contain adequate documentation such as applications, I-9's, or current pay rates.	<p>Due to all of the problem areas in the accounting and administration department that this new administration had to overcome, this is one area that will be looked into. Review of this system with our city clerk and payroll clerk is planned.</p>	Eddie Harrison, City Clerk	March, 2000
99-30	Inadequate filing practices resulted in delays in producing supporting documentation.	<p>The City recognizes that a need to improve its filing system. This has been discussed with the city clerk and she has been instructed to come up with a plan to improve our filing system.</p>	Eddie Harrison, City Clerk	March, 2000
99-31	A codification of adopted policies and procedures has not been developed.	<p>The new administration has adopted formal written policies and in process of adopting other additional necessary policies. The policies are broken down into various sections, by title and number, and filed in a policy manual that includes and index of all policies filed in the manual. The Mayor, Board of Aldermen, and all department heads have been furnished a copy of all policies to review with their department employees.</p>	Eddie Harrison, City Clerk	Completed prior to report issuance.

CITY OF JEANERETTE  
Jeanerette, Louisiana

Corrective Action Plan for Current Year Findings  
Year Ended June 30, 1999

Ref. No.	Description of Finding	Corrective Action Planned	Name(s) of Contact Person(s)	Anticipated Completion Date
99-32	Substantial fund deficits exist in numerous funds.	We will adopt balanced budgets. Our current business practices should allow us to keep our expenditures in line with our revenue. Other than unforeseen, unbudgeted expenditures that may occur as it does in all budgets, we will strive to operate with a balanced budget.	Eddie Harrison, City Clerk	June, 2000
		We are in the process of revising our budget format to provide more detailed budget line items so that the budget can be used as a working tool to more readily monitor the city's budget. This will enable adjustments to be made in our operation in order to abide by our budget.		
		The City has also revised its deficit reduction plan as mandated by the Fiscal Review Committee of the State Bond Commission. Such a plan will eliminate the fund deficits in five years.		
99-33	The city incurred penalty charges on sales tax return in the amount of \$480.	This was caused by late filing of the City's sales tax payment. This problem has been addressed and don't expect this to occur in the future. The city clerk reviews the returns and then files it electronically. This procedure provides for prompt payments and will avoid penalty charges.	Eddie Harrison, City Clerk	Completed prior to report issuance.
99-34	The funds received from civil service in the amount of \$1,108.78 were dedicated to payment of attorney fees. However, they were never paid.	The new administration has paid the civil service attorney the fees owed to him. Our current business practice provide that all funds that are dedicated for specific purposes are used solely for the purpose intended.	Eddie Harrison, City Clerk	Completed prior to report issuance.
99-35	The computer programmer is utilized to do some of the monthly accounting functions.	We have held several meetings with our computer programmer about this situation. They were advised that they are to do work on computer programs only and not to do any accounting functions for any of the administrative staff.	Eddie Harrison, City Clerk	Completed prior to report issuance.

CITY OF JEANERETTE  
Jeanerette, Louisiana

Summary Schedule of Prior Audit Findings  
Year Ended June 30, 1999

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken (Yes, No, Partially)	Planned Corrective Action/Partial Corrective Action Taken
Section I - Internal control and compliance material to the financial statements.				
98-2	1997 or prior	The City of Jeanerette incurred expenditures in violation of Louisiana State Constitution Article 14, "Donation, Loan, or Pledge of Public Credit".	No	See 99-1
98-5	1997 or prior	The City of Jeanerette failed to prepare and legally adopt budgets for each special revenue fund in violation of LSA-RS 39:1304(A) et seq.	Yes	N/A
98-7	1997 or prior	The City adopted a deficit reduction plan but failed to comply with the terms and conditions of the plan.	No	See 99-2
98-8	1997 or prior	Subsidiary registers (utility receivable and utility customer deposit) are not reconciled to the general ledger on a periodic basis.	No	See 99-6
98-9	1997 or prior	Collections on utility deposits are not deposited on a timely basis.	Yes	N/A



CITY OF JEANERETTE  
Jeanerette, Louisiana

Summary Schedule of Prior Audit Findings  
Year Ended June 30, 1999

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98-10	1997 or prior	Expenditures selected for testing did not evidence adequate supporting documentation.	No	See 99-7
98-11	1997 or prior	General ledger transactions were not updated on a timely basis.	No	See 99-8
98-12		Bank reconciliations were not prepared on a timely basis.	No	See 99-9
98-13	1997 or prior	The City of Jeanerette does not have adequate segregation of functions within the accounting system.	No	See 99-10
Section Ia - Other Internal control and compliance				
98-1	1997 or prior	Required transfers from the 1% Sales Tax Special Revenue Fund to the Sales Tax Bond Debt Service Sinking Fund required by resolution adopted October 22, 1980 were not timely made.	Partially	See 99-14
98-3	1997 or prior	The City of Jeanerette incurred budget variances in excess of 5% in violation of LSA-RS 39:1310 et seq.		See 99-15

CITY OF JEANERETTE  
Jeanerette, Louisiana

Summary Schedule of Prior Audit Findings  
Year Ended June 30, 1999

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98-4	1997 or prior	The City of Jeanerette violated the provisions of LSA-RS 38:2211 et seq by failing to properly advertise and solicit bids on vehicle purchases.	Yes	N/A
98-6	1998	The audit of the financial statements were not completed within six months of the close of the fiscal year in violation of LSA-RS 24:513 (A) (3).	Yes	N/A
98-14	1998	Periodic comparisons of budget to actual were not prepared and evaluated.	No	See 99-17
98-15	1998	Nonstandard journal entries are not reviewed and approved by individuals in supervisory capacities.	No	See 99-18
98-16	1998	The City of Jeanerette has no policy regarding the issuance of manual checks.	No	See 99-19
98-17	1998	The City of Jeanerette is not properly monitoring and documenting usage of gasoline pumps.	Yes	N/A

CITY OF JEANERETTE  
Jeanerette, Louisiana

Summary Schedule of Prior Audit Findings  
Year Ended June 30, 1999

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98-18	1998	The potential effects of the year 2000 issue have not been adequately addressed.	No	See 99-20
Section II - Management letter				
98-19	1997 or prior	The proposed budget document prepared by the administrative authority and presented to the legislative authority did not contain a budget message as required by LSA-RS 39:1304(C).	No	See 99-24
98-20	1997 or prior	Utility billing edits are not reviewed prior to the preparation of customer utility billings.	No	See 99-25
98-21	1998	Monthly sales tax reports were not subjected to review by supervisory personnel.	No	See 99-26
98-22	1997 or prior	Utility receivables in excess of 90 days past due are not subjected to enforcement action on a timely basis.	No	See 99-27
98-23	1997 or prior	The City of Jeanerette's water loss rate approximates 46%.	No	See 99-28
98-24	1998	Professional consultants were paid retainers.	Yes	N/A

CITY OF JEANERETTE  
Jeanerette, Louisiana

Summary Schedule of Prior Audit Findings  
Year Ended June 30, 1999

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken (Yes, No, Partially)	Planned Corrective Action/Partial Corrective Action Taken
98-25	1998	The City of Jeanerette's personnel files do not contain adequate documentation such as applications, I-9's, or current pay rates.	No	See 99-29
98-26	1997 or prior	The City of Jeanerette incurred bank charges in excess of \$27,900 during the current fiscal year.	Yes	N/A
98-27	1997 or prior	Inadequate filing practices resulted in delays in producing supporting documentation.	No	See 99-30
98-28	1997 or prior	A codification of adopted policies and procedures has not been developed.	No	See 99-31
98-29	1997 or prior	Substantial fund deficits exist in numerous funds.	No	See 99-32

CITY OF JEANERETTE  
Jeanerette, Louisiana

Corrective Action Plan for Current Year Findings  
Year Ended June 30, 1999

Ref. No.	Description of Finding	Corrective Action Planned	Name(s) of Contact Person(s)	Anticipated Completion Date
<b>Section I - Internal control and compliance material to the financial statements.</b>				
<u>Compliance</u>				
99-1	The City of Jeanerette incurred expenditures in violation of Louisiana State Constitution Article 7, Section 14, "Donation, Loan, or Pledge of Public Credit".	Current policy does not allow expenditures as cited in this report.	Eddie Harrison, City Clerk	Monitored on an on-going basis.
99-2	The City adopted a deficit reduction plan but failed to comply with the terms and conditions of the plan.	The City has revised the deficit reduction plan that was approved by the Board of Aldermen and accepted by the Fiscal Review Committee of the State Bond Commission. The provisions of this deficit reduction plan have been implemented since July 1999.	Eddie Harrison, City Clerk	Completed prior to report issuance.
99-3	A police officer received 27 hours of pay for one day.	The procedure of checking time cards and sheets as outlined in Ref. No. 99-13 should eliminate this type of overpayment.	Eddie Harrison, City Clerk	Completed prior to report issuance.
99-4	Employees are paid through different funds for concurrent hours worked.	This situation resulted from employees performing work on City time for the City of Jeanerette's Summer Feeding Program and being paid by both bodies for concurrent hours worked. Performance of duties for other programs will be performed after hours or program funds will be utilized to hire appropriate staff.	Eddie Harrison, City Clerk	Approximately June 1, 2000 when the Summer Feeding Program begins.
99-5	Employees were compensated for unapproved time off.	The closing of city hall or other departments of the City except for authorized holidays is not anticipated. However, if such occasions arise, it would be duly and legally authorized.	Eddie Harrison, City Clerk	N/A
<u>Internal Control</u>				
99-6	Subsidiary registers (utility receivable and utility customer deposit) are not reconciled to the general ledger on a periodic basis.	The city clerk has been instructed to reconcile subsidiary registers (utility receivables and customers deposits) on a monthly basis. Our CPA has also been requested to verify this during his monthly accounting overview of our accounting records.	Eddie Harrison, City Clerk	Completed prior to report issuance.

CITY OF JEANERETTE  
Jeanerette, Louisiana

Corrective Action Plan for Current Year Findings  
Year Ended June 30, 1999

Ref. No.	Description of Finding	Corrective Action Planned	Name(s) of Contact Person(s)	Anticipated Completion Date
99-7	Expenditures selected for testing did not evidence adequate supporting documentation.	We have implemented a very strict procedure whereby a requisition is required to be turned in before purchase orders are issued. For expenditures over \$1,000, we require three (3) quotations. We have recently received quotes for a six (6) month period covering a large number of items frequently purchased.	Eddie Harrison, City Clerk	Completed prior to report issuance.
99-8	General ledger transactions were not updated on a timely basis.	Currently, our general ledger is being posted and balanced on a timely basis.	Eddie Harrison, City Clerk	Completed prior to report issuance.
99-9	Bank reconciliations were not prepared on a timely basis.	This problem has been and is currently being addressed. At a recent meeting with the city clerk, treasurer, and our CPA, it was pointed out that bank reconciliations must be done on a timely basis. Our programmer is currently working on implementing a program that will provide that the bank reconciliations will be done by computer on a monthly basis.	Eddie Harrison, City Clerk	Completed prior to report issuance.
99-10	The City of Jeanerette does not have adequate segregation of functions within the accounting system.	This is an ongoing problem that all small accounting and clerical staff's experience. We recognize the exposure involved with inadequate segregation of duties. This is why we will continue to attempt to find ways to correct this problem.	Eddie Harrison, City Clerk	Undetermined
99-11	The City of Jeanerette incurred interest/finance charges and/or penalties on account balances with vendors for failure to timely remit payments.	The City has paid out all of its delinquent accounts payable. We are currently paying our bills on a timely basis that eliminates late or finance charges on overdue bills. There may be isolated instances whereby very small penalties may have to be paid due to invoices that are being held for further checking and review prior to payment.	Eddie Harrison, City Clerk	Completed prior to report issuance.
99-12	The employees of the City of Jeanerette have the ability to access and manipulate source code.	A formal written policy "computer security" has been adopted as of September 1, 1999. This policy clearly defines authority to issue passwords. Each password will identify the activity performed by each employee utilizing the system and will track any unauthorized access into other programs. The computer programmer has been instructed to develop a code that would prevent anyone to have the ability to access and manipulate the source code.	Eddie Harrison, City Clerk	Completed prior to report issuance.

CITY OF JEANERETTE  
Jeanerette, Louisiana

Corrective Action Plan for Current Year Findings  
Year Ended June 30, 1999

Ref. No.	Description of Finding	Corrective Action Planned	Name(s) of Contact Person(s)	Anticipated Completion Date
99-13	Timesheets are not approved by supervisors.	The City Clerk has been given the responsibility of checking all timesheets to verify hours worked, overtime hours worked, and accuracy of total hours turned in. In addition, the Mayor performs a cursory review of all timesheets with the city clerk. All time clock cards are turned in with payroll sheets so a comparison can be made between the two documents.	Eddie Harrison, City Clerk	Completed prior to report issuance.
Section 1a - Other Internal control and compliance				
<u>Compliance</u>				
99-14	Required transfers from the 1% Sales Tax Special Revenue Fund to the Sales Tax Bond Debt Service Sinking Fund required by resolution adopted October 22, 1980 were not timely made.	We have a firm policy in place that these required transfers must be done as required by resolution. We additionally have made retroactive transfers to this sales tax bond debt service sinking fund so that the current balance should be in compliance with the bond resolution.	Eddie Harrison, City Clerk	Completed prior to report issuance.
99-15	The City of Jeanerette incurred budget variances in excess of 5% in violation of LSA-RS 39:1310 et seq.	The city clerk and our treasurer have been instructed to notify the mayor whenever budget variances exceed 5%. We have recently requested that the accounting staff prepare an analysis of budget line variances (revenue and expenditures) in order that we can amend our budget. Even though we are in the midst of not only updating our accounting records and putting procedures in place to assure accuracy, (a situation we inherited) we understand that budgets that experience a 5% variance must be amended.	Eddie Harrison, City Clerk	Completed prior to report issuance.
99-16	Advertisement was placed in the POLK Directory, which included the former Mayor's name.	Under this new administration, such expenditures are no longer authorized. When in doubt about legality of certain expenditures, it is cleared with legal counsel or our CPA. (i.e. - Employees 1999 Christmas social was paid for with private donations.)	Eddie Harrison, City Clerk	Completed prior to report issuance.

CITY OF JEANERETTE  
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Corrective Action Plan for Current Year Findings  
Year Ended June 30, 1999

Ref. No.	Description of Finding	Corrective Action Planned	Name(s) of Contact Person(s)	Anticipated Completion Date
<u>Internal Control</u>				
99-17	Periodic comparisons of budget to actual were not prepared and evaluated.	A monthly budget report is furnished to the Mayor and Board of Aldermen on a monthly basis. A finance committee consisting of the Mayor, Board of Aldermen, city clerk, and city treasurer is held once monthly to review the budget document at which time revenue, expenditures, capital expenditures are reviewed and questioned. This finance committee also reviews accounts payable invoices and brings them to the Board of Aldermen for approval prior to payment being made.	Eddie Harrison, City Clerk	Completed prior to report issuance.
99-18	Nonstandard journal entries are not reviewed and approved by individuals in supervisory capacities.	Currently, nonstandard journal entries are being reviewed by the City Treasurer or, in her absence, by the City Clerk prior to posting entries to the general ledger.	Eddie Harrison, City Clerk	Completed prior to report issuance.
99-19	The City of Jeanerette has no policy regarding the issuance of manual checks.	Currently, before any manual checks are written by administration personnel, prior written approval by way of an authorized form must be approved by the city treasurer. Additionally, blank manual checks are kept in a locked cabinet inside the vault. Keys to the locked cabinet containing manual checks are available only to the city clerk and city treasurer.	Eddie Harrison, City Clerk	Completed prior to report issuance.
99-20	The potential effects of the year 2000 issue have not been adequately addressed.	Since July 1999, the Y2K issue has been addressed with all of the City's departments. Individual meetings with the department heads and all department heads as a group have been held to review emergency plans in the event we should experience a Y2K problem. We have made changes to our computer hardware and software to assure they will be Y2K ready. We have secured assurances from many of our major vendors and suppliers of their Y2K preparedness plan.	Eddie Harrison, City Clerk	Completed prior to report issuance.



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Corrective Action Plan for Current Year Findings  
Year Ended June 30, 1999

Ref. No.	Description of Finding	Corrective Action Planned	Name(s) of Contact Person(s)	Anticipated Completion Date
99-21	Utility adjustments are not properly documented or approved.	We have adopted a formal written policy outlining conditions where- by a utility adjustment can be made and we have placed this responsibility solely with the city clerk. The city clerk furnishes the Mayor and finance committee chairman a standard form on a monthly basis that outlines the utility customers' name, address, and reason for adjustment, and the amount of adjustment.	Eddie Harrison, City Clerk	Completed prior to report issuance.
99-22	The City of Jeanerette has no adjustment policy.	The City has adopted a written adjustment policy as more specifically outlined in Ref. No. 99-21 above.	Eddie Harrison, City Clerk	Completed prior to report issuance.
99-23	Employees receiving disability pay did not comply with the terms and conditions of the City's policy.	The City adopted a "disability leave policy" on December 6, 1991. The leave granted and allowed by the former mayor was not in compliance with terms of this policy. No leave has been granted under this policy since July 1999. In fact, this policy was rescinded at our December 13, 1999 Board of Aldermen meeting.	Eddie Harrison, City Clerk	Completed prior to report issuance.
Section II - Management letter				
99-24	The proposed budget document prepared by the administrative authority and presented to the legislative authority did not contain a budget message as required by LSA-RS 39:1304(C).	The upcoming budget for fiscal period of July 1, 2000 - June 30, 2001 will be prepared by the new administration. Not only will a budget message be prepared for the legislative authority as required by law, but the budget message is necessary to inform the legislative authority of the City's financial status and also to point out specific areas of concern and interest.	Eddie Harrison, City Clerk	Completed prior to report issuance.
99-25	Utility billing edits are not reviewed prior to the preparation of customer utility billings.	Currently, utility billing edits are reviewed by the billing clerk and meter reader prior to final customer billing.	Eddie Harrison, City Clerk	Completed prior to report issuance.
99-26	Monthly sales tax reports were not subjected to review by supervisory personnel.	Currently, sales tax reports covering sales taxes to the state are reviewed and signed by the city clerk. Sales tax payments are currently being filed electronically in sufficient time to avoid penalties.	Eddie Harrison, City Clerk	Completed prior to report issuance.

CITY OF JEANERETTE  
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Corrective Action Plan for Current Year Findings  
Year Ended June 30, 1999

Ref. No.	Description of Finding	Corrective Action Planned	Name(s) of Contact Person(s)	Anticipated Completion Date
99-27	Utility receivables in excess of 90 days past due are not subjected to enforcement action on a timely basis.	<p>Since July 1999, action has been taken on a systematic basis to disconnect all delinquent accounts. A formal, written policy to this effect has been adopted on September 1999; section 5 of our service policies and conditions policies - "delinquent accounts and restoration of service."</p> <p>Another written policy, under our administrative department policies and procedures section has been adopted in September 1999 that clearly outlines the specific terms and conditions whereby an extension is given to a customer for payment of utility bills. The city clerk is held solely responsible for implementation of this policy.</p>	Eddie Harrison, City Clerk	Completed prior to report issuance.
99-28	The City of Jeanerette's water loss rate approximates 46%.	<p>We have acquired funds to make major improvements to our water plant, phase I, and to our system of water lines, phase II. Bids have been awarded to a contractor who has begun work on our water plant, phase I and construction for phase II, water lines, should begin in the very near future. This improvement project will reduce our water loss rates substantially. With a reduction in operating cost due to elimination of the water leaks, this will provide for a more efficient waterworks system.</p>	Eddie Harrison, City Clerk	June, 2000
99-29	The City of Jeanerette's personnel files do not contain adequate documentation such as applications, I-9's, or current pay rates.	<p>Due to all of the problem areas in the accounting and administration department that this new administration had to overcome, this is one area that will be looked into. Review of this system with our city clerk and payroll clerk is planned.</p>	Eddie Harrison, City Clerk	March, 2000
99-30	Inadequate filing practices resulted in delays in producing supporting documentation.	<p>The City recognizes that a need to improve its filing system. This has been discussed with the city clerk and she has been instructed to come up with a plan to improve our filing system.</p>	Eddie Harrison, City Clerk	March, 2000
99-31	A codification of adopted policies and procedures has not been developed.	<p>The new administration has adopted formal written policies and in process of adopting other additional necessary policies. The policies are broken down into various sections, by title and number, and filed in a policy manual that includes and index of all policies filed in the manual. The Mayor, Board of Aldermen, and all department heads have been furnished a copy of all policies to review with their department employees.</p>	Eddie Harrison, City Clerk	Completed prior to report issuance.

CITY OF JEANERETTE  
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Corrective Action Plan for Current Year Findings  
Year Ended June 30, 1999

Ref. No.	Description of Finding	Corrective Action Planned	Name(s) of Contact Person(s)	Anticipated Completion Date
99-32	Substantial fund deficits exist in numerous funds.	<p>We will adopt balanced budgets. Our current business practices should allow us to keep our expenditures in line with our revenue. Other than unforeseen, unbudgeted expenditures that may occur as it does in all budgets, we will strive to operate with a balanced budget.</p> <p>We are in the process of revising our budget format to provide more detailed budget line items so that the budget can be used as a working tool to more readily monitor the city's budget. This will enable adjustments to be made in our operation in order to abide by our budget.</p> <p>The City has also revised its deficit reduction plan as mandated by the Fiscal Review Committee of the State Bond Commission. Such a plan will eliminate the fund deficits in five years.</p>	Eddie Harrison, City Clerk	June, 2000
99-33	The city incurred penalty charges on sales tax return in the amount of \$480.	<p>This was caused by late filing of the City's sales tax payment. This problem has been addressed and don't expect this to occur in the future. The city clerk reviews the returns and then files it electronically. This procedure provides for prompt payments and will avoid penalty charges.</p>	Eddie Harrison, City Clerk	Completed prior to report issuance.
99-34	The funds received from civil service in the amount of \$1,108.78 were dedicated to payment of attorney fees. However, they were never paid.	<p>The new administration has paid the civil service attorney the fees owed to him. Our current business practice provide that all funds that are dedicated for specific purposes are used solely for the purpose intended.</p>	Eddie Harrison, City Clerk	Completed prior to report issuance.
99-35	The computer programmer is utilized to do some of the monthly accounting functions.	<p>We have held several meetings with our computer programmer about this situation. They were advised that they are to do work on computer programs only and not to do any accounting functions for any of the administrative staff.</p>	Eddie Harrison, City Clerk	Completed prior to report issuance.