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CITY OF BREAUX BRIDGE, LOUISIANA

Financial Report

Year Ended June 30, 1999

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Release Date NOV 24 1999

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INDEPENDENT AUDITORS' REPORT

The Honorable Jack Dale Delhomme, Mayor
and Members of the Board of Aldermen
City of Breaux Bridge, Louisiana

We have audited the accompanying primary government financial statements of the City of Breaux Bridge, Louisiana, as of and for the year ended June 30, 1999 as listed in the table of contents. These financial statements are the responsibility of the City of Breaux Bridge, Louisiana's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as component units. In our opinion, the primary government financial statements present fairly, in all material respects, the financial position of the primary government of City of Breaux Bridge, Louisiana, as of June 30, 1999, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

However, the primary government financial statements, because they do not include the financial data of component units of City of Breaux Bridge, Louisiana do not purport to, and do not, present fairly the financial position of the City of Breaux Bridge, Louisiana, as of June 30, 1999, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated September 17, 1999 on our consideration of City of Breaux Bridge, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the primary government financial statements taken as a whole. The year 2000 supplementary information on page 28 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 of Breaux Bridge is or will become year 2000 compliant, that 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.

The other supplementary information (pp. 29-61), including the schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the primary government financial statements of the City of Breaux Bridge, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the primary government financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the primary government financial statements taken as a whole.

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

Kolder, Champagne, Slaven & Rainey, LLC

Certified Public Accountants

Breaux Bridge, Louisiana
September 17, 1999

**PRIMARY GOVERNMENT FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)**

CITY OF BREAUX BRIDGE, 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	Special Revenue	Debt Service	Capital Projects			General Fixed Assets	Long-term Debt	1999		
									1999		1998
ASSETS AND OTHER DEBITS											
Cash and interest-bearing deposits	\$ 64,060	\$1,502,404	\$ 34,757	\$ 753	\$ 4,037,556	\$ 5,133	\$ -	\$ -	\$ 5,644,663	\$ 6,479,960	
Receivables (net of allowance for uncollectibles):											
Taxes	642	-	-	-	-	-	-	-	642	112	
Accounts	-	-	-	-	168,690	-	-	-	168,690	213,504	
Special assessments	-	-	82,243	-	-	-	-	-	82,243	132,447	
Accrued interest	-	1,080	-	-	3,949	-	-	-	5,029	15,471	
Grants	80,232	50,000	-	68,655	-	-	-	-	198,887	-	
Other receivables	107,638	96,668	-	-	-	-	-	-	204,306	179,841	
Due from other funds	55,660	-	-	3,418	466	1,863	-	-	61,407	40,846	
Prepaid insurance	58,841	9,188	-	-	44,276	-	-	-	112,305	113,449	
Restricted assets:											
Cash and interest-bearing deposits	-	-	-	-	305,499	-	-	-	305,499	284,420	
Land	-	-	-	-	-	-	-	275,838	275,838	275,838	
Buildings	-	-	-	-	-	-	-	1,361,541	1,361,541	1,211,473	
Autos and equipment	-	-	-	-	-	-	-	809,915	809,915	704,402	
Recreational facilities and other	-	-	-	-	-	-	-	1,215,753	1,215,753	1,122,184	
Utilities plant and equipment	-	-	-	-	11,606,730	-	-	-	11,606,730	10,953,241	
Accumulated depreciation	-	-	-	-	(5,529,926)	-	-	-	(5,529,926)	(5,235,580)	
Amount to be provided for retirement of general long-term debt	-	-	-	-	-	-	-	623,528	623,528	707,809	
Total assets and other debits	\$ 367,073	\$1,659,340	\$117,000	\$72,826	\$10,637,240	\$ 6,996	\$ 623,528	\$3,663,047	\$17,147,050	\$17,199,417	

(continued)

CITY OF BREALX BRIDGE, LOUISIANA

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

	Governmental Fund Types			Capital Projects	Proprietary Fund Type Enterprise	Fiduciary Fund Type Agency	Account Groups			Totals (Memorandum Only) 1999 1998	
	General	Special Revenue	Debt Service				General Fixed Assets	Long-Term Debt	Totals		
									1999		1998
LIABILITIES AND FUND EQUITY											
Liabilities:											
Accounts payable and accrued expenditures	\$ 208,761	\$ 57,600	\$ -	\$ 71,757	\$ 68,607	\$ 6,996	\$ -	\$ -	\$ 413,721	\$ 232,397	
Contracts payable	-	-	-	-	-	-	-	-	-	42,495	
Payable from restricted assets -											
Accrued interest	-	-	-	-	12,450	-	-	-	12,450	14,792	
Revenue bonds	-	-	-	-	30,000	-	-	-	30,000	30,000	
Deposits	-	-	-	-	109,440	-	-	-	109,440	103,029	
Due to other funds	6,183	486	-	-	54,738	-	-	-	61,407	40,846	
Deferred property assessments	-	-	82,243	-	-	-	-	-	82,243	132,447	
Retainage payable	8,845	-	-	-	-	-	-	-	8,845	19,620	
Bonds payable -											
General obligation	-	-	-	-	-	-	495,000	-	495,000	565,000	
Special assessment	-	-	-	-	-	-	128,528	-	128,528	142,809	
Revenue	-	-	-	-	270,000	-	-	-	270,000	300,000	
Total liabilities	223,789	58,086	82,243	71,757	545,235	6,996	623,528	-	1,611,634	1,623,435	
Fund equity:											
Contributed capital, net of accumulated amortization (1999 \$1,188,947 1998 \$1,087,311)	-	-	-	-	5,198,805	-	-	-	5,198,805	4,935,338	
Investment in general fixed assets	-	-	-	-	-	-	3,663,047	-	3,663,047	3,313,897	
Retained earnings -											
Reserved for revenue bond retirement	-	-	-	-	64,271	-	-	-	64,271	61,146	
Reserved for revenue bond contingency	-	-	-	-	131,788	-	-	-	131,788	120,273	
Reserved for capital projects	-	-	-	-	5,802	-	-	-	5,802	51,145	
Unreserved	-	-	-	-	4,691,339	-	-	-	4,691,339	5,016,530	
Fund balances-											
Reserved for prepaid expenses	58,841	9,188	-	-	-	-	-	-	68,029	67,987	
Unreserved, undesignated	84,443	1,592,066	34,757	1,069	-	-	-	-	1,712,335	2,009,666	
Total fund equity	143,284	1,601,254	34,757	1,069	10,092,005	-	3,663,047	-	15,535,416	15,575,982	
Total liabilities and fund equity	\$367,073	\$1,659,340	\$117,000	\$ 72,826	\$10,637,240	\$ 6,996	\$3,663,047	\$623,528	\$17,147,050	\$17,199,417	

The accompanying notes are an integral part of this statement.

CITY OF BREAUX BRIDGE, LOUISIANA

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

	General	Special Revenue	Debt Service	Capital Projects	Totals	
					1999	(Memorandum Only) 1998
Revenues:						
Taxes	\$ 313,860	\$ 970,672	\$ -	\$ -	\$ 1,284,532	\$ 1,210,123
Licenses and permits	250,373	-	-	-	250,373	261,891
Federal grant	3,841	-	-	381,300	385,141	-
Intergovernmental revenues	360,710	50,000	-	-	410,710	160,909
Charges for services	296,600	-	-	-	296,600	321,427
Fines and forfeits	66,672	-	-	-	66,672	58,154
Miscellaneous	106,578	121,740	8,691	7	237,016	157,566
Special assessment revenues	-	-	47,864	-	47,864	39,662
Total revenues	<u>1,398,634</u>	<u>1,142,412</u>	<u>56,555</u>	<u>381,307</u>	<u>2,978,908</u>	<u>2,209,732</u>
Expenditures:						
Current -						
General government	729,768	29,425	-	-	759,193	551,938
Streets and bridges	794,043	-	-	-	794,043	304,990
Sanitation	296,601	-	-	-	296,601	321,428
Public safety - police	977,150	-	-	-	977,150	835,519
Culture - recreation	-	180,587	-	-	180,587	110,816
Capital outlay	360,087	122,009	-	384,455	866,551	470,704
Debt service -	-	-	84,281	-	84,281	65,000
Principal retirement	-	-	37,992	-	37,992	34,356
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>3,157,649</u>	<u>332,021</u>	<u>122,273</u>	<u>384,455</u>	<u>3,996,398</u>	<u>2,694,751</u>
Excess (deficiency) of revenues over expenditures	(1,759,015)	810,391	(65,718)	(3,148)	(1,017,490)	(485,019)
Other financing sources (uses):						
Proceeds from bond issuance	-	-	-	-	-	142,809
Operating transfers in	1,675,000	202,751	100,475	55,590	2,033,816	1,447,148
Operating transfers out	(3,518)	(1,303,226)	(6,871)	-	(1,313,615)	(699,356)
Total other financing sources (uses)	<u>1,671,482</u>	<u>(1,100,475)</u>	<u>93,604</u>	<u>55,590</u>	<u>720,201</u>	<u>890,601</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(87,533)	(290,084)	27,886	52,442	(297,289)	405,582
Fund balances (deficit), beginning	230,589	1,891,338	6,871	(51,145)	2,077,653	1,672,071
Add (Less): Residual equity transfer	228	-	-	(228)	-	-
Fund balances, ending	<u>\$ 143,284</u>	<u>\$ 1,601,254</u>	<u>\$ 34,757</u>	<u>\$ 1,069</u>	<u>\$ 1,780,364</u>	<u>\$ 2,077,653</u>

CITY OF BREAUX BRIDGE, LOUISIANA

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

	General Fund		Special Revenue Fund		Variance- Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	
Revenues:					
Taxes	\$ 298,100	\$ 313,860	\$ 881,300	\$ 970,672	\$ 89,372
Licenses and permits	222,050	250,373	-	-	-
Federal grants	10,000	3,841	(6,159)	-	-
Intergovernmental revenues	373,000	360,710	50,000	50,000	-
Charges for services	323,000	296,600	-	-	-
Fines and forfeits	55,000	66,672	-	-	-
Miscellaneous	62,200	106,578	91,700	121,740	30,040
Total revenues	<u>1,343,350</u>	<u>1,398,634</u>	<u>1,023,000</u>	<u>1,142,412</u>	<u>119,412</u>
Expenditures:					
Current -					
General government	670,950	729,768	24,415	29,425	(5,010)
Streets and bridges	854,500	794,043	-	-	-
Sanitation	323,000	296,601	-	-	-
Public safety - police	986,150	977,150	-	-	-
Culture - recreation	-	-	148,800	180,587	(31,787)
Capital outlay	361,000	360,087	105,000	122,009	(17,009)
Total expenditures	<u>3,195,600</u>	<u>3,157,649</u>	<u>278,215</u>	<u>332,021</u>	<u>(53,806)</u>
Excess (deficiency) of revenues over expenditures	<u>(1,852,250)</u>	<u>(1,759,015)</u>	<u>744,785</u>	<u>810,391</u>	<u>65,606</u>
Other financing sources (uses):					
Operating transfers in	1,850,000	1,675,000	250,000	202,751	(47,249)
Operating transfers out	-	(3,518)	(1,350,500)	(1,303,226)	47,274
Total other financing sources (uses)	<u>1,850,000</u>	<u>1,671,482</u>	<u>(1,100,500)</u>	<u>(1,100,475)</u>	<u>25</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(2,250)</u>	<u>(87,533)</u>	<u>(355,715)</u>	<u>(290,084)</u>	<u>65,631</u>
Fund balances, beginning	230,589	230,589	1,891,338	1,891,338	-
Add: Residual equity transfer	228	228	-	-	-
Fund balances, ending	<u>\$ 228,567</u>	<u>\$ 143,284</u>	<u>\$ 1,535,623</u>	<u>\$ 1,601,254</u>	<u>\$ 65,631</u>

The accompanying notes are an integral part of this statement

CITY OF BREAUX BRIDGE, LOUISIANA

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

	Enterprise Fund	
	1999	1998
Operating revenues:		
Charges for services	\$ 1,388,125	\$ 1,741,949
Miscellaneous	43,642	38,978
Total operating revenues	1,431,767	1,780,927
Operating expenses:		
Gas purchased	155,683	426,599
Repairs and maintenance	141,279	242,038
Salaries	292,242	265,879
Depreciation	309,971	310,768
Other operating expenses	452,833	438,313
Total operating expenses	1,352,008	1,683,597
Operating income	79,759	97,330
Nonoperating revenue (expenses):		
Other revenue	1,047	490
Interest on investments	197,536	233,959
Interest on bonds	(14,158)	(17,750)
Loss on disposal	(1,513)	(432)
Total nonoperating revenue	182,912	216,267
Income before transfers	262,671	313,597
Other financing uses:		
Operating transfers out	(720,201)	(747,792)
Net loss	(457,530)	(434,195)
Add back depreciation on assets purchased with contributed capital	101,636	101,636
Retained earnings, beginning of year	5,249,094	5,581,653
Retained earnings, end of year	\$ 4,893,200	\$ 5,249,094

The accompanying notes are an integral part of this statement

CITY OF BREAUX BRIDGE LOUISIANA

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

	<u>1999</u>	<u>1998</u>
Cash flows from operating activities:		
Operating income	\$ 79,759	\$ 97,330
Adjustments to reconcile operating income to net cash provided by operating activities -		
Depreciation	309,971	310,768
Changes in current assets and liabilities:		
(Increase)decrease in accounts receivable	44,813	(9,458)
Decrease in accrued interest receivable	8,665	5,034
Decrease in prepaid expenses	1,186	9,122
Decrease in due from other funds	3,656	4,843
Increase(decrease) in accounts payable and accrued liabilities	17,651	(28,863)
Increase in due to other funds	27,930	204
Decrease in accrued interest payable	(2,342)	-
Total adjustments	<u>411,530</u>	<u>291,650</u>
Net cash provided by operating activities	<u>491,289</u>	<u>388,980</u>
Cash flows from noncapital financing activities:		
Cash received from others	1,047	490
Operating transfers out to other funds	<u>(720,201)</u>	<u>(747,792)</u>
Net cash used by noncapital financing activities	<u>(719,154)</u>	<u>(747,302)</u>
Cash flows from capital and related financing activities:		
Principal paid on revenue bond maturities	(30,000)	(25,000)
Interest paid on revenue bonds	(14,158)	(17,750)
Acquisition of capital assets	(670,626)	(137,963)
Capital contributed from federal grant	<u>365,102</u>	<u>-</u>
Net cash used by capital and related financing activities	<u>(349,682)</u>	<u>(180,713)</u>
Cash flows from investing activities:		
Interest on interest-bearing deposits and investments	<u>197,536</u>	<u>233,959</u>
Net decrease in cash and cash equivalents	(380,011)	(305,076)
Cash and cash equivalents, beginning of period	<u>4,723,066</u>	<u>5,028,142</u>
Cash and cash equivalents, end of period	<u>\$ 4,343,055</u>	<u>\$ 4,723,066</u>

(continued)

CITY OF BREAUX BRIDGE, LOUISIANA

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

	<u>1999</u>	<u>1998</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents, beginning of period -		
Cash - unrestricted	\$ 16,066	\$ 12,266
Interest-bearing deposits - unrestricted	4,422,580	4,753,674
Cash - restricted	1,410	1,369
Interest-bearing deposits - restricted	<u>283,010</u>	<u>260,833</u>
Total cash and cash equivalents	<u>4,723,066</u>	<u>5,028,142</u>
Cash and cash equivalents, end of period -		
Cash - unrestricted	17,118	16,066
Interest-bearing deposits - unrestricted	4,020,411	4,422,580
Cash - restricted	1,451	1,410
Interest-bearing deposits - restricted	<u>304,075</u>	<u>283,010</u>
Total cash and cash equivalents	<u>4,343,055</u>	<u>4,723,066</u>
Net decrease	<u>\$ (380,011)</u>	<u>\$ (305,076)</u>

The accompanying notes are an integral part of this statement.

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

The City of Breaux Bridge was incorporated on January 26, 1901 under the provisions of the *Lawrason Act*. The City operates under a Mayor-Board of Aldermen form of government.

The accounting and reporting practices of the City of Breaux Bridge 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 industry audit guide, Audits of State and Local Governments, published by the American Institute of Certified Public Accountants. The City's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

A. Reporting Entity

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting Standards Board (GASB) Statement No. 14. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the City is able to exercise oversight responsibilities.

The Breaux Bridge City Court and the Breaux Bridge City Marshal were determined to be component units of the City of Breaux Bridge, primary government. This determination was made on the financial interdependency criterion. Both the City Court and the City Marshal have a December 31 year end.

The City has chosen to issue financial statements of the primary government (City) only; therefore, neither of the previously listed component units are included in the accompanying financial statements. Financial information for these component units may be obtained by contacting the respective component unit.

These primary government (City) financial statements include all funds, account groups, and organizations for which the City maintains the accounting records.

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Financial Statements (Continued)

GASB Statement 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (City) financial statements are not a substitute for the reporting entity's financial statements. The accompanying primary government financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. These financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the primary government.

The records of Sewer District No. 1 are maintained by the City and are, therefore, included in this report.

The Breaux Bridge Housing Authority was chartered by the City of Breaux Bridge in 1958. The Authority's five member board of directors is appointed by the Mayor and Board of Aldermen of the City of Breaux Bridge. The City's oversight responsibilities in the management, operation and financial accountability of the Authority are remote. For this reason, the Authority is not considered to be a component unit of the City and accordingly, is not included in the City's audited financial statements. The Authority's in-lieu-of-tax payment to the City was waived for 1999.

The City of Breaux Bridge has no authority over, nor is it involved in the record keeping of the Breaux Bridge Volunteer Fire Department; therefore, the Department is not considered to be a component unit of the City and accordingly, is not included in the City's audited financial statements.

B. Fund Accounting

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

The following funds and groups of accounts are used by the City:

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.

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Financial Statements (Continued)

Special revenue funds

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

There are two debt service funds at June 30, 1999. One is the 1994 Certificate of Indebtedness. It is used to account for repayment of \$750,000 certificate of indebtedness, Series 1994, which is due in annual installments, plus interest, until maturity in 2004. The other debt service fund is the 1998 Certificate of Indebtedness. It is used to account for repayment of \$142,809 certificate of indebtedness, Series 1998, which is due in annual installments, plus interest, until maturity in 2008.

Capital projects funds

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Capital projects funds are as follows:

Sewer Extension Fund - To account for the sewer extension project. Financing is provided in part by special assessments paid prior to bond issuance of \$29,300, public improvement bond proceeds of \$142,809, and funds provided by the Enterprise Fund of approximately \$513,000.

LCDBG 1998 Street Improvement Project – To account for the street improvement project. Financing is provided by a community development block grant, estimated at \$381,300.

Proprietary Fund Type -

Enterprise fund

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

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Financial Statements (Continued)

Fiduciary Fund Type -

Agency fund

The agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations, but is used to account for assets held for other funds. It is used to account for the collection and payment of payroll, the related taxes, group insurance premiums, and deferred compensation contributions.

General Fixed Assets and General Long-Term Account Group -

General fixed assets (GFA)

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

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

Gas system	25 years
Sewerage system	25 - 50 years
Waterworks system, including improvements and wells	25 years
Other equipment	3 - 16 years

The General Fixed Assets Account Group is used to account for fixed assets used in governmental fund type operations for control purposes. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date of donation.

General Long-Term Debt Account Group

The general long-term debt account group is used to account for long-term liabilities to be financed from government funds.

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental 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 these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Financial Statements (Continued)

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g. revenues) and decreases (e.g. expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types. 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 transactions 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. Ad valorem taxes are recognized as revenue in the year for which they are budgeted, that is, in the year they are billed and collected. Other major revenues considered susceptible to accrual are earned grant revenues and interest on investments. Revenues from special assessments are recognized in the year in which the annual installments become due and payable.

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 are recognized when due.

Purchases of operating supplies are regarded as expenditures at the time purchased and inventories of such supplies (if any) are not recorded as assets at the close of the fiscal year.

Fund balance reserve accounts have been established for certain prepaid expenses in the governmental fund types to indicate that they do not represent "available spendable resources", even though they are a component of net current assets.

The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The cash basis of accounting is utilized by the agency fund. This method approximates the modified accrual basis of accounting.

D. Budgets and Budgetary Accounting

The budget for the general, special revenue, and proprietary fund types is proposed by the Mayor to the Board of Alderman for formal adoption. Budgets are prepared on a basis consistent with generally accepted accounting principles (GAAP). At year end all appropriations lapse. The budget amounts shown in the financial statements are the final authorized amounts as revised for the year. The Mayor may transfer budget amounts between departments within any fund. The level of budgetary control is by total appropriations; however, for report purposes, the budgetary information has been expanded.

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Financial Statements (Continued)

E. Deposits

Certificates of deposit earned approximately 4.2 percent interest for the year ended June 30, 1999.

F. Statement of Cash Flows

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

G. Allowance for Uncollectibles

The direct write-off method is used to record bad debts in all funds except the Utility Fund.

H. Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These interfund receivables and payables are classified as "Due From Other Funds" and "Due to Other Funds" on the balance sheet.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 1999 are recorded as prepaid items. The only prepaid item that existed at June 30, 1999 was prepaid insurance.

J. Restricted Assets

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

K. Unpaid Accumulated Vacation, Sick Pay, and Compensated Absences

Unused vacation accumulated by employees is lost each year unless taken. Sick leave accumulates from year to year, but is lost upon termination. Compensated absences are earned each year by employees and are not lost upon termination. Accruals of compensated absences totaled \$28,146 at June 30, 1999.

L. 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.

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Financial Statements (Continued)

M. Fund Equity

Contributed capital is recorded in propriety funds that have received capital grants or contributions from developers, customers or other funds. Reserves represent those portions of fund equity not appropriable or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

N. Comparative Data

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

O. Total Columns on Combined Statements - Overview

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

(2) Cash and Interest-Bearing Deposits

Under state law, the City may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The City may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 1999, the City has cash and interest-bearing deposits (book balances) totaling \$5,950,162.

These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 1999 are secured as follows:

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Financial Statements (Continued)

Bank balances	\$5,957,718
	=====
At June 30, 1999 the deposits are secured as follows:	
Federal deposit insurance	\$ 175,369
Pledged securities (Category 3)	<u>5,782,349</u>
Total federal insurance and pledged securities	\$5,957,718
	=====

Pledged securities in Category 3 includes uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the City's name. Even though the pledged securities are considered uncollateralized (Category 3) Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the City that the fiscal agent has failed to pay deposited funds upon demand.

(3) Accounts Receivable

Accounts receivable at June 30, 1999 and 1998 consisted of the following:

	<u>1999</u>	<u>1998</u>
Amounts due from customers	\$186,873	\$238,969
Less: Allowance for uncollectible accounts	<u>(18,183)</u>	<u>(25,465)</u>
	\$168,690	\$213,504
	=====	=====

(4) Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	<u>Balance July 1, 1998</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 1999</u>
Land	\$ 275,838	\$ -	\$ -	\$ 275,838
Buildings	1,211,473	150,068	-	1,361,541
Autos and equipment	704,402	238,460	(132,947)	809,915
Recreation facilities and other	<u>1,122,184</u>	<u>93,569</u>	<u>-</u>	<u>1,215,753</u>
	\$3,313,897	\$482,097	\$(132,947)	\$3,663,047
	=====	=====	=====	=====

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Financial Statements (Continued)

(5) Summary of Utilities, Plant and Equipment

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>	<u>Depreciation This Year</u>
Gas system	\$ 1,401,709	\$ 790,891	\$ 610,818	\$ 40,607
Sewerage	5,719,806	2,041,428	3,678,378	109,357
Waterworks system	1,248,373	1,154,897	93,476	17,099
Waterworks system improvements	2,752,566	1,322,568	1,429,998	130,205
Water wells	48,330	48,162	168	33
Land and sewerage lagoon	150,200	-	150,200	-
Other equipment	<u>285,746</u>	<u>171,980</u>	<u>113,766</u>	<u>12,670</u>
	<u>\$11,606,730</u>	<u>\$5,529,926</u>	<u>\$6,076,804</u>	<u>\$309,971</u>

Depreciation expense related to assets acquired with contributed capital was charged against contributed capital in the amount of \$ 101,636 during 1999 and 1998.

(6) Changes in Agency Fund Balance

A summary of changes in agency fund balance follows:

	<u>Payroll Fund</u>
Balance, June 30, 1998	\$ 13,650
Additions	1,413,989
Reductions	<u>(1,420,643)</u>
Balance, June 30, 1999	<u>\$ 6,996</u>

(7) Changes in Long-Term Debt

The following is a summary of long-term debt transactions of the City of BreauX Bridge, Louisiana for the year ended June 30, 1999.

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Financial Statements (Continued)

	<u>General Obligation</u>	<u>Special Assessment</u>	<u>Revenue</u>	<u>Total</u>
Long-term debt at July 1, 1998	\$565,000	\$142,809	\$330,000	\$1,037,809
Debt assumed	-	-	-	-
Debt retired	<u>(70,000)</u>	<u>(14,281)</u>	<u>(30,000)</u>	<u>(114,281)</u>
Long-term debt at June 30, 1999	<u>\$495,000</u>	<u>\$128,528</u>	<u>\$300,000</u>	<u>\$ 923,528</u>

Long-term debt at June 30, 1999 is comprised of the following:

Revenue bonds

\$600,000 1982 Sewer Revenue Bonds due in annual installments of \$15,000 to \$45,000; interest rate of 5.0 percent; full maturity at September 2, 2006; secured by income and revenues of the sewer system.

\$300,000

General obligation debt

\$750,000 Certificate of Indebtedness, Series 1994, due in annual installments of \$60,000 to \$95,000; from November 1, 1995 to November 1, 2004; interest rate of 5.34 percent; payable from and secured by excess revenues.

\$495,000

Special assessments bonds debt with governmental commitment

\$142,809 Certificate of Indebtedness, Series 1998, due in annual installments of \$14,281; from April 1, 1999 to April 1, 2008; interest rate of 5.25 percent; payable from and secured by special assessments.

\$128,528

Total general obligation bonds outstanding

\$623,528

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Financial Statements (Continued)

The annual requirements to amortize all debt outstanding at June 30, 1999, including interest payments of \$196,657 are as follows:

<u>Year Ending June 30,</u>	<u>General Obligation</u>	<u>Special Assessment</u>	<u>Revenue</u>	<u>Total</u>
2000	\$ 96,450	\$ 21,029	\$ 45,000	\$ 162,479
2001	97,281	20,279	43,500	161,060
2002	97,825	19,529	47,000	164,354
2003	98,081	18,779	45,250	162,110
2004	98,050	18,030	48,500	164,580
2005-2008	<u>97,731</u>	<u>64,621</u>	<u>143,250</u>	<u>305,602</u>
Totals	<u>\$585,418</u>	<u>\$162,267</u>	<u>\$372,500</u>	<u>\$1,120,185</u>

(8) Dedication of Sales Tax Revenues

A sales and use tax of 1 percent was levied as of May 1, 1971 after approval by the registered voters of the City of BreauX Bridge. Revenues to be derived from the tax are dedicated to: constructing, acquiring, extending, improving, operating and maintaining waterworks, garbage and waste disposal facilities, streets and bridges, including incidental drainage in connection therewith, and recreational facilities; and purchasing and acquiring the necessary land, equipment and furnishings for the aforesaid public works, improvements and facilities. The tax is also subject to funding into bonds by the City.

(9) Enterprise Fund Operations

Operations of the City of BreauX Bridge Utility System consist of a gas distribution system and of water and sewerage utilities. Operating expenses which are not directly chargeable to the individual departments are allocated to the departments on the basis of number of utility customers and managerial estimates.

Operating results of the individual utilities were as follows:

	<u>Year Ended June 30,</u>	<u>Charges for Services</u>	<u>Operating Revenues</u>	<u>Other Operating Expenses</u>	<u>Operating Income (Loss)</u>
Gas utility	1999	\$426,753	\$12,903	\$(425,139)	\$ 14,517
	1998	783,991	17,444	(723,725)	77,710
Water utility	1999	\$584,126	\$19,092	\$(671,307)	\$(68,089)
	1998	589,869	13,051	(691,333)	(88,413)
Sewerage system	1999	\$377,246	\$11,647	\$(255,562)	\$133,331
	1998	368,089	8,483	(268,539)	108,033

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Financial Statements (Continued)

At June 30, 1999, the City of Breaux Bridge was furnishing utility service to the following number of customers:

Gas customers	1,293
Water customers	2,488
Sewer customers	2,502

(10) Flow of Funds; Restrictions on Use - Utilities Revenues

Under the terms of the bond indenture on outstanding 1982 Sewer Revenue Bonds, these bonds are secured and payable from a pledge of the income and revenues to be derived from the operation of the Sewer System.

All revenues must be deposited daily into a separate bank account designated as the "Sewer Revenue Fund" and said fund shall be maintained and administered in the following order of priority and for the following express purposes:

Revenues shall be applied to the payment of all reasonable and necessary expenses of operating and maintaining the Sewer System. A Sewer Revenue Bond and Interest Sinking Fund must be established and maintained by transferring from the Sewer Revenue Fund each month a sum whereby an amount sufficient to pay the succeeding principal and interest installment will accumulate by the time payment is due. The balance in this account at June 30, 1999 was \$64,271.

Upon completion of construction of improvements and extensions to the Sewer System funded by this bond issue, a Sewer Reserve Fund must be established and maintained with monthly transfers from the Sewer Revenue Fund, until such a time as there is accumulated a sum equal to the highest combined principal and interest requirement for any succeeding fiscal year. The money in the Sewer Reserve Fund is to be retained solely for the purpose of paying the principal of and the interest on bonds payable from the Sewer Revenue Bond and Interest Sinking Fund, should that fund be unable to meet such payments. The balance in this account at June 30, 1999, was \$48,924. A Sewer Depreciation and Contingency Fund must also be established and maintained upon completion of the previously mentioned construction by transferring from the Sewer Revenue Fund \$355 monthly, provided that such a sum is available after meeting the above uses and restrictions.

Money deposited in this fund may be used to care for depreciation, extensions, additions, improvements and replacements necessary to properly operate the system. In addition, the money deposited in this fund may be used for the payment of principal and interest on maturing bonds which cannot be paid from the Sewer Revenue Bond and Interest Sinking Fund or Sewer Reserve Fund. The balance in this account at June 30, 1999 was \$82,864.

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Financial Statements (Continued)

During the year ended June 30, 1999, the City complied with the provisions of the bond indenture as outlined above.

(11) Interfund Receivables and Payables

A detail of interfund receivable and payable balances as of June 30, 1999 follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$55,660	\$ 6,183
Capital Projects Fund	3,418	-
Enterprise Fund:		
Utility Fund	466	54,738
Agency Fund:		
Payroll Fund	1,863	-
Special Revenue Fund:		
Parks & Recreation Operating Fund	-	486
	<u>\$61,407</u>	<u>\$61,407</u>

(12) Ad Valorem Taxes

For the year ended June 30, 1999, taxes of 4.75 mills were levied on property with assessed valuations totaling \$20,578,160 and were dedicated as follows:

General corporate purposes 4.75 mills

Total taxes levied were \$97,749, of which \$642 had not been collected at June 30, 1999. The taxes are levied and assessed on or about October and November, respectively, of each year. Tax bills are mailed in December, become liens on December 31, and are delinquent if unpaid as of March 1. The majority of collections occur in the months of December through February.

(13) Retirement Systems

Plan Description: The City of BreauX Bridge contributes to the Municipal Police Employers' Retirement System, a cost-sharing multiple employer defined benefit pension plan administered by the Municipal Police Employers' Retirement System, a public corporation created in accordance with the provisions of Louisiana Revised Statute 11:2211-11:2233 to provide retirement, disability and survivor benefits to municipal police officer members throughout the State of Louisiana. The Municipal Police Employers' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Municipal Police Employers' Retirement System, 8401 United Plaza Blvd., Room 305, Baton Rouge, Louisiana 70806.

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Financial Statements (Continued)

Funding Policy: Plan members are required to contribute 7.5% of their annual covered salary and the City of Breaux Bridge is required to contribute at an actuarially determined rate. The current rate is 9.0% of annual covered payroll. The contribution requirements of plan members and the City of Breaux Bridge are established and may be amended by the Municipal Police Employers' Retirement System. The City of Breaux Bridge's contributions to the Retirement System for the years ended June 30, 1999, 1998 and 1997 were \$9,730, \$7,401 and \$6,861, respectively.

(14) Restricted Assets - Utility Fund

Restricted assets were composed of checking and savings accounts and certificates of deposit at June 30, 1999 and were restricted as follows:

Bond reserve, sinking, and contingency funds	\$196,059
Customers' deposits	<u>109,440</u>
	<u>\$305,499</u>

(15) Compensation of City Officials

A detail of compensation paid to the mayor and aldermen for the year ended June 30, 1999 follows:

Louis Kern, Mayor 1998	\$ 18,000
Jack Dale Delhomme, Mayor 1999	<u>\$ 18,000</u>
Aldermen:	
Howard Alexander	\$ 4,800
Wilbert Alexander	2,400
Christine Begnaud	2,400
Ricky Calais	4,800
Jack Dale Delhomme	2,400
Kenneth LeBlanc	2,400
Albert Menard	2,400
Mark Robicheaux	<u>2,400</u>
Total	<u>\$24,000</u>

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Financial Statements (Continued)

(16) Contracts

In December, 1997, the City entered into a research agreement with Louisiana State University (LSU). This agreement is for the use of swamp forests near Breaux Bridge for the application of treated municipal waste-water: monitoring the effects of the discharge by LSU. The term of the contract is from December 15, 1997 to March 31, 2000. Payments made in fiscal year ending June 30, 1999 were \$25,168. Additional payments are due as follows:

<u>Year Ending</u> <u>June 30,</u>	
2000	\$18,876 =====

(17) Contributed Capital

Amounts contributed to the enterprise 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. The depreciation is closed to the appropriate contributed capital account and is reflected as an adjustment to net income on the Statement of Revenues, Expenses, and Changes in Retained Earnings.

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

	<u>Municipality</u>	<u>Federal and State Grants and Revenue Sharing</u>	<u>Total</u>
Total contributed capital, June 30, 1998	\$2,241,546	\$3,781,104	\$6,022,650
Capital contribution	-	365,102	365,102
Less: Accumulated depreciation	<u>-</u>	<u>(1,188,947)</u>	<u>(1,188,947)</u>
Net contributed capital, June 30, 1999	<u>\$2,241,546</u> =====	<u>\$2,957,259</u> =====	<u>\$5,198,805</u> =====

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Financial Statements (Continued)

(18) Risk Management

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

(19) Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code (IRC) Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) held in a trust, custodial account or annuity contract described in IRC 457(g) for the exclusive benefit of the participants and their beneficiaries.

The fair market value of the plan assets at June 30, 1999 is \$173,263.

(20) On-behalf Payments

The City has recognized \$62,820 as a revenue and an expenditure for on-behalf salary payments made by the state of Louisiana.

(21) Contingencies

The City has determined that \$50,000 is a reasonable estimate of potential liability related to possible claims which they may not be aware of. Accordingly, \$50,000 has been accrued at June 30, 1999 and is reflected in accounts payable and accrued expenditures.

SUPPLEMENTAL INFORMATION

CITY OF BREAUX BRIDGE, LOUISIANA

Year 2000 Issue (unaudited)

Impact of Year 2000 on Computer Programs (Unaudited)

The Year 2000 issue is the result of computer programs being written using two digits rather than four to define the applicable year. Any of the 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 City operations and have identified such systems as being fund accounting, payroll, accounts payable, tax and licenses, and utility billing.

- *All applications have been assessed, remediated, and tested and validated.*

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.

SCHEDULE OF SELECTED INDIVIDUAL FUNDS

GENERAL FUND

To account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

CITY OF BREAUX BRIDGE, LOUISIANA
General Fund

Comparative Balance Sheets
June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
ASSETS		
Cash and interest-bearing deposits	\$ 64,060	\$ 222,810
Taxes receivable	642	112
Grants receivable	80,232	-
Other receivables	107,638	90,156
Due from other funds	55,660	29,854
Prepaid insurance	<u>58,841</u>	<u>59,078</u>
 Total assets	 <u>\$ 367,073</u>	 <u>\$ 402,010</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable and accrued expenditures	\$ 208,761	\$ 122,127
Contracts payable	-	42,495
Due to other funds	6,183	2,550
Retainage payable	<u>8,845</u>	<u>4,249</u>
Total liabilities	<u>223,789</u>	<u>171,421</u>
Fund balances:		
Reserved for prepaid expenses	58,841	59,078
Unreserved - undesignated	<u>84,443</u>	<u>171,511</u>
Total fund balance	<u>143,284</u>	<u>230,589</u>
 Total liabilities and fund balances	 <u>\$ 367,073</u>	 <u>\$ 402,010</u>

CITY OF BREAUX BRIDGE, LOUISIANA
General Fund

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

	1999		Variance - Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Revenues:				
Taxes -				
General alimony taxes	\$ 93,000	\$ 97,749	\$ 4,749	\$ 94,002
Franchise taxes	202,000	212,471	10,471	208,465
Chain store tax	3,100	3,640	540	2,085
Licenses and permits	222,050	250,373	28,323	261,891
Federal grants	10,000	3,841	(6,159)	16,092
Intergovernmental revenues -				
State grants	180,000	157,021	(22,979)	-
State revenue sharing	25,000	25,694	694	27,805
Tobacco tax	33,000	34,002	1,002	34,002
Beer tax	21,000	19,321	(1,679)	21,609
Video poker	21,000	31,706	10,706	27,297
Motor vehicle tax	30,000	30,146	146	34,104
On behalf payments	63,000	62,820	(180)	-
Charges for services -				
Garbage fees	323,000	296,600	(26,400)	321,427
Fines	55,000	66,672	11,672	58,154
Miscellaneous -				
Crawfish Festival	7,000	44,251	37,251	7,184
Interest	2,000	3,538	1,538	3,655
Other	53,200	58,789	5,589	39,803
Total revenues	<u>1,343,350</u>	<u>1,398,634</u>	<u>55,284</u>	<u>1,157,575</u>
Expenditures:				
Current -				
General government	670,950	729,768	(58,818)	532,755
Streets and bridges	854,500	794,043	60,457	304,990
Sanitation	323,000	296,601	26,399	321,428
Public safety - Police	986,150	977,150	9,000	835,519
Capital outlay	361,000	360,087	913	85,121
Total expenditures	<u>3,195,600</u>	<u>3,157,649</u>	<u>37,951</u>	<u>2,079,813</u>
Deficiency of revenues over expenditures	<u>(1,852,250)</u>	<u>(1,759,015)</u>	<u>93,235</u>	<u>(922,238)</u>

(continued)

CITY OF BREAUX BRIDGE, LOUISIANA
General Fund

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

	1999		Variance - Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Other financing source (use):				
Operating transfers in	\$1,850,000	\$ 1,675,000	\$(175,000)	\$ 1,150,000
Operating transfers out	-	(3,518)	(3,518)	-
Total other financing source	<u>1,850,000</u>	<u>1,671,482</u>	<u>(178,518)</u>	<u>1,150,000</u>
Excess (deficiency) of revenues and other source over expenditures	(2,250)	(87,533)	(85,283)	227,762
Fund balance, beginning	230,589	230,589	-	2,827
Add: residual equity transfer	<u>228</u>	<u>228</u>	<u>-</u>	<u>-</u>
Fund balance, ending	<u>\$ 228,567</u>	<u>\$ 143,284</u>	<u>\$ (85,283)</u>	<u>\$ 230,589</u>

CITY OF BREAUx BRIDGE, LOUISIANA
General Fund

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

	1999		Variance - Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Current-				
General government:				
Salaries and wages	\$ 200,000	\$ 203,718	\$ (3,718)	\$ 157,112
Payroll taxes	15,650	19,466	(3,816)	17,950
Retirement	4,500	4,445	55	3,155
City Court	109,500	109,240	260	101,322
Legal and professional	71,000	81,212	(10,212)	57,874
National Guard unit	1,200	-	1,200	1,200
St. Martin Parish veteran's officer	1,500	1,488	12	1,488
Telephone	8,000	9,217	(1,217)	6,918
Publishing minutes and advertising	5,000	3,779	1,221	7,213
Office supplies and expense	24,000	20,557	3,443	17,547
Electricity	9,000	6,552	2,448	8,607
Louisiana Municipal Association dues	1,200	1,118	82	-
Other dues	500	988	(488)	1,553
Preparation of tax roll and pro rata share of assessor's salary	3,000	2,804	196	2,828
General insurance	20,000	19,945	55	20,112
Group insurance	58,000	58,349	(349)	48,583
Schools and conventions	7,000	5,769	1,231	3,275
Building maintenance	25,000	22,540	2,460	10,884
Crawfish festival expense	8,400	26,159	(17,759)	3,893
Miscellaneous	68,500	59,512	8,988	27,125
Economic development	25,000	22,910	2,090	34,116
Uninsured claims expense	5,000	50,000	(45,000)	-
Total general government	<u>670,950</u>	<u>729,768</u>	<u>(58,818)</u>	<u>532,755</u>

(continued)

CITY OF BREAUX BRIDGE, LOUISIANA
General Fund

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

	1999		Variance - Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Streets and bridges:				
Salaries and wages	\$ 83,000	\$ 78,671	\$ 4,329	\$ 76,157
Payroll taxes	6,500	6,082	418	5,889
Retirement	1,100	1,079	21	968
Shells, gravel and other material	25,000	25,266	(266)	19,162
Supplies	17,700	28,774	(11,074)	14,625
Motor equipment repairs and maintenance	16,000	35,884	(19,884)	15,272
Fuel	5,000	4,963	37	5,475
Electricity (street lights)	41,000	40,550	450	39,355
General insurance	26,000	24,297	1,703	25,363
Grass spraying and cutting	6,200	3,360	2,840	2,963
Engineering	7,500	-	7,500	1,843
Catch basin and sidewalks	7,500	3,380	4,120	15,565
Street resurfacing project	555,000	491,600	63,400	70,150
Miscellaneous	57,000	50,137	6,863	12,203
Total streets and bridges	<u>854,500</u>	<u>794,043</u>	<u>60,457</u>	<u>304,990</u>
Sanitation:				
Garbage contract	323,000	296,601	26,399	321,428
Total sanitation	<u>323,000</u>	<u>296,601</u>	<u>26,399</u>	<u>321,428</u>

(continued)

CITY OF BREAUX BRIDGE, LOUISIANA
General Fund

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

	1999		Variance - Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Public safety - police:				
Salaries and wages	\$ 570,000	\$ 554,005	\$ 15,995	\$ 496,649
Retirement	14,000	13,444	556	11,255
Payroll taxes	44,650	46,965	(2,315)	43,059
Automobile repairs and expense	46,800	53,029	(6,229)	43,418
Office supplies and expense	28,000	25,778	2,222	18,435
Jail supplies and expense	26,500	31,677	(5,177)	34,664
Electricity	5,200	5,523	(323)	3,205
Telephone	12,000	13,352	(1,352)	9,185
Uniform allowance	7,000	6,213	787	6,733
On behalf payments	63,000	62,820	180	-
General insurance	90,000	81,563	8,437	86,592
Gasoline	14,000	13,965	35	16,594
Uninsured liability claims	30,000	32,921	(2,921)	18,794
Miscellaneous	35,000	35,895	(895)	46,936
Total public safety - police	<u>986,150</u>	<u>977,150</u>	<u>9,000</u>	<u>835,519</u>
Capital outlay -				
Autos and equipment	200,000	210,019	(10,019)	85,121
Building improvements	161,000	150,068	10,932	-
Total capital outlay	<u>361,000</u>	<u>360,087</u>	<u>913</u>	<u>85,121</u>
Total expenditures	<u>\$ 3,195,600</u>	<u>\$ 3,157,649</u>	<u>\$ 37,951</u>	<u>\$ 2,079,813</u>

SPECIAL REVENUE FUNDS

Sales Tax Fund - To account for the receipt and use of proceeds of the City's 1 percent sales and use tax. These taxes may only be used for improvements and operation of specific public works and recreational facilities and to fund payment of the City's public improvement bonds.

Recreation and Parks Operating Fund - To account for the operations and maintenance of all City-owned recreational facilities. Financing is provided by a portion of sales taxes collected and miscellaneous revenue, primarily admissions and rental income.

CITY OF BREAUX BRIDGE, LOUISIANA
Special Revenue Funds

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

	<u>Sales Tax Fund</u>	<u>Recreation and Parks Operating Fund</u>	<u>Totals</u>	
			<u>1999</u>	<u>1998</u>
ASSETS				
Cash and interest-bearing deposits	\$ 1,478,574	\$ 23,830	\$1,502,404	\$1,803,767
Accrued interest receivable	1,080	-	1,080	2,857
Grants receivable	-	50,000	50,000	-
Other receivables	96,668	-	96,668	89,685
Prepaid insurance	-	9,188	9,188	8,909
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 1,576,322</u>	<u>\$ 83,018</u>	<u>\$1,659,340</u>	<u>\$1,905,218</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued expenses	\$ 3,681	\$ 53,919	57,600	\$ 13,880
Due to other funds	-	486	486	-
	<u>3,681</u>	<u>54,405</u>	<u>58,086</u>	<u>13,880</u>
Fund balances:				
Reserved for prepaid expenses	-	9,188	9,188	8,909
Unreserved, undesignated	1,572,641	19,425	1,592,066	1,882,429
	<u>1,572,641</u>	<u>28,613</u>	<u>1,601,254</u>	<u>1,891,338</u>
Total liabilities and fund balances	<u>\$ 1,576,322</u>	<u>\$ 83,018</u>	<u>\$1,659,340</u>	<u>\$1,905,218</u>

CITY OF BREAUX BRIDGE, LOUISIANA
Special Revenue Funds

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

	<u>Sales Tax Fund</u>	<u>Recreation and Parks Operating Fund</u>	<u>Totals</u>	
			<u>1999</u>	<u>1998</u>
Revenues:				
Taxes	\$ 970,672	\$ -	\$ 970,672	\$ 905,571
State grant	-	50,000	50,000	-
Miscellaneous -				
Interest on investments	63,648	448	64,096	69,607
Donation	-	30,068	30,068	36,266
Tournaments	-	26,056	26,056	-
Other	-	1,520	1,520	536
Total revenues	<u>1,034,320</u>	<u>108,092</u>	<u>1,142,412</u>	<u>1,011,980</u>
Expenditures:				
Current -				
General government	29,425	-	29,425	19,183
Culture and recreation	-	180,587	180,587	110,816
Capital outlay	-	122,009	122,009	10,316
Total expenditures	<u>29,425</u>	<u>302,596</u>	<u>332,021</u>	<u>140,315</u>
Excess (deficiency) of revenues over expenditures	<u>1,004,895</u>	<u>(194,504)</u>	<u>810,391</u>	<u>871,665</u>
Other financing sources (uses):				
Operating transfers in	-	202,751	202,751	50,000
Operating transfers out	<u>(1,303,226)</u>	<u>-</u>	<u>(1,303,226)</u>	<u>(699,356)</u>
Total other financing sources (uses)	<u>(1,303,226)</u>	<u>202,751</u>	<u>(1,100,475)</u>	<u>(649,356)</u>
Excess (deficiency) of revenues over expenditures and other uses	(298,331)	8,247	(290,084)	222,309
Fund balances, beginning of year	<u>1,870,972</u>	<u>20,366</u>	<u>1,891,338</u>	<u>1,669,029</u>
Fund balances, end of year	<u>\$ 1,572,641</u>	<u>\$ 28,613</u>	<u>\$ 1,601,254</u>	<u>\$ 1,891,338</u>

CITY OF BREAUX BRIDGE, LOUISIANA
Special Revenue Fund
Sales Tax Fund

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

	1999		Variance - Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Revenues:				
Taxes -				
Sales taxes collected	\$ 881,300	\$ 970,672	\$ 89,372	\$ 905,571
Miscellaneous -				
Interest on investments	<u>65,000</u>	<u>63,648</u>	<u>(1,352)</u>	<u>67,870</u>
Total revenues	<u>946,300</u>	<u>1,034,320</u>	<u>88,020</u>	<u>973,441</u>
Expenditures:				
General government -				
Collection expense	8,800	13,205	(4,405)	8,301
Salaries	6,500	7,199	(699)	5,760
Payroll taxes	515	560	(45)	411
Pension	150	142	8	114
Legal and professional	3,000	2,855	145	2,224
Computer expense	300	390	(90)	210
Miscellaneous	<u>5,150</u>	<u>5,074</u>	<u>76</u>	<u>2,163</u>
Total expenditures	<u>24,415</u>	<u>29,425</u>	<u>(5,010)</u>	<u>19,183</u>
Excess of revenues over expenditures	<u>921,885</u>	<u>1,004,895</u>	<u>83,010</u>	<u>954,258</u>

(continued)

CITY OF BREAUX BRIDGE, LOUISIANA
Special Revenue Fund
Sales Tax Fund

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

	1999		Variance - Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Other financing uses:				
Operating transfers out -				
Recreation and Parks				
Operating Fund	\$ (250,000)	\$ (202,751)	\$ 47,249	\$ (50,000)
Sinking Fund for				
Public Improvement				
Bonds dated October 1, 1971	(100,500)	(100,475)	25	(99,356)
General Fund	<u>(1,000,000)</u>	<u>(1,000,000)</u>	-	<u>(550,000)</u>
Total other financing uses	<u>(1,350,500)</u>	<u>(1,303,226)</u>	<u>47,274</u>	<u>(699,356)</u>
Excess (deficiency) of revenues over				
expenditures and other uses	(428,615)	(298,331)	130,284	254,902
Fund balance, beginning of year	<u>1,870,972</u>	<u>1,870,972</u>	-	<u>1,616,070</u>
Fund balance, end of year	<u><u>\$ 1,442,357</u></u>	<u><u>\$ 1,572,641</u></u>	<u><u>\$ 130,284</u></u>	<u><u>\$ 1,870,972</u></u>

CITY OF BREAUX BRIDGE, LOUISIANA
Special Revenue Fund
Recreation and Parks Operating Fund

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

	1999		Variance - Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Revenues:				
State grant	\$ 50,000	\$ 50,000	\$ -	\$ -
Miscellaneous -				
Interest on investments	300	448	148	1,737
Donations	26,000	30,068	4,068	36,266
Tournaments	300	26,056	25,756	-
Other	100	1,520	1,420	536
Total revenues	<u>76,700</u>	<u>108,092</u>	<u>31,392</u>	<u>38,539</u>
Expenditures:				
Current:				
Culture and recreation -				
Salaries and wages	44,000	71,507	(27,507)	47,198
Payroll taxes	3,500	5,342	(1,842)	3,298
Pension	400	395	5	294
Repairs and supplies	35,500	56,389	(20,889)	30,280
Electricity	4,200	4,313	(113)	3,194
Insurance	18,000	16,680	1,320	15,576
Group insurance	3,800	3,316	484	2,661
Miscellaneous	39,400	22,645	16,755	8,315
Capital outlay	105,000	122,009	(17,009)	10,316
Total expenditures	<u>253,800</u>	<u>302,596</u>	<u>(48,796)</u>	<u>121,132</u>
Deficiency of revenues over expenditures	(177,100)	(194,504)	(17,404)	(82,593)
Other financing sources:				
Operating transfers in	<u>250,000</u>	<u>202,751</u>	<u>(47,249)</u>	<u>50,000</u>
Excess (deficiency) of revenues and other sources over expenditures	72,900	8,247	(64,653)	(32,593)
Fund balance, beginning of year	<u>20,366</u>	<u>20,366</u>	<u>-</u>	<u>52,959</u>
Fund balance, end of year	<u>\$ 93,266</u>	<u>\$ 28,613</u>	<u>\$(64,653)</u>	<u>\$ 20,366</u>

ENTERPRISE FUND

Utility Fund - To account for the provision of gas, water, and sewer services to the residents of the City and some residents of St. Martin Parish. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

CITY OF BREAUX BRIDGE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Balance Sheets
June 30, 1999 and 1998

	1999	1998
ASSETS		
Current assets:		
Cash and interest bearing deposits	\$ 4,037,556	\$ 4,438,646
Accounts receivable, net of allowance for uncollectible accounts (1999 \$18,183; 1998 \$25,465)	168,690	213,504
Accrued interest receivable	3,949	12,614
Prepaid insurance	44,276	45,462
Due from other funds	466	4,121
Total current assets	4,254,937	4,714,347
Restricted assets:		
Cash	14,680	11,605
Interest-bearing deposits	290,819	272,815
Total restricted assets	305,499	284,420
Plant and equipment:		
At cost, net of accumulated depreciation (1999 \$5,529,926; 1998 \$5,235,580)	6,076,804	5,717,661
Total assets	\$ 10,637,240	\$ 10,716,428
LIABILITIES AND FUND EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	\$ 68,607	\$ 57,367
Due to other funds	54,738	26,808
Revenue bonds payable	30,000	30,000
Accrued interest payable	12,450	14,792
Customers' deposits	109,440	103,029
Total current liabilities	275,235	231,996
Long-term liabilities:		
Revenue bonds payable	270,000	300,000
Total liabilities	545,235	531,996
Fund equity:		
Contributed capital, net of accumulated amortization (1999 \$1,188,947; 1998 \$1,087,311)	5,198,805	4,935,338
Retained earnings:		
Reserved for revenue bond retirement	64,271	61,146
Reserved for revenue bond contingency	131,788	120,273
Reserved for capital projects	5,802	51,145
Unreserved	4,691,339	5,016,530
Total retained earnings	4,893,200	5,249,094
Total fund equity	10,092,005	10,184,432
Total liabilities and fund equity	\$ 10,637,240	\$ 10,716,428

CITY OF BREAUX BRIDGE, LOUISIANA
Enterprise Fund
Utility Fund

Statement of Revenues, Expenses and Changes in Retained Earnings
Budget (GAAP Basis) and Actual
Year Ended June 30, 1999
With Comparative Actual Amounts for Year Ended June 30, 1998

	1999		Variance - Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Operating revenues:				
Charges for services -				
Utility sales	\$ 1,359,000	\$ 1,355,330	\$ (3,670)	\$ 1,703,470
Installation and reconnection charges	24,000	32,795	8,795	38,479
Miscellaneous	38,000	43,642	5,642	38,978
Total operating revenues	<u>1,421,000</u>	<u>1,431,767</u>	<u>10,767</u>	<u>1,780,927</u>
Operating expenses:				
Direct expenses	925,300	887,583	37,717	1,263,525
Allocated expenses	459,950	464,425	(4,475)	420,072
Total operating expenses	<u>1,385,250</u>	<u>1,352,008</u>	<u>33,242</u>	<u>1,683,597</u>
Operating income (loss)	<u>35,750</u>	<u>79,759</u>	<u>44,009</u>	<u>97,330</u>
Nonoperating revenues (expenses):				
Other revenue	250	1,047	797	490
Interest on investments	210,000	197,536	(12,464)	233,959
Interest on bonds	(17,000)	(14,158)	2,842	(17,750)
Loss on disposal	-	(1,513)	(1,513)	(432)
Total nonoperating revenues	<u>193,250</u>	<u>182,912</u>	<u>(10,338)</u>	<u>216,267</u>
Income before operating transfers	<u>229,000</u>	<u>262,671</u>	<u>33,671</u>	<u>313,597</u>
Other financing uses:				
Operating transfers out	(1,120,000)	(720,201)	399,799	(747,792)
Total other financing uses	<u>(1,120,000)</u>	<u>(720,201)</u>	<u>399,799</u>	<u>(747,792)</u>
Net loss	(891,000)	(457,530)	433,470	(434,195)
Add: Depreciation on assets purchased with contributed capital	-	101,636	101,636	101,636
Retained earnings, beginning of year	<u>5,249,094</u>	<u>5,249,094</u>	<u>-</u>	<u>5,581,653</u>
Retained earnings, end of year	<u>\$ 4,358,094</u>	<u>\$ 4,893,200</u>	<u>\$ 535,106</u>	<u>\$ 5,249,094</u>

Actual					
Gas		Water System		Sewerage System	
1999	1998	1999	1998	1999	1998
\$418,852	\$771,643	\$565,042	\$568,519	\$371,436	\$363,308
7,901	12,348	19,084	21,350	5,810	4,781
<u>12,903</u>	<u>17,444</u>	<u>19,092</u>	<u>13,051</u>	<u>11,647</u>	<u>8,483</u>
<u>439,656</u>	<u>801,435</u>	<u>603,218</u>	<u>602,920</u>	<u>388,893</u>	<u>376,572</u>
292,473	600,114	405,403	449,737	189,707	213,674
<u>132,666</u>	<u>123,611</u>	<u>265,904</u>	<u>241,596</u>	<u>65,855</u>	<u>54,865</u>
<u>425,139</u>	<u>723,725</u>	<u>671,307</u>	<u>691,333</u>	<u>255,562</u>	<u>268,539</u>
<u>\$ 14,517</u>	<u>\$ 77,710</u>	<u>\$ (68,089)</u>	<u>\$ (88,413)</u>	<u>\$ 133,331</u>	<u>\$108,033</u>

CITY OF BREAUX BRIDGE, LOUISIANA
Utility Fund

Statement of Operating Expenses - Budget (GAAP Basis) and Actual
Year Ended June 30, 1999
With Comparative Actual Amounts for Year Ended June 30, 1998

	1999		Variance - Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Direct expenses:				
Gas purchased	\$ 159,000	\$ 155,683	\$ 3,317	\$ 426,599
System repairs and maintenance	135,500	141,279	(5,779)	242,038
Electricity	54,800	43,541	11,259	40,340
Plant supplies	64,000	67,140	(3,140)	56,939
General insurance	74,000	59,968	14,032	69,235
Depreciation	302,000	297,301	4,699	302,722
Sewer feasibility study	26,000	25,658	342	31,576
Testing - solid waste	6,500	6,435	65	3,955
Engineering	14,000	13,405	595	9,592
Salaries	64,000	63,870	130	55,959
Gas leak survey	11,500	7,750	3,750	10,890
Miscellaneous	14,000	5,553	8,447	13,680
Total direct expenses	<u>925,300</u>	<u>887,583</u>	<u>37,717</u>	<u>1,263,525</u>
Allocated expenses:				
Salaries	240,000	228,372	11,628	209,920
Group insurance	21,000	20,984	16	21,365
Pension	5,350	4,574	776	4,629
Bad debt expense	15,000	48,481	(33,481)	12,936
Payroll taxes	23,850	22,417	1,433	21,681
Office supplies and expense	32,500	32,537	(37)	29,812
Legal and accounting fees	20,500	15,410	5,090	20,421
General insurance	25,000	21,856	3,144	24,657
Maintenance and supplies	45,250	51,473	(6,223)	56,917
Computer billing expense	5,000	4,315	685	8,933
Depreciation	11,000	12,670	(1,670)	8,046
Engineering services	-	-	-	95
Miscellaneous	15,500	1,336	14,164	660
Total allocated expenses	<u>459,950</u>	<u>464,425</u>	<u>(4,475)</u>	<u>420,072</u>
Total operating expenses	<u>\$ 1,385,250</u>	<u>\$1,352,008</u>	<u>33,242</u>	<u>\$1,683,597</u>

Actual					
Gas		Water System		Sewerage System	
1999	1998	1999	1998	1999	1998
\$ 155,683	\$ 426,599	\$ -	\$ -	\$ -	\$ -
32,494	58,089	73,465	125,860	35,320	58,089
10,014	9,682	22,641	20,977	10,886	9,681
-	-	67,140	56,939	-	-
13,793	16,616	31,183	36,002	14,992	16,617
68,379	72,653	154,597	157,415	74,325	72,654
-	-	-	-	25,658	31,576
-	-	-	-	6,435	3,955
3,083	2,302	6,971	4,988	3,351	2,302
-	-	46,518	40,442	17,352	15,517
7,750	10,890	-	-	-	-
1,277	3,283	2,888	7,114	1,388	3,283
<u>292,473</u>	<u>600,114</u>	<u>405,403</u>	<u>449,737</u>	<u>189,707</u>	<u>213,674</u>
73,508	69,465	142,132	129,005	12,732	11,450
5,278	5,555	13,546	13,674	2,160	2,136
1,151	1,204	2,953	2,963	470	462
14,983	5,860	20,212	4,317	13,286	2,759
5,639	5,637	14,471	13,876	2,307	2,168
7,484	7,155	16,919	15,502	8,134	7,155
3,544	4,901	8,013	10,619	3,853	4,901
5,027	5,918	11,365	12,822	5,464	5,917
11,839	13,660	26,766	29,597	12,868	13,660
992	2,144	2,244	4,645	1,079	2,144
2,914	1,931	6,588	4,184	3,168	1,931
-	23	-	49	-	23
307	158	695	343	334	159
<u>132,666</u>	<u>123,611</u>	<u>265,904</u>	<u>241,596</u>	<u>65,855</u>	<u>54,865</u>
<u>\$ 425,139</u>	<u>\$ 723,725</u>	<u>\$ 671,307</u>	<u>\$ 691,333</u>	<u>\$ 255,562</u>	<u>\$ 268,539</u>

CITY OF BREAUX BRIDGE, LOUISIANA
Utility Fund

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

	1999	1998
Cash flows from operating activities:		
Operating income	\$ 79,759	\$ 97,330
Adjustments to reconcile operating income to net cash provided by operating activities -		
Depreciation	309,971	310,768
Changes in current assets and liabilities:		
(Increase)decrease in accounts receivable	44,813	(9,458)
Decrease in accrued interest receivable	8,665	5,034
Decrease in prepaid expenses	1,186	9,122
Decrease in due from other funds	3,656	4,843
Increase(decrease) in accounts payable and accrued liabilities	17,651	(28,863)
Increase in due to other funds	27,930	204
Decrease in accrued interest payable	(2,342)	-
Total adjustments	411,530	291,650
Net cash provided by operating activities	491,289	388,980
Cash flows from noncapital financing activities:		
Cash received from others	1,047	490
Operating transfers out to other funds	(720,201)	(747,792)
Net cash used by noncapital financing activities	(719,154)	(747,302)
Cash flows from capital and related financing activities:		
Principal paid on revenue bond maturities	(30,000)	(25,000)
Interest paid on revenue bonds	(14,158)	(17,750)
Acquisition of capital assets	(670,626)	(137,963)
Capital contributed from federal grant	365,102	-
Net cash used by capital and related financing activities	(349,682)	(180,713)
Cash flows from investing activities:		
Interest on interest-bearing deposits and investments	197,536	233,959
Net decrease in cash and cash equivalents	(380,011)	(305,076)
Cash and cash equivalents, beginning of period	4,723,066	5,028,142
Cash and cash equivalents, end of period	\$ 4,343,055	\$ 4,723,066

(continued)

CITY OF BREAUX BRIDGE, LOUISIANA
Utility Fund

Comparative Statements of Cash Flows (Continued)
Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents, beginning of period -		
Cash - unrestricted	\$ 16,066	\$ 12,266
Interest-bearing deposits - unrestricted	4,422,580	4,753,674
Cash - restricted	1,410	1,369
Interest-bearing deposits - restricted	<u>283,010</u>	<u>260,833</u>
Total cash and cash equivalents	<u>4,723,066</u>	<u>5,028,142</u>
Cash and cash equivalents, end of period -		
Cash - unrestricted	17,118	16,066
Interest-bearing deposits - unrestricted	4,020,411	4,422,580
Cash - restricted	1,451	1,410
Interest-bearing deposits - restricted	<u>304,075</u>	<u>283,010</u>
Total cash and cash equivalents	<u>4,343,055</u>	<u>4,723,066</u>
Net decrease	<u><u>\$(380,011)</u></u>	<u><u>\$(305,076)</u></u>

CITY OF BREAUX BRIDGE, LOUISIANA
Utility Fund

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

	<u>Bond and Interest Redemption</u>	<u>Reserve</u>	<u>Contingency</u>	<u>Total</u>
Cash and savings, July 1, 1998	\$ 61,146	\$ 44,647	\$ 75,626	\$181,419
Increases:				
Transfer from operating account	49,624	4,263	7,214	61,101
Interest earned on investments	<u>1</u>	<u>14</u>	<u>24</u>	<u>39</u>
	<u>49,625</u>	<u>4,277</u>	<u>7,238</u>	<u>61,140</u>
Decreases:				
Principal payments	(30,000)	-	-	(30,000)
Interest payments	<u>(16,500)</u>	<u>-</u>	<u>-</u>	<u>(16,500)</u>
	<u>(46,500)</u>	<u>-</u>	<u>-</u>	<u>(46,500)</u>
Cash and savings, June 30, 1999	<u>\$ 64,271</u>	<u>\$ 48,924</u>	<u>\$ 82,864</u>	<u>\$196,059</u>

INTERNAL CONTROL, COMPLIANCE, AND OTHER GRANT INFORMATION

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 Jack Dale Delhomme, Mayor
and Members of the Board of Aldermen
City of Breaux Bridge, Louisiana

We have audited the primary government financial statements of the City of Breaux Bridge, Louisiana as of and for the year ended June 30, 1999, and have issued our report thereon dated September 17, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City of Breaux Bridge, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under Government Auditing Standards which is described in the accompanying schedule of findings, questioned costs, and management's corrective action plan as item 99-1.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Breaux Bridge, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the primary government financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City of Breaux Bridge, Louisiana's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition noted is described in the accompanying schedule of findings, questioned costs, and management's corrective action plan as item 99-2.

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

This report is intended solely for the information and use of management, others within the organization, City Council and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Kolder, Champagne, Slaven & Rainey, LLC

Certified Public Accountants

Breaux Bridge, Louisiana
September 17, 1999

KOLDER, CHAMPAGNE, SLAVEN & RAINEY, LLC

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

The Honorable Jack Dale Delhomme, Mayor
and Members of the City Council
City of Breaux Bridge, Louisiana

Compliance

We have audited the compliance of the City of Breaux Bridge, Louisiana, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended June 30, 1999. The City of Breaux Bridge, Louisiana's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings, questioned costs, and management's corrective action plan. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the City of Breaux Bridge, Louisiana's management. Our responsibility is to express an opinion on the City of Breaux Bridge, Louisiana's compliance based on our audit.

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

In our opinion, the City of Breaux Bridge complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 1999.

Internal Control Over Compliance

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

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

This report is intended solely for the information and use of management, others within the organization, City Council and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Kolder, Champagne, Slaven & Rainey, LLC

Certified Public Accountants

Breaux Bridge, Louisiana
September 17, 1999

CITY OF BREAUX BRIDGE, LOUISIANA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

<u>Federal Grantor/ Pass-Through Grantor:Program Title</u>	<u>State Pass Through Number</u>	<u>Federal CFDA Number</u>	<u>Receipts or Revenue Recognized</u>	<u>Expended This Year</u>
U.S. Department of Housing and Urban Development: Block Grant Program	N/A	14.228	\$ 381,300	\$ 384,455
U.S. Department of Justice: Public Safety and Community Policing Grant (COPS)	N/A	16.710	<u>3,841</u>	<u>3,841</u>
Total			<u>\$ 385,141</u>	<u>\$ 388,296</u>

The accounting policies used in preparing this schedule are the same as those used in preparing the audited financial statements. See Note (1) on page 11.

CITY OF BREAUX BRIDGE, LOUISIANA

Schedule of Findings, Questioned Costs, and
Management's Corrective Action Plan
Year Ended June 30, 1999

Part I: Summary of Auditor's Results:

1. An unqualified report was issued on the primary government financial statements.
2. A reportable condition in internal control was disclosed by the audit of the primary government financial statements, and it was considered to be a material weakness.
3. Material noncompliance was disclosed.
4. No reportable conditions in internal control over the major program were disclosed by the audit of the primary government financial statements.
5. An unqualified opinion was issued on compliance for the major program.
6. The audit disclosed no audit findings required to be reported under Section 510(a) of Circular A-133.
7. The major program was:

U. S. Department of Housing and Urban Development – Block Grant Program
8. The dollar threshold used to distinguish between Type A and Type B programs, as described in Section 520(b) of Circular A-133 was \$300,000.
9. The auditee did not qualify as a low-risk auditee under Section 530 of Circular A-133.

(continued)

CITY OF BREAUX BRIDGE, LOUISIANA

Schedule of Findings, Questioned Costs, and
Management's Corrective Action Plan (Continued)
Year Ended June 30, 1999

Part II: Findings which are required to be reported in accordance with generally accepted governmental auditing standards:

99-1 Noncompliance with Louisiana Local Government Budget Act

Finding:

The City of Breaux Bridge did not comply with certain budget requirements set forth in Louisiana law relating to amended budgets. Louisiana Revised Statutes (LSA-R.S.) 39:1301-1314, known as the Local Government Budget Act, contain various budget requirements for political subdivisions of the state. The City was not in compliance with the following requirement:

The budget must be amended when expenditures plus projected expenditures for the remainder of the year, within a fund are more than budgeted expenditures by five percent or more (LSA-R.S. 39:1310 (A) (2)). The following funds had an unfavorable variance in expenditures of five percent or more:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Percent</u>
Sales Tax Fund	\$ 24,415	\$ 29,425	\$ (5,010)	20.52%
Recreation & Parks Operating Fund	253,800	302,596	(48,796)	19.23%

Management's Corrective Action Plan:

Management will ensure that budgets are amended in accordance with the Local Government Budget Act.

99-2 Inadequate Segregation of Accounting Functions

Finding:

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

Management's Corrective Action Plan:

Management has determined that it is not cost effective to achieve complete segregation of duties within the accounting department. No plan is considered necessary.

CITY OF BREAUX BRIDGE, LOUISIANA

Schedule of Findings, Questioned Costs, and
Management's Corrective Action Plan (Continued)
Year Ended June 30, 1999

Part III: Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of Circular A-133:

There are no findings that are required to be reported under the above guidance.

Part IV: Management Letter Items:

99-3 Fixed Assets Records

Finding:

A physical inventory was performed and all assets appear to be properly tagged; however, the listing should include purchase dates and costs also.

Management's Corrective Action Plan:

Management shall compile an accurate listing of general fixed assets including acquisition dates and costs of all assets. The City's listing shall be reconciled each year.

CITY OF BREAUX BRIDGE, LOUISIANA
Breaux Bridge, Louisiana

Summary of Prior Audit Findings
Year Ended June 30, 1999

The audit findings at June 30, 1998 were as follows:

Section I: Internal Control and Compliance material to the primary government financial statements

Item 98-1 - Inadequate Segregation of Accounting Functions

Finding:

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

Status:

Unresolved. See 99-2.

Section II: Internal Control and Compliance material to Federal Awards

The City was not required to have an audit in accordance with Circular A-133 in the fiscal year ended June 30, 1998.

Section III: Management Letter

Item 98-2 - Fixed Assets Records

Finding:

Regarding fixed assets, we recommend that a physical inspection be performed at least once a year. Assets should be properly tagged/identified and included on a complete listing including tag number, serial number, purchase date and cost.

Status:

Partially resolved. See 99-3.

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MANAGEMENT LETTER

The Honorable Jack Dale Delhomme, Mayor,
and Members of the Board of Aldermen
City of Breaux Bridge, Louisiana

During our audit of the financial statements of the City of Breaux Bridge for the year ended June 30, 1999, we noted a certain area in which improvements in the financial practices of the City may be desirable.

Regarding assets, a physical inventory was performed and all assets appear to be properly tagged; however, the listing should include purchase dates and costs.

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

Kolder, Champagne, Slaven & Rainey, LLC

Certified Public Accountants

Breaux Bridge, Louisiana
September 17, 1999