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CITY OF BREAUX BRIDGE, LOUISIANA

Financial Report

Year Ended June 30, 2001

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Release Date 11/14/01

TABLE OF CONTENTS

	<i>Page</i>
INDEPENDENT AUDITORS' REPORT	1-2
PRIMARY GOVERNMENT FINANCIAL STATEMENTS (COMBINED STATEMENTS - OVERVIEW)	
Combined balance sheet - all fund types and account groups	4-5
Combined statement of revenues, expenditures, and changes in fund balances - all governmental fund types	6
Combined statement of revenues, expenditures, and changes in fund balances - budget (GAAP basis) and actual - general and special revenue funds	7
Statements of revenues, expenses, and changes in retained earnings - proprietary fund type	8
Comparative statements of cash flows - proprietary fund type	9-10
Notes to financial statements	11-26
SUPPLEMENTAL INFORMATION	
SCHEDULE OF SELECTED INDIVIDUAL FUNDS	
General Fund:	
Comparative balance sheets	30
Statement of revenues, expenditures, and changes in fund balance - budget (GAAP basis) and actual	31-32
Statement of expenditures - budget (GAAP basis) and actual	33-35
Special Revenue Funds:	
Combining balance sheet	37
Combining statement of revenues, expenditures, and changes in fund balances	38
Sales Tax Fund -	
Statement of revenues, expenditures, and changes in fund balance - budget (GAAP basis) and actual	39-40
Recreation and Parks Operating Fund -	
Statement of revenues, expenditures, and changes in fund balance - budget (GAAP basis) and actual	41
Enterprise Fund:	
Utility Fund -	
Comparative balance sheets	43
Statement of revenues, expenses, and changes in retained earnings - budget (GAAP basis) and actual	44-45
Statement of operating expenses - budget (GAAP basis) and actual	46-47

	Page
Comparative statements of cash flows	48-49
Schedule of changes in assets restricted for revenue bond debt service	50
INTERNAL CONTROL AND COMPLIANCE	
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	52-53
Schedule of Prior and Current Audit Findings and Management's Corrective Action Plan	54-55

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INDEPENDENT AUDITORS' REPORT

* A Professional Accounting Corporation

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

We have audited the accompanying primary government financial statements of the City of Breux Bridge, Louisiana, as of and for the year ended June 30, 2001 as listed in the table of contents. These financial statements are the responsibility of the City of Breux 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 auditing standards generally accepted in the United States of America 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 the City of Breux Bridge, Louisiana, as of June 30, 2001, 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 the City of Breux Bridge, Louisiana do not purport to, and do not, present fairly the financial position of the City of Breux Bridge, Louisiana, as of June 30, 2001, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated September 14, 2001, on our consideration of the City of Breux Bridge, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

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Our audit was performed for the purpose of forming an opinion on the primary government financial statements taken as a whole. The supplemental information (pp. 27-54) 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 & Company, LLC

Certified Public Accountants

Breaux Bridge, Louisiana
September 14, 2001

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

CITY OF BREAUX BRIDGE, LOUISIANA

Combined Balance Sheet
All Fund Types and Account Groups
June 30, 2001

	Governmental Fund Types				Capital Projects	Proprietary Fund Type Enterprise	Fiduciary Fund Type Agency	Account Groups			Totals (Memorandum Only)		
	General	Special Revenue	Debt Service	Debt				General Fixed Assets	Long-term Debt	2001		2000	
ASSETS AND OTHER DEBITS													
Cash and interest-bearing deposits	\$ 167,147	\$ 1,123,349	\$ 33,907	\$ 47	\$ 3,199,917	\$ 24,952	\$ -	\$ -	\$ 4,549,319	\$ 5,370,534			
Receivables (net of allowance for uncollectibles):													
Taxes	60	93,591	-	-	-	-	-	-	93,651	165,655			
Accounts	-	-	-	-	178,866	-	-	-	178,866	173,944			
Special assessments	-	-	52,914	-	-	-	-	-	52,914	69,364			
Accrued interest	-	460	-	-	2,193	-	-	-	2,653	3,273			
Grants	-	-	-	10,084	-	-	-	-	10,084	-			
Due from governmental agencies and others	178,608	12,020	-	-	-	-	-	-	190,628	124,898			
Due from other funds	54,950	-	-	-	-	-	-	-	54,950	47,232			
Prepaid insurance	50,633	6,890	-	-	35,825	-	-	-	93,348	86,909			
Restricted assets:													
Cash and interest-bearing deposits	-	-	-	-	344,211	-	-	-	344,211	328,340			
Land	-	-	-	-	-	-	-	-	275,838	275,838			
Buildings	-	-	-	-	-	-	-	-	1,458,380	1,363,039			
Autos and equipment	-	-	-	-	-	-	-	-	1,011,660	942,233			
Recreational facilities and other	-	-	-	-	-	-	-	-	1,222,444	1,215,753			
Utilities plant and equipment	-	-	-	-	12,510,922	-	-	-	12,510,922	12,015,564			
Accumulated depreciation	-	-	-	-	(6,186,738)	-	-	-	(6,186,738)	(5,859,461)			
Amount available in debt service fund	-	-	-	-	-	-	-	33,907	33,907	31,651			
Amount to be provided for retirement of general long-term debt	-	-	-	-	-	-	-	416,059	416,059	507,596			
Total assets and other debits	\$ 451,398	\$ 1,236,310	\$ 86,821	\$ 10,131	\$ 10,085,196	\$ 24,952	\$ 449,966	\$ 3,968,322	\$ 16,313,096	\$ 16,862,362			

(continued)

CITY OF BREAUX BRIDGE, LOUISIANA

Combined Balance Sheet
All Fund Types and Account Groups (Continued)
June 30, 2001

	Governmental Fund Types				Fiduciary Fund Type Agency	Account Groups			Totals	
	General	Special Revenue	Debt Service	Capital Projects		Proprietary Fund Type Enterprise	General Fixed Assets	Long-Term Debt	(Memorandum Only)	
									2001	2000
LIABILITIES AND FUND EQUITY										
Liabilities:										
Accounts payable and accrued expenditures	\$ 187,411	\$ 23,210	\$ -	\$ 7,540	\$ 111,287	\$ -	\$ -	\$ 331,374	\$ 286,198	
Contracts payable	43,172	-	-	-	54,218	-	-	97,390	12,275	
Payable from restricted assets -										
Accrued interest	-	-	-	-	11,250	-	-	11,250	11,250	
Revenue bonds	-	-	-	-	35,000	-	-	35,000	30,000	
Deposits	-	-	-	-	117,040	-	-	117,040	117,239	
Due to other funds	-	-	-	-	31,924	23,026	-	54,950	47,232	
Deferred property assessments	-	-	52,914	-	-	-	-	52,914	69,364	
Retainage payable	24,173	-	-	2,591	20,227	-	-	46,991	30,759	
Bonds payable -										
General obligation	-	-	-	-	-	350,000	-	350,000	425,000	
Special assessment	-	-	-	-	-	99,966	-	99,966	114,247	
Revenue	-	-	-	-	205,000	-	-	205,000	240,000	
Total liabilities	254,756	23,210	52,914	10,131	585,946	449,966	-	1,401,875	1,383,564	
Fund equity:										
Contributed capital, net of accumulated amortization (2001 \$1,367,611; 2000 \$1,279,158)	-	-	-	-	5,178,215	-	-	5,178,215	5,108,594	
Investment in general fixed assets	-	-	-	-	-	3,968,322	-	3,968,322	3,796,863	
Retained earnings -										
Reserved for revenue bond retirement	-	-	-	-	69,073	-	-	69,073	66,653	
Reserved for revenue bond contingency	-	-	-	-	158,071	-	-	158,071	144,421	
Unreserved	-	-	-	-	4,093,891	-	-	4,093,891	4,627,987	
Fund balances-										
Reserved for prepaid items	50,633	6,890	-	-	-	-	-	57,523	53,568	
Reserved for debt service	-	-	33,907	-	-	-	-	33,907	31,651	
Unreserved, undesignated	146,009	1,206,210	-	-	-	-	-	1,352,219	1,649,061	
Total fund equity	196,642	1,213,100	33,907	-	9,499,250	3,968,322	-	14,911,221	15,478,798	
Total liabilities and fund equity	\$ 451,398	\$ 1,236,310	\$ 86,821	\$ 10,131	\$ 10,085,196	\$ 3,968,322	\$ 449,966	\$ 16,313,096	\$ 16,862,362	

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, 2001

	General	Special Revenue	Debt Service	Capital Projects	Totals	
					2001	2000
Revenues:						
Taxes	\$ 386,122	\$ 1,023,159	\$ -	\$ -	\$ 1,409,281	\$ 1,328,903
Licenses and permits	302,590	-	-	-	302,590	243,374
Federal grant	42,791	-	-	158,027	200,818	-
Intergovernmental revenues	325,678	-	-	-	325,678	378,412
Charges for services	360,691	-	-	-	360,691	342,188
Fines and forfeits	53,524	-	-	-	53,524	44,605
Culture - recreation	-	88,668	-	-	88,668	88,394
Interest	2,594	59,935	-	-	62,529	64,140
Miscellaneous	93,887	2,251	5,955	-	102,093	109,248
Special assessment revenues	-	-	16,580	-	16,580	12,767
Total revenues	1,567,877	1,174,013	22,535	158,027	2,922,452	2,612,031
Expenditures:						
Current -						
General government	733,477	15,200	-	-	748,677	754,981
Streets and bridges	954,802	-	-	-	954,802	449,252
Sanitation	355,806	-	-	-	355,806	342,209
Public safety - police	959,869	-	-	-	959,869	987,748
Culture - recreation	-	243,462	-	-	243,462	227,301
Capital outlay	176,250	22,877	-	158,074	357,201	134,125
Debt service -	-	-	89,281	-	89,281	84,281
Principal retirement	-	-	28,279	-	28,279	33,218
Interest and fiscal charges	-	-	117,560	-	117,560	3,013,115
Total expenditures	3,180,204	281,539	117,560	158,074	3,737,377	3,013,115
Excess (deficiency) of revenues over expenditures	(1,612,327)	892,474	(95,025)	(47)	(814,925)	(401,084)
Other financing sources (uses):						
Operating transfers in	1,703,466	185,000	97,281	-	1,985,747	1,416,568
Operating transfers out	-	(1,457,281)	-	(4,172)	(1,461,453)	(1,061,568)
Total other financing sources (uses)	1,703,466	(1,272,281)	97,281	(4,172)	524,294	355,000
Excess (deficiency) of revenues and other sources over expenditures and other uses	91,139	(379,807)	2,256	(4,219)	(290,631)	(46,084)
Fund balances, beginning	105,503	1,592,907	31,651	4,219	1,734,280	1,780,364
Fund balances, ending	\$ 196,642	\$ 1,213,100	\$ 33,907	\$ -	\$ 1,443,649	\$ 1,734,280

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 -
Budget (GAAP Basis) and Actual - General and Special Revenue Funds
Year Ended June 30, 2001

	General Fund			Special Revenue Fund		
	Budget	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:						
Taxes	\$ 319,600	\$ 386,122	\$ 66,522	\$ 1,022,500	\$ 1,023,159	\$ 659
Licenses and permits	246,050	302,590	56,540	-	-	-
Federal grant	-	42,791	42,791	-	-	-
Intergovernmental revenues	274,000	325,678	51,678	34,000	-	(34,000)
Charges for services	350,000	360,691	10,691	-	-	-
Fines and forfeits	50,000	53,524	3,524	-	-	-
Culture - recreation	-	-	-	79,000	88,668	9,668
Interest	2,500	2,594	94	60,350	59,935	(415)
Miscellaneous	64,100	93,887	29,787	1,825	2,251	426
Total revenues	1,306,250	1,567,877	261,627	1,197,675	1,174,013	(23,662)
Expenditures:						
Current -						
General government	816,450	733,477	82,973	23,665	15,200	8,465
Streets and bridges	950,450	954,802	(4,352)	-	-	-
Sanitation	351,000	355,806	(4,806)	-	-	-
Public safety - police	1,025,100	959,869	65,231	-	-	-
Culture - recreation	-	-	-	247,686	243,462	4,224
Capital outlay	125,000	176,250	(51,250)	85,600	22,877	62,723
Total expenditures	3,268,000	3,180,204	87,796	356,951	281,539	75,412
Excess (deficiency) of revenues over expenditures	(1,961,750)	(1,612,327)	349,423	840,724	892,474	51,750
Other financing sources (uses):						
Operating transfers in	1,950,000	1,703,466	(246,534)	185,000	185,000	-
Operating transfers out	-	-	-	(1,542,500)	(1,457,281)	85,219
Total other financing sources (uses)	1,950,000	1,703,466	(246,534)	(1,357,500)	(1,272,281)	85,219
Excess (deficiency) of revenues and other sources over expenditures and other uses	(11,750)	91,139	102,889	(516,776)	(379,807)	136,969
Fund balances, beginning	105,503	105,503	-	1,592,907	1,592,907	-
Fund balances, ending	\$ 93,753	\$ 196,642	\$ 102,889	\$ 1,076,131	\$ 1,213,100	\$ 136,969

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, 2001 and 2000

	Enterprise Fund	
	2001	2000
Operating revenues:		
Charges for services	\$ 1,631,130	\$ 1,432,978
Miscellaneous	53,609	42,771
Total operating revenues	<u>1,684,739</u>	<u>1,475,749</u>
Operating expenses:		
Gas purchased	582,158	222,791
Repairs and maintenance	197,192	178,753
Salaries	342,768	315,904
Depreciation	327,277	329,535
Other operating expenses	502,670	412,729
Total operating expenses	<u>1,952,065</u>	<u>1,459,712</u>
Operating income (loss)	<u>(267,326)</u>	<u>16,037</u>
Nonoperating revenue (expenses):		
Other revenue	706	357
Interest on investments	197,935	208,056
Interest on bonds	(13,500)	(13,800)
Total nonoperating revenue	<u>185,141</u>	<u>194,613</u>
Income (loss) before operating transfers	<u>(82,185)</u>	<u>210,650</u>
Other financing sources (uses):		
Operating transfers in	706	-
Operating transfers out	(525,000)	(355,000)
Total other financing uses	<u>(524,294)</u>	<u>(355,000)</u>
Net loss	(606,479)	(144,350)
Add back depreciation on assets purchased with contributed capital	88,453	90,211
Retained earnings, beginning of year	<u>4,839,061</u>	<u>4,893,200</u>
Retained earnings, end of year	<u>\$ 4,321,035</u>	<u>\$ 4,839,061</u>

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, 2001 and 2000**

	<u>2001</u>	<u>2000</u>
Cash flows from operating activities:		
Operating income (loss)	<u>\$ (267,326)</u>	<u>\$ 16,037</u>
Adjustments to reconcile operating income to net cash provided by operating activities -		
Depreciation	327,277	329,535
Changes in current assets and liabilities:		
Increase in accounts receivable	(4,922)	(5,254)
Decrease in accrued interest receivable	-	1,756
(Increase)decrease in prepaid expenses	(2,484)	10,935
Decrease in due from other funds	-	466
Increase in accounts payable and accrued liabilities	30,169	20,111
Increase in contracts payable	41,943	12,275
Increase(decrease) in retainage payable	(10,532)	30,759
Increase(decrease) in due to other funds	3,182	(25,996)
Decrease in accrued interest payable	-	(1,200)
Total adjustments	<u>384,633</u>	<u>373,387</u>
Net cash provided by operating activities	<u>117,307</u>	<u>389,424</u>
Cash flows from noncapital financing activities:		
Cash received from others	706	357
Operating transfers out to other funds	<u>(524,294)</u>	<u>(355,000)</u>
Net cash used by noncapital financing activities	<u>(523,588)</u>	<u>(354,643)</u>
Cash flows from capital and related financing activities:		
Principal paid on revenue bond maturities	(30,000)	(30,000)
Interest paid on revenue bonds	(13,500)	(13,800)
Acquisition of capital assets	(495,358)	(408,834)
Capital contributed from federal grant	158,074	-
Net cash used by capital and related financing activities	<u>(380,784)</u>	<u>(452,634)</u>
Cash flows from investing activities:		
Interest on interest-bearing deposits and investments	<u>197,935</u>	<u>208,056</u>
Net decrease in cash and cash equivalents	<u>(589,130)</u>	<u>(209,797)</u>
Cash and cash equivalents, beginning of period	<u>4,133,258</u>	<u>4,343,055</u>
Cash and cash equivalents, end of period	<u>\$3,544,128</u>	<u>\$4,133,258</u>

(continued)

CITY OF BREAUX BRIDGE, LOUISIANA

Comparative Statements of Cash Flows - Proprietary Fund Type (Continued)
 Years Ended June 30, 2001 and 2000

	<u>2001</u>	<u>2000</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	\$ 6,501	\$ 17,118
Interest-bearing deposits - unrestricted	3,798,417	4,020,411
Cash - restricted	1,495	1,451
Interest-bearing deposits - restricted	326,845	304,075
Total cash and cash equivalents	<u>4,133,258</u>	<u>4,343,055</u>
Cash and cash equivalents, end of period -		
Cash - unrestricted	8,605	6,501
Interest-bearing deposits - unrestricted	3,191,312	3,798,417
Cash - restricted	1,537	1,495
Interest-bearing deposits - restricted	342,674	326,845
Total cash and cash equivalents	<u>3,544,128</u>	<u>4,133,258</u>
 Net decrease	 <u>\$ (589,130)</u>	 <u>\$ (209,797)</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 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 2001.

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 BREAU 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, 2001. 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).

The capital projects funds are as follows:

CDBG Water Well Replacement Fund – To account for water well replacement project. Financing is provided in part by a community block grant of \$158,027 and funds provided by the Enterprise Fund of approximately \$63,400.

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. This fund was closed during fiscal year ended June 30, 2001.

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. This fund was closed during fiscal year ended June 30, 2001.

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 items 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, 2001.

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, 2001 are recorded as prepaid items. The only prepaid item that existed at June 30, 2001 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 Time

Unused vacation accumulated by employees is lost each year unless taken. Sick leave accumulates from year to year, but is lost upon termination. Compensated time (overtime earned but not paid) is accumulated by employees and is not lost upon termination. Accruals of compensated time totaled \$6,178 at June 30, 2001.

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 BREAU 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.

P. Prior Year Reclassification

Certain previously reported amounts have been reclassified to enhance comparability with 2001 report classifications.

(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, 2001, the City has cash and interest-bearing deposits (book balances) totaling \$4,893,530.

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, 2001 are secured as follows:

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Financial Statements (Continued)

Bank balances \$ 4,940,627

At June 30, 2001 the deposits are secured as follows:

Federal deposit insurance \$ 200,000
 Pledged securities (Category 3) 4,740,627

Total federal insurance and pledged securities \$ 4,940,627

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, 2001 and 2000 consisted of the following:

	<u>2001</u>	<u>2000</u>
Amounts due from customers	\$218,263	\$203,456
Less: Allowance for uncollectible accounts	<u>(39,397)</u>	<u>(29,512)</u>
	<u>\$178,866</u>	<u>\$173,944</u>

(4) Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	<u>Balance July 1, 2000</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2001</u>
Land	\$ 275,838	\$ -	\$ -	\$275,838
Buildings	1,363,039	95,341	-	1,458,380
Autos and equipment	942,233	97,095	(27,668)	1,011,660
Recreation facilities and other	<u>1,215,753</u>	<u>6,691</u>	<u>-</u>	<u>1,222,444</u>
	<u>\$3,796,863</u>	<u>\$199,127</u>	<u>\$(27,668)</u>	<u>\$3,968,322</u>

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	\$ 863,515	\$ 538,194	\$36,172
Sewerage	5,849,888	2,283,266	3,566,622	120,760
Waterworks system and improvements	4,628,338	2,811,525	1,816,813	138,560
Land and sewerage lagoon	150,200	-	150,200	-
Other equipment	380,537	228,432	152,105	31,785
Construction in progress	<u>100,250</u>	<u>-</u>	<u>100,250</u>	<u>-</u>
	<u>\$12,510,922</u>	<u>\$(6,186,738)</u>	<u>\$6,324,184</u>	<u>\$327,277</u>

Depreciation expense related to assets acquired with contributed capital was charged against contributed capital in the amount of \$88,453 during 2001, and \$90,211 during 2000.

(6) Changes in Agency Fund Balance

A summary of changes in agency fund balance follows:

	<u>Payroll Fund</u>
Balance, June 30, 2000	\$ 22,521
Additions	1,501,443
Reductions	<u>(1,499,012)</u>
Balance, June 30, 2001	<u>\$ 24,952</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, 2001.

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, 2000	\$425,000	\$114,247	\$270,000	\$809,247
Debt assumed	-	-	-	-
Debt retired	<u>(75,000)</u>	<u>(14,281)</u>	<u>(30,000)</u>	<u>(119,281)</u>
Long-term debt at June 30, 2001	<u>\$350,000</u>	<u>\$99,966</u>	<u>\$240,000</u>	<u>\$689,966</u>

Long-term debt at June 30, 2001 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.

\$240,000

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.

\$350,000

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.

99,966

Total general obligation bonds outstanding

\$449,966

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Financial Statements (Continued)

The annual requirements to amortize all debt outstanding at June 30, 2001, including interest payments of \$106,680 are as follows:

<u>Year Ending June 30,</u>	<u>General Obligation</u>	<u>Special Assessment</u>	<u>Revenue</u>	<u>Total</u>
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	97,731	17,280	46,500	161,511
2006	-	16,530	49,500	66,030
2007-2008	-	30,811	47,250	78,061
Totals	<u>\$391,687</u>	<u>\$120,959</u>	<u>\$284,000</u>	<u>\$796,646</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	2001	\$579,385	\$18,347	\$(790,923)	\$(193,191)
	2000	454,080	13,766	(499,767)	(31,921)
Water utility	2001	\$669,084	\$21,593	\$(817,166)	\$(126,489)
	2000	591,883	17,405	(690,050)	(80,762)
Sewerage system	2001	\$382,661	\$13,669	\$(343,976)	\$ 52,354
	2000	387,015	11,600	(269,895)	128,720

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Financial Statements (Continued)

At June 30, 2001, the City of Breaux Bridge was furnishing utility service to the following number of customers:

Gas customers	1,254
Water customers	2,544
Sewer customers	2,611

(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, 2001 was \$69,073.

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, 2001, was \$58,688.

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, 2001 was \$99,383.

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Financial Statements (Continued)

During the year ended June 30, 2001, 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, 2001 follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$54,950	\$ -
Enterprise Fund:		
Utility Fund	-	31,924
Agency Fund:		
Payroll Fund	-	<u>23,026</u>
	<u>\$54,950</u>	<u>\$54,950</u>

(12) Ad Valorem Taxes

For the year ended June 30, 2001, taxes of 4.75 mills were levied on property with assessed valuations totaling 23,322,814 and were dedicated as follows:

General corporate purposes	4.75 mills
----------------------------	------------

Total taxes levied were \$109,462, of which \$60 had not been collected at June 30, 2001. 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, 2001, 2000 and 1999 were \$6,448, \$6,811 and \$9,730, respectively.

(14) Restricted Assets - Utility Fund

Restricted assets were composed of checking and savings accounts and certificates of deposit at June 30, 2001 and were restricted as follows:

Bond reserve, sinking, and contingency funds	\$227,144
Customers' deposits	<u>117,067</u>
	<u>\$344,211</u>

(15) Compensation of City Officials

A detail of compensation paid to City officials for the year ended June 30, 2001 follows:

Jack Dale Delhomme, Mayor	<u>\$36,000</u>
Aldermen:	
Howard Alexander	\$ 4,800
Ricky Calais	4,800
Kenneth LeBlanc	4,800
Albert Menard	4,800
Mark Robicheaux	<u>4,800</u>
Total	<u>\$24,000</u>
Randy Angelle, Judge	<u>\$ 6,600</u>
Jerry Frederick, City Marshal	<u>\$12,000</u>

CITY OF BREAUx BRIDGE, LOUISIANA

Notes to Financial Statements (Continued)

(16) Contracts

In July, 2000, the City entered into a research agreement with Comite Resources, LLP(Comite). This agreement is for the use of swamp forests near the City of Breaux Bridge for application of treated municipal waste water: monitoring the effects of the discharge by Comite. The term of the contract is from July 1, 2000 to May 31, 2002. Payments made in fiscal year ending June 30, 2001 were \$30,609. The remaining commitment on this contract is \$57,391.

(17) Construction Project

As of June 30, 2001, the City had the following commitment net of accrued retainage payable with respect to unfinished capital projects:

<u>Capital project</u>	<u>Remaining construction commitment</u>	<u>Expected date of completion</u>
Gas System Improvements	\$464,487	12/2001

(18) 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, 2000	\$2,241,546	\$ 4,146,206	\$ 6,387,752
Capital contribution	-	158,074	158,074
Less: Accumulated depreciation	-	(1,367,611)	(1,367,611)
Net contributed capital, June 30, 2001	<u>\$2,241,546</u>	<u>\$ 2,936,669</u>	<u>\$ 5,178,215</u>

CITY OF BREAUX BRDIGE, LOUISIANA

Notes to Financial Statements (Continued)

(19) Risk Management

The City is exposed to risks of loss in the areas of general and auto liability, property hazards, health care, 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.

(20) 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 by the City described in IRC 457(g) for the exclusive benefit of the participants and their beneficiaries, subject only to claims of the employer's general creditors.

The fair market value of the plan assets at June 30, 2001 is \$212,812.

(21) On-behalf Payments

The City has recognized \$60,110 as a revenue and an expenditure for on-behalf salary payments made by the state of Louisiana.

(22) 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, 2001 and is reflected in accounts payable and accrued expenditures.

SUPPLEMENTAL INFORMATION

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, 2001 and 2000

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and interest-bearing deposits	\$ 167,147	\$ 72,570
Taxes receivable	60	642
Due from governmental agencies and others	178,608	124,898
Due from other funds	54,950	47,232
Prepaid insurance	<u>50,633</u>	<u>46,678</u>
 Total assets	 <u>\$ 451,398</u>	 <u>\$ 292,020</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable and accrued expenditures	\$ 187,411	\$ 186,517
Contract payable	43,172	-
Retainage payable	<u>24,173</u>	<u>-</u>
Total liabilities	<u>254,756</u>	<u>186,517</u>
Fund balances:		
Reserved for prepaid items	50,633	46,678
Unreserved - undesignated	<u>146,009</u>	<u>58,825</u>
Total fund balance	<u>196,642</u>	<u>105,503</u>
 Total liabilities and fund balances	 <u>\$ 451,398</u>	 <u>\$ 292,020</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, 2001
With Comparative Actual Amounts for Year Ended June 30, 2000

	2001		Variance - Favorable (Unfavorable)	2000 Actual
	Budget	Actual		
Revenues:				
Taxes -				
General alimony taxes	\$ 104,000	\$ 109,462	\$ 5,462	\$ 101,201
Franchise taxes	213,000	273,462	60,462	222,229
Chain store tax	2,600	3,198	598	5,480
Licenses and permits	246,050	302,590	56,540	243,374
Federal grants	-	42,791	42,791	-
Intergovernmental revenues -				
State grants	100,000	129,210	29,210	155,769
State revenue sharing	21,000	20,835	(165)	25,306
Tobacco tax	-	-	-	34,002
Beer tax	19,000	22,364	3,364	21,143
Video poker	38,000	60,261	22,261	47,470
Motor vehicle tax	30,000	32,898	2,898	31,342
On behalf payments	66,000	60,110	(5,890)	63,380
Charges for services -				
Garbage fees	350,000	360,691	10,691	342,188
Fines	50,000	53,524	3,524	44,605
Miscellaneous -				
Crawfish Festival	22,000	20,576	(1,424)	47,815
Interest	2,500	2,594	94	2,680
Other	42,100	73,311	31,211	53,905
Total revenues	<u>1,306,250</u>	<u>1,567,877</u>	<u>261,627</u>	<u>1,441,889</u>
Expenditures:				
Current -				
General government	816,450	733,477	82,973	734,989
Streets and bridges	950,450	954,802	(4,352)	449,252
Sanitation	351,000	355,806	(4,806)	342,209
Public safety - Police	1,025,100	959,869	65,231	987,748
Capital outlay	125,000	176,250	(51,250)	117,054
Total expenditures	<u>3,268,000</u>	<u>3,180,204</u>	<u>87,796</u>	<u>2,631,252</u>
Excess (deficiency) of revenues over expenditures	<u>(1,961,750)</u>	<u>(1,612,327)</u>	<u>349,423</u>	<u>(1,189,363)</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, 2001
 With Comparative Actual Amounts for Year Ended June 30, 2000**

	2001		Variance - Favorable (Unfavorable)	2000 Actual
	Budget	Actual		
Other financing sources (uses):				
Operating transfers in	\$ 1,950,000	\$ 1,703,466	\$(246,534)	\$ 1,155,000
Operating transfers out	-	-	-	(3,418)
Total other financing sources (uses)	<u>1,950,000</u>	<u>1,703,466</u>	<u>(246,534)</u>	<u>1,151,582</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(11,750)	91,139	102,889	(37,781)
Fund balance, beginning	<u>105,503</u>	<u>105,503</u>	-	<u>143,284</u>
Fund balance, ending	<u>\$ 93,753</u>	<u>\$ 196,642</u>	<u>\$ 102,889</u>	<u>\$ 105,503</u>

CITY OF BREAUX BRIDGE, LOUISIANA
General Fund

Statement of Expenditures - Budget (GAAP Basis) and Actual
Year Ended June 30, 2001
With Comparative Actual Amounts for Year Ended June 30, 2000

	2001		Variance - Favorable (Unfavorable)	2000 Actual
	Budget	Actual		
Current-				
General government:				
Salaries and wages	\$ 253,600	\$ 239,065	\$ 14,535	\$ 220,617
Payroll taxes	26,550	25,474	1,076	23,195
Retirement	5,000	3,805	1,195	3,411
City Court	109,500	104,973	4,527	108,634
Legal and professional	88,500	94,584	(6,084)	85,133
National Guard unit	1,200	1,200	-	2,400
St. Martin Parish veteran's officer	1,500	1,229	271	1,488
Telephone	10,500	9,671	829	10,965
Publishing minutes and advertising	4,000	2,575	1,425	2,854
Office supplies and expense	20,000	13,574	6,426	21,860
Electricity	8,500	7,848	652	6,979
Louisiana Municipal Association dues	1,200	1,188	12	1,088
Other dues	2,500	2,390	110	1,358
Preparation of tax roll and pro rata share of assessor's salary	2,900	2,886	14	2,836
General insurance	19,000	19,278	(278)	16,680
Group insurance	65,000	58,117	6,883	61,860
Schools and conventions	6,000	5,439	561	6,088
Building maintenance	33,500	20,283	13,217	18,552
Crawfish festival expense	50,000	33,241	16,759	38,540
Miscellaneous	59,500	43,603	15,897	64,960
Economic development	43,000	43,054	(54)	35,491
Uninsured claims expense	5,000	-	5,000	-
Total general government	<u>816,450</u>	<u>733,477</u>	<u>82,973</u>	<u>734,989</u>

(continued)

CITY OF BREAUX BRIDGE, LOUISIANA
General Fund

Statement of Expenditures - Budget (GAAP Basis) and Actual (Continued)
Year Ended June 30, 2001
With Comparative Actual Amounts for Year Ended June 30, 2000

	2001		Variance - Favorable (Unfavorable)	2000 Actual
	Budget	Actual		
Streets and bridges:				
Salaries and wages	\$ 75,000	\$ 67,635	\$ 7,365	\$ 70,595
Payroll taxes	6,000	5,252	748	5,693
Retirement	1,200	1,090	110	984
Shells, gravel and other material	39,000	40,315	(1,315)	22,600
Supplies	26,250	31,715	(5,465)	12,081
Motor equipment repairs and maintenance	16,000	19,825	(3,825)	23,138
Fuel	9,000	8,132	868	7,022
Electricity (street lights)	68,000	65,483	2,517	47,186
General insurance	26,000	18,831	7,169	24,590
Grass spraying and cutting	4,000	1,854	2,146	1,091
Engineering	7,500	3,727	3,773	9,260
Catch basin and sidewalks	87,500	65,068	22,432	4,332
Street resurfacing project	520,000	593,567	(73,567)	154,526
Miscellaneous	65,000	32,308	32,692	66,154
Total street and bridges	<u>950,450</u>	<u>954,802</u>	<u>(4,352)</u>	<u>449,252</u>
Sanitation:				
Garbage contract	350,000	354,882	(4,882)	342,209
Miscellaneous	1,000	924	76	-
Total sanitation	<u>351,000</u>	<u>355,806</u>	<u>(4,806)</u>	<u>342,209</u>

(continued)

CITY OF BREAUX BRIDGE, LOUISIANA
General Fund

Statement of Expenditures - Budget (GAAP Basis) and Actual (Continued)
Year Ended June 30, 2001
With Comparative Actual Amounts for Year Ended June 30, 2000

	2001		Variance - Favorable (Unfavorable)	2000 Actual
	Budget	Actual		
Public safety - police:				
Salaries and wages	\$ 575,000	\$ 572,574	\$ 2,426	\$ 563,556
Retirement	9,000	9,977	(977)	9,903
Payroll taxes	45,300	49,155	(3,855)	49,700
Automobile repairs and expense	41,800	29,994	11,806	42,161
Office supplies and expense	32,000	31,051	949	27,476
Jail supplies and expense	51,500	40,335	11,165	54,870
Electricity	7,000	7,093	(93)	6,570
Telephone	14,500	13,446	1,054	14,876
Uniform allowance	9,500	8,886	614	7,126
On behalf payments	66,000	60,110	5,890	63,380
General insurance	80,000	61,362	18,638	72,339
Gasoline	28,000	26,872	1,128	16,004
Uninsured liability claims	25,000	14,037	10,963	24,873
Miscellaneous	40,500	34,977	5,523	34,914
Total public safety - police	<u>1,025,100</u>	<u>959,869</u>	<u>65,231</u>	<u>987,748</u>
Capital outlay -				
Autos and equipment	88,000	80,909	7,091	115,556
Building improvements	37,000	95,341	(58,341)	1,498
Total capital outlay	<u>125,000</u>	<u>176,250</u>	<u>(51,250)</u>	<u>117,054</u>
Total expenditures	<u>\$ 3,268,000</u>	<u>\$ 3,180,204</u>	<u>\$ 87,796</u>	<u>\$ 2,631,252</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, 2001
With Comparative Totals for June 30, 2000

	<u>Sales Tax Fund</u>	<u>Recreation and Parks Operating Fund</u>	<u>Totals</u>	
			<u>2001</u>	<u>2000</u>
ASSETS				
Cash and interest-bearing deposits	\$ 1,072,258	\$ 51,091	\$ 1,123,349	\$ 1,434,655
Accrued interest receivable	460	-	460	1,080
Taxes receivable	93,591	-	93,591	165,013
Due from governmental agencies and others	-	12,020	12,020	-
Prepaid insurance	-	6,890	6,890	6,890
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 1,166,309</u>	<u>\$ 70,001</u>	<u>\$ 1,236,310</u>	<u>\$ 1,607,638</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued expenses	\$ 552	\$ 22,658	\$ 23,210	\$ 14,731
Fund balances:				
Reserved for prepaid items	-	6,890	6,890	6,890
Unreserved, undesignated	1,165,757	40,453	1,206,210	1,586,017
Total fund balances	<u>1,165,757</u>	<u>47,343</u>	<u>1,213,100</u>	<u>1,592,907</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 1,166,309</u>	<u>\$ 70,001</u>	<u>\$ 1,236,310</u>	<u>\$ 1,607,638</u>

CITY OF BREAUX BRIDGE, LOUISIANA
Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2001

With Comparative Totals for Year Ended June 30, 2000

	<u>Sales Tax Fund</u>	<u>Recreation and Parks Operating Fund</u>	<u>Totals</u>	
			<u>2001</u>	<u>2000</u>
Revenues:				
Taxes	\$1,023,159	\$ -	\$ 1,023,159	\$ 999,993
Miscellaneous -				
Interest on investments	59,518	417	59,935	61,460
Donation	-	35,335	35,335	33,448
Tournaments	-	53,333	53,333	54,946
Other	-	2,251	2,251	2,252
Total revenues	<u>1,082,677</u>	<u>91,336</u>	<u>1,174,013</u>	<u>1,152,099</u>
Expenditures:				
Current -				
General government	15,200	-	15,200	19,992
Culture and recreation	-	243,462	243,462	227,301
Capital outlay	-	22,877	22,877	16,703
Total expenditures	<u>15,200</u>	<u>266,339</u>	<u>281,539</u>	<u>263,996</u>
Excess (deficiency) of revenues over expenditures	<u>1,067,477</u>	<u>(175,003)</u>	<u>892,474</u>	<u>888,103</u>
Other financing sources (uses):				
Operating transfers in	-	185,000	185,000	161,700
Operating transfers out	<u>(1,457,281)</u>	<u>-</u>	<u>(1,457,281)</u>	<u>(1,058,150)</u>
Total other financing sources (uses)	<u>(1,457,281)</u>	<u>185,000</u>	<u>(1,272,281)</u>	<u>(896,450)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(389,804)	9,997	(379,807)	(8,347)
Fund balances, beginning of year	<u>1,555,561</u>	<u>37,346</u>	<u>1,592,907</u>	<u>1,601,254</u>
Fund balances, end of year	<u><u>\$1,165,757</u></u>	<u><u>\$ 47,343</u></u>	<u><u>\$ 1,213,100</u></u>	<u><u>\$1,592,907</u></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, 2001
With Comparative Actual Amounts for Year Ended June 30, 2000

	2001		Variance - Favorable (Unfavorable)	2000 Actual
	Budget	Actual		
Revenues:				
Taxes -				
Sales taxes collected	\$ 1,022,500	\$ 1,023,159	\$ 659	\$ 999,993
Miscellaneous -				
Interest on investments	60,000	59,518	(482)	61,069
Total revenues	<u>1,082,500</u>	<u>1,082,677</u>	<u>177</u>	<u>1,061,062</u>
Expenditures:				
General government -				
Collection expense	8,500	8,017	483	7,655
Salaries	6,000	4,229	1,771	7,205
Payroll taxes	515	333	182	562
Pension	100	58	42	125
Legal and professional	3,000	2,039	961	1,855
Computer expense	300	333	(33)	1,452
Miscellaneous	5,250	191	5,059	1,138
Total expenditures	<u>23,665</u>	<u>15,200</u>	<u>8,465</u>	<u>19,992</u>
Excess of revenues over expenditures	<u>1,058,835</u>	<u>1,067,477</u>	<u>8,642</u>	<u>1,041,070</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, 2001
With Comparative Actual Amounts for Year Ended June 30, 2000

	2001		Variance - Favorable (Unfavorable)	2000 Actual
	Budget	Actual		
Other financing uses:				
Operating transfers out -				
Recreation and Parks				
Operating Fund	\$ (185,000)	\$ (185,000)	\$ -	\$ (161,700)
Sinking Fund for				
Public Improvement				
Bonds dated October 1, 1971	(107,500)	(97,281)	10,219	(96,450)
General Fund	(1,250,000)	(1,175,000)	75,000	(800,000)
Total other financing uses	<u>(1,542,500)</u>	<u>(1,457,281)</u>	<u>85,219</u>	<u>(1,058,150)</u>
Excess (deficiency) of				
revenues over expenditures				
and other uses	(483,665)	(389,804)	93,861	(17,080)
Fund balance, beginning of year	<u>1,555,561</u>	<u>1,555,561</u>	<u>-</u>	<u>1,572,641</u>
Fund balance, end of year	<u>\$ 1,071,896</u>	<u>\$ 1,165,757</u>	<u>\$ 93,861</u>	<u>\$ 1,555,561</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, 2001
With Comparative Actual Amounts for Year Ended June 30, 2000

	2001		Variance - Favorable (Unfavorable)	2000 Actual
	Budget	Actual		
Revenues:				
State grant	\$ 34,000	\$ -	\$ (34,000)	\$ -
Miscellaneous -				
Interest on investments	350	417	67	391
Donations	19,000	35,335	16,335	33,448
Tournaments	60,000	53,333	(6,667)	54,946
Other	1,825	2,251	426	2,252
Total revenues	<u>115,175</u>	<u>91,336</u>	<u>(23,839)</u>	<u>91,037</u>
Expenditures:				
Current:				
Culture and recreation -				
Salaries and wages	65,022	78,274	(13,252)	79,745
Payroll taxes	5,164	5,971	(807)	6,133
Pension	600	651	(51)	551
Repairs and supplies	45,500	54,655	(9,155)	44,665
Electricity	5,500	6,325	(825)	4,103
Insurance	18,000	11,080	6,920	15,589
Group insurance	3,500	3,533	(33)	3,394
Miscellaneous	104,400	82,973	21,427	73,121
Capital outlay	85,600	22,877	62,723	16,703
Total expenditures	<u>333,286</u>	<u>266,339</u>	<u>66,947</u>	<u>244,004</u>
Excess (deficiency) of revenues over expenditures	(218,111)	(175,003)	43,108	(152,967)
Other financing sources:				
Operating transfers in	<u>185,000</u>	<u>185,000</u>	<u>-</u>	<u>161,700</u>
Excess (deficiency) of revenues and other sources over expenditures	(33,111)	9,997	43,108	8,733
Fund balance, beginning of year	<u>37,346</u>	<u>37,346</u>	<u>-</u>	<u>28,613</u>
Fund balance, end of year	<u>\$ 4,235</u>	<u>\$ 47,343</u>	<u>\$ 43,108</u>	<u>\$ 37,346</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, 2001 and 2000

	2001	2000
ASSETS		
Current assets:		
Cash and interest bearing deposits	\$ 3,199,917	\$ 3,804,918
Accounts receivable, net of allowance for uncollectible accounts (2001 \$39,397; 2000 \$29,512)	178,866	173,944
Accrued interest receivable	2,193	2,193
Prepaid insurance	35,825	33,341
Total current assets	3,416,801	4,014,396
Restricted assets:		
Cash	9,592	9,554
Interest-bearing deposits	334,619	318,786
Total restricted assets	344,211	328,340
Plant and equipment:		
At cost, net of accumulated depreciation (2001 \$6,186,738; 2000 \$5,859,461)	6,324,184	6,156,103
Total assets	\$ 10,085,196	\$ 10,498,839
LIABILITIES AND FUND EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	\$ 111,287	\$ 80,919
Contracts payable	54,218	12,275
Due to other funds	31,924	28,742
Retainage payable	20,227	30,759
Revenue bonds payable	35,000	30,000
Accrued interest payable	11,250	11,250
Customers' deposits	117,040	117,239
Total current liabilities	380,946	311,184
Long-term liabilities:		
Revenue bonds payable	205,000	240,000
Total liabilities	585,946	551,184
Fund equity:		
Contributed capital, net of accumulated amortization (2001 \$1,367,611; 2000 \$1,279,158)	5,178,215	5,108,594
Retained earnings:		
Reserved for revenue bond retirement	69,073	66,653
Reserved for revenue bond contingency	158,071	144,421
Unreserved	4,093,891	4,627,987
Total retained earnings	4,321,035	4,839,061
Total fund equity	9,499,250	9,947,655
Total liabilities and fund equity	\$ 10,085,196	\$ 10,498,839

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, 2001
With Comparative Actual Amounts for Year Ended June 30, 2000

	2001		Variance - Favorable (Unfavorable)	2000 Actual
	Budget	Actual		
Operating revenues:				
Charges for services -				
Utility sales	\$ 1,562,000	\$ 1,608,590	\$ 46,590	\$ 1,407,749
Installation and reconnection charges	19,700	22,540	2,840	25,229
Miscellaneous	63,500	53,609	(9,891)	42,771
Total operating revenues	<u>1,645,200</u>	<u>1,684,739</u>	<u>39,539</u>	<u>1,475,749</u>
Operating expenses:				
Direct expenses	1,514,750	1,502,279	12,471	993,757
Allocated expenses	484,800	449,786	35,014	465,955
Total operating expenses	<u>1,999,550</u>	<u>1,952,065</u>	<u>47,485</u>	<u>1,459,712</u>
Operating income (loss)	<u>(354,350)</u>	<u>(267,326)</u>	<u>87,024</u>	<u>16,037</u>
Nonoperating revenues (expenses):				
Other revenue	850	706	(144)	357
Interest on investments	200,000	197,935	(2,065)	208,056
Interest on bonds	-	(13,500)	(13,500)	(13,800)
Total nonoperating revenues (expenses)	<u>200,850</u>	<u>185,141</u>	<u>(15,709)</u>	<u>194,613</u>
Income (loss) before operating transfers	<u>(153,500)</u>	<u>(82,185)</u>	<u>71,315</u>	<u>210,650</u>
Other financing sources (uses):				
Operating transfers in	-	706	706	-
Operating transfers out	(700,000)	(525,000)	175,000	(355,000)
Total other financing sources (uses)	<u>(700,000)</u>	<u>(524,294)</u>	<u>175,706</u>	<u>(355,000)</u>
Net income (loss)	<u>(853,500)</u>	<u>(606,479)</u>	<u>247,021</u>	<u>(144,350)</u>
Add: Depreciation on assets purchased with contributed capital	-	88,453	88,453	90,211
Retained earnings, beginning of year	<u>4,839,061</u>	<u>4,839,061</u>	<u>-</u>	<u>4,893,200</u>
Retained earnings, end of year	<u>\$ 3,985,561</u>	<u>\$ 4,321,035</u>	<u>\$ 335,474</u>	<u>\$ 4,839,061</u>

Actual					
Gas		Water System		Sewerage System	
2001	2000	2001	2000	2001	2000
\$ 574,283	\$ 448,476	\$ 653,982	\$ 575,626	\$ 380,325	\$ 383,647
5,102	5,604	15,102	16,257	2,336	3,368
18,347	13,766	21,593	17,405	13,669	11,600
<u>597,732</u>	<u>467,846</u>	<u>690,677</u>	<u>609,288</u>	<u>396,330</u>	<u>398,615</u>
693,110	371,391	557,290	418,620	251,879	203,746
<u>97,813</u>	<u>128,376</u>	<u>259,876</u>	<u>271,430</u>	<u>92,097</u>	<u>66,149</u>
<u>790,923</u>	<u>499,767</u>	<u>817,166</u>	<u>690,050</u>	<u>343,976</u>	<u>269,895</u>
<u>\$ (193,191)</u>	<u>\$ (31,921)</u>	<u>\$ (126,489)</u>	<u>\$ (80,762)</u>	<u>\$ 52,354</u>	<u>\$ 128,720</u>

CITY OF BREAUX BRIDGE, LOUISIANA
Utility Fund

Statement of Operating Expenses - Budget (GAAP Basis) and Actual
Year Ended June 30, 2001
With Comparative Actual Amounts for Year Ended June 30, 2000

	2001		Variance - Favorable (Unfavorable)	2000 Actual
	Budget	Actual		
Direct expenses:				
Gas purchased	\$ 545,000	\$ 582,158	\$(37,158)	\$ 222,791
System repairs and maintenance	217,500	197,192	20,308	178,753
Electricity	34,250	38,373	(4,123)	30,178
Plant supplies	74,000	74,074	(74)	56,279
General insurance	68,000	42,696	25,304	54,882
Depreciation	285,000	295,492	(10,492)	304,868
Sewer feasibility study	31,000	45,913	(14,913)	20,176
Testing - solid waste	6,500	5,565	935	5,240
Engineering	60,000	29,771	30,229	13,524
Salaries	163,000	162,657	343	76,746
Gas leak survey	5,000	4,250	750	17,750
Miscellaneous	25,500	24,138	1,362	12,570
Total direct expenses	<u>1,514,750</u>	<u>1,502,279</u>	<u>12,471</u>	<u>993,757</u>
Allocated expenses:				
Salaries	177,000	180,111	(3,111)	239,158
Group insurance	24,500	24,831	(331)	19,875
Pension	4,500	4,682	(182)	4,226
Bad debt expense	17,750	9,499	8,251	10,956
Payroll taxes	26,650	25,787	863	24,812
Office supplies and expense	33,000	30,259	2,741	30,138
Legal and accounting fees	20,500	17,961	2,539	15,966
General insurance	31,000	19,106	11,894	25,128
Maintenance and supplies	90,500	84,100	6,400	63,121
Computer billing expense	5,000	3,617	1,383	4,417
Depreciation	32,000	31,785	215	24,667
Miscellaneous	22,400	18,048	4,352	3,491
Total allocated expenses	<u>484,800</u>	<u>449,786</u>	<u>35,014</u>	<u>465,955</u>
Total operating expenses	<u>\$ 1,999,550</u>	<u>\$1,952,065</u>	<u>47,485</u>	<u>\$1,459,712</u>

Actual					
Gas		Water System		Sewerage System	
2001	2000	2001	2000	2001	2000
\$ 582,158	\$ 222,791	\$ -	\$ -	\$ -	\$ -
33,523	39,326	108,456	92,952	55,213	46,475
6,523	6,639	21,105	15,693	10,745	7,846
-	-	74,074	56,279	-	-
7,258	12,074	23,483	28,539	11,955	14,269
50,234	67,071	162,521	158,531	82,737	79,266
-	-	-	-	45,913	20,176
-	-	-	-	5,565	5,240
5,061	2,975	16,374	7,032	8,336	3,517
-	-	138,001	53,058	24,656	23,688
4,250	17,750	-	-	-	-
4,103	2,765	13,276	6,536	6,759	3,269
<u>693,110</u>	<u>371,391</u>	<u>557,290</u>	<u>418,620</u>	<u>251,879</u>	<u>203,746</u>
51,299	76,334	104,070	148,880	24,742	13,944
3,725	4,803	17,630	12,705	3,476	2,367
702	1,021	3,324	2,701	656	504
3,391	3,498	3,862	4,480	2,246	2,978
3,868	5,995	18,309	15,861	3,610	2,956
5,144	6,630	16,642	15,672	8,473	7,836
3,053	3,513	9,879	8,302	5,029	4,151
3,248	5,528	10,508	13,067	5,350	6,533
14,297	13,887	46,255	32,823	23,548	16,411
615	972	1,989	2,297	1,013	1,148
5,403	5,427	17,482	12,827	8,900	6,413
3,068	768	9,926	1,815	5,054	908
<u>97,813</u>	<u>128,376</u>	<u>259,876</u>	<u>271,430</u>	<u>92,097</u>	<u>66,149</u>
<u>\$ 790,923</u>	<u>\$ 499,767</u>	<u>\$ 817,166</u>	<u>\$ 690,050</u>	<u>\$ 343,976</u>	<u>\$ 269,895</u>

CITY OF BREAUX BRIDGE, LOUISIANA
Utility Fund

Comparative Statements of Cash Flows
Years Ended June 30, 2001 and 2000

	<u>2001</u>	<u>2000</u>
Cash flows from operating activities:		
Operating income (loss)	\$ (267,326)	\$ 16,037
Adjustments to reconcile operating income to net cash provided by operating activities -		
Depreciation	327,277	329,535
Changes in current assets and liabilities:		
Increase in accounts receivable	(4,922)	(5,254)
Decrease in accrued interest receivable	-	1,756
(Increase)decrease in prepaid expenses	(2,484)	10,935
Decrease in due from other funds	-	466
Increase in accounts payable and accrued liabilities	30,169	20,111
Increase in contracts payable	41,943	12,275
Increase(decrease) in retainage payable	(10,532)	30,759
Increase(decrease) in due to other funds	3,182	(25,996)
Decrease in accrued interest payable	-	(1,200)
Total adjustments	<u>384,633</u>	<u>373,387</u>
Net cash provided by operating activities	<u>117,307</u>	<u>389,424</u>
Cash flows from noncapital financing activities:		
Cash received from others	706	357
Operating transfers out to other funds	<u>(524,294)</u>	<u>(355,000)</u>
Net cash used by noncapital financing activities	<u>(523,588)</u>	<u>(354,643)</u>
Cash flows from capital and related financing activities:		
Principal paid on revenue bond maturities	(30,000)	(30,000)
Interest paid on revenue bonds	(13,500)	(13,800)
Acquisition of capital assets	(495,358)	(408,834)
Capital contributed from federal grant	<u>158,074</u>	<u>-</u>
Net cash used by capital and related financing activities	<u>(380,784)</u>	<u>(452,634)</u>
Cash flows from investing activities:		
Interest on interest-bearing deposits and investments	<u>197,935</u>	<u>208,056</u>
Net decrease in cash and cash equivalents	(589,130)	(209,797)
Cash and cash equivalents, beginning of period	<u>4,133,258</u>	<u>4,343,055</u>
Cash and cash equivalents, end of period	<u>\$ 3,544,128</u>	<u>\$4,133,258</u>

(continued)

CITY OF BREAUX BRIDGE, LOUISIANA
Utility Fund

Comparative Statements of Cash Flows (Continued)
Years Ended June 30, 2001 and 2000

	<u>2001</u>	<u>2000</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	\$ 6,501	\$ 17,118
Interest-bearing deposits - unrestricted	3,798,417	4,020,411
Cash - restricted	1,495	1,451
Interest-bearing deposits - restricted	326,845	304,075
Total cash and cash equivalents	<u>4,133,258</u>	<u>4,343,055</u>
Cash and cash equivalents, end of period -		
Cash - unrestricted	8,605	6,501
Interest-bearing deposits - unrestricted	3,191,312	3,798,417
Cash - restricted	1,537	1,495
Interest-bearing deposits - restricted	342,674	326,845
Total cash and cash equivalents	<u>3,544,128</u>	<u>4,133,258</u>
Net decrease	<u>\$ (589,130)</u>	<u>\$ (209,797)</u>

CITY OF BREAUX BRIDGE, LOUISIANA
Utility Fund

Schedule of Changes in Assets Restricted for Revenue Bond Debt Service
Year Ended June 30, 2001

	<u>Bond and Interest Redemption</u>	<u>Reserve</u>	<u>Contingency</u>	<u>Total</u>
Cash and savings, July 1, 2000	\$ 66,653	\$ 53,617	\$ 90,804	\$ 211,074
Increases:				
Transfer from operating account	43,750	2,520	4,260	50,530
Interest earned on investments	<u>2,170</u>	<u>2,551</u>	<u>4,319</u>	<u>9,040</u>
	<u>45,920</u>	<u>5,071</u>	<u>8,579</u>	<u>59,570</u>
Decreases:				
Principal payments	(30,000)	-	-	(30,000)
Interest payments	<u>(13,500)</u>	<u>-</u>	<u>-</u>	<u>(13,500)</u>
	<u>(43,500)</u>	<u>-</u>	<u>-</u>	<u>(43,500)</u>
Cash and savings, June 30, 2001	<u>\$ 69,073</u>	<u>\$ 58,688</u>	<u>\$ 99,383</u>	<u>\$ 227,144</u>

INTERNAL CONTROL AND COMPLIANCE

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, 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 Breux Bridge, Louisiana*

We have audited the primary government financial statements of the City of Breux Bridge, Louisiana, as of and for the year ended June 30, 2001, and have issued our report thereon dated September 14, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Breux Bridge, Louisiana's primary government financial statements are free of material misstatement, we performed tests of its compliance with *certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts*. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Breux 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 Breux Bridge, Louisiana's ability to record, process, summarize and report financial data consistent with the assertions of management in the primary government financial statements. The reportable condition noted is described in the accompanying schedule of prior and current audit findings and management's corrective action plan as item 01-1.

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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 primary government 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 consider the reportable condition referred to above to be a material weakness. We also noted other matters involving the internal control over financial reporting that we have reported to management of the City of Breaux Bridge, Louisiana in a separate letter dated September 14, 2001.

This report is intended solely for the information and use of management, others within the organization, City Council 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 & Company, LLC

Certified Public Accountants

**Breaux Bridge, Louisiana
September 14, 2001**

CITY OF BREAUX BRIDGE, LOUISIANA

Schedule of Prior and Current Audit Findings and
Management's Corrective Action Plan
Year Ended June 30, 2001

I. Prior Year Findings:

Compliance

There were no findings that were required to be reported at June 30, 2000.

Internal Control Over Financial Reporting

00-1 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 item 01-1.

Management Letter Items

There were no findings that were required to be reported at June 30, 2000.

II. Current Year Findings and Management's Corrective Action Plan:

Compliance

There are no findings that are required to be reported at June 30, 2001.

Internal Control Over Financial Reporting

01-1 – 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.

Management's Corrective Action Plan: Mr. Jack Dale Delhomme, Mayor, has determined that it is not cost effective to achieve complete segregation of duties within the accounting department. No plan is considered necessary.

(continued)

CITY OF BREAUX BRIDGE, LOUISIANA

Schedule of Prior and Current Audit Findings and
Management's Corrective Action Plan (Continued)
Year Ended June 30, 2001

Management Letter Items

01-2 – Parks and Recreation Fund Tournaments

Finding: The park of the City of Breaux Bridge is used to host baseball tournaments. The personnel of the City of Breaux Bridge control all aspects of the tournaments. The proceeds of the tournaments, which are accounted for in the Parks and Recreation Fund (special revenue fund), are used to cover the expenditures of the tournament (umpires, concession costs, etc.). The remaining revenues (if any) are used for the betterment of the park. As a result of audit testing done, we noted the following items:

- It appears that the revenues from the tournaments were not enough to cover the expenditures of the tournaments.
- There are insufficient controls related to the collecting, depositing and spending of the tournament revenues.

We suggest that management review this segment of its operations and determine whether or not tournaments should continue to be hosted. If the decision is made to continue hosting tournaments, then we suggest that procedures be implemented to continually evaluate the feasibility/profitability of these tournaments and to effectively monitor the accounting process (collecting, depositing, and spending) of these tournaments.

Management's Corrective Action Plan: Mayor Jack Dale Delhomme intends to take our suggestions under advisement. He plans to carefully study this entire segment of operations and implement the necessary changes. Action will be taken promptly and the situation should be remedied by June 30, 2002.