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CITY OF CARENCRO, LOUISIANA

Financial Report

Year Ended November 30, 1998

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APR 28 1999

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INDEPENDENT AUDITORS' REPORT

The Honorable Tommy Angelle, Mayor
and Members of the Board of Aldermen
City of Carencro, Louisiana

We have audited the accompanying primary government financial statements of the City of Carencro, Louisiana, as of and for the year ended November 30, 1998. These primary government financial statements are the responsibility of the City's elected officials. Our responsibility is to express an opinion on these primary government financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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.

Governmental Accounting Standards Board Technical Bulletin 98-1, Disclosures about Year 2000 Issues, requires disclosure of certain matters regarding the year 2000 issue. The City has included such disclosures in Note 18. 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. Accordingly, insufficient audit evidence exists to support the City's disclosures with respect to the year 2000 issue made in Note 18. Further, we do not provide assurance that the City is or will be year 2000 ready, that the City's year 2000 remediation efforts will be successful in whole or in part, or that the parties with which the City does business will be year 2000 ready.

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, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding year 2000 disclosures, the primary government financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the primary government of the City of Carencro, Louisiana, as of November 30, 1998, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

However, the primary government financial statements, because they do not include the financial data of the component unit of the City of Carencro, Louisiana, do not purport to, and do not, present fairly the financial position of the City of Carencro, Louisiana, as of November 30, 1998, 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 a report dated February 12, 1999 on our consideration of the City of Carencro's internal control structure and its compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying financial information listed as "Other Supplementary Information" in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the City of Carencro, Louisiana. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented 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 of Carencro, Louisiana.

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

Lafayette, Louisiana
February 12, 1999

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

CITY OF CARENCRO, LOUISIANA

Combined Balance Sheet - All Fund Types and Account Groups
November 30, 1998

	Governmental Fund Types			Proprietary Fund Type Enterprise	Fiduciary Fund Type Agency	
	General	Special Revenue	Debt Service			Capital Projects
ASSETS AND OTHER DEBITS						
Cash	\$ 6,494	\$ -	\$ 2	\$ -	\$ 1,100	\$19,909
Interest-bearing deposits	5,407	303,361	513,738	98,103	400,554	-
Investments, at cost	-	1,002,203	-	-	1,200,799	-
Receivables:						
Taxes	-	98,776	-	-	-	-
Accounts	-	-	-	-	108,453	-
Unbilled utility receivables	-	-	-	-	58,754	-
Due from other funds	171,638	200,514	40,773	20,000	198,033	28,860
Due from other governmental units	21,706	-	-	-	-	-
Due from bondholders	-	-	-	2,509,888	-	-
Due from component unit	-	29,035	-	-	-	-
Accrued interest	-	13,035	-	3,290	16,064	-
Other	7,413	-	-	-	-	-
Prepaid items	-	-	-	-	6,695	-
Restricted assets:						
Investments, at cost	-	-	-	-	146,358	-
Land	-	-	-	-	-	-
Buildings	-	-	-	-	-	-
Equipment	-	-	-	-	-	-
Utility property, plant and equipment	-	-	-	-	9,668,438	-
Accumulated depreciation	-	-	-	-	(4,484,965)	-
Amount available in debt service funds	-	-	-	-	-	-
Amount to be provided for retirement of general long-term debt and compensated absences payable	-	-	-	-	-	-
Total assets and other debits	\$212,658	\$1,646,924	\$554,513	\$2,631,281	\$7,320,283	\$48,769

Account Groups		Totals	
General	General	(Memorandum Only)	
Fixed	Long-Term	1998	1997
Assets	Debt		
\$ -	\$ -	\$ 27,505	\$ 127,140
-	-	1,321,163	1,189,414
-	-	2,203,002	2,050,898
-	-	98,776	103,501
-	-	108,453	108,068
-	-	58,754	72,155
-	-	659,818	371,696
-	-	21,706	16,048
-	-	2,509,888	-
-	-	29,035	29,035
-	-	32,389	31,600
-	-	7,413	591
-	-	6,695	2,963
-	-	146,358	136,548
151,994	-	151,994	151,994
1,805,948	-	1,805,948	1,794,739
1,177,434	-	1,177,434	1,033,612
-	-	9,668,438	8,818,310
-	-	(4,484,965)	(4,212,903)
-	247,233	247,233	208,590
-	3,668,535	3,668,535	1,471,477
<u>\$3,135,376</u>	<u>\$3,915,768</u>	<u>\$19,465,572</u>	<u>\$13,505,476</u>

(continued)

CITY OF CARENCRO, LOUISIANA

Combined Balance Sheet - All Fund Types and Account Groups (Continued)
November 30, 1998

	Governmental Fund Types				Proprietary	Fiduciary
	General Fund	Special Revenue	Debt Service	Capital Projects	Fund Type Enterprise	Fund Type Agency
LIABILITIES, EQUITY AND OTHER CREDITS						
Liabilities:						
Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	35,658	580	-	-	75,669	-
Contracts payable	-	-	-	96,318	89,938	-
Retainage payable	-	-	-	11,430	5,936	-
Capital lease payable	-	-	-	-	7,653	-
Accrued liabilities	3,877	-	-	-	26,511	766
Due to paying agent	-	-	245,102	-	-	-
Due to other funds	42,317	241,183	62,178	28,213	237,924	48,003
Due to component unit	-	3,190	-	-	-	-
Payable from restricted assets -						
Customers' deposits	-	-	-	-	146,358	-
General obligation bonds payable	-	-	-	-	-	-
Certificate of indebtedness payable	-	-	-	-	-	-
Capital lease payable	-	-	-	-	-	-
Compensated absences payable	-	-	-	-	57,441	-
Total liabilities	81,852	244,953	307,280	135,961	647,430	48,769
Equity and other credits:						
Contributed capital (net of accumulated amortization)	-	-	-	-	5,239,617	-
Investment in general fixed assets	-	-	-	-	-	-
Retained earnings -						
Unreserved:						
Undesignated	-	-	-	-	1,433,236	-
Total retained earnings	-	-	-	-	1,433,236	-
Fund balances -						
Reserved for debt service	-	-	247,233	-	-	-
Reserved for incomplete contracts	-	-	-	2,254,922	-	-
Unreserved:						
Designated for capital expenditures	-	-	-	240,398	-	-
Undesignated	130,806	1,401,971	-	-	-	-
Total fund balances	130,806	1,401,971	247,233	2,495,320	-	-
Total equity and other credits	130,806	1,401,971	247,233	2,495,320	6,672,853	-
Total liabilities, equity and other credits	\$212,658	\$1,646,924	\$554,513	\$2,631,281	\$7,320,283	\$48,769

Account Groups		Totals	
General Fixed Assets	General Long-Term Debt	(Memorandum Only)	
		1998	1997
\$ -	\$ -	\$ -	\$ 19,954
-	-	111,907	123,483
-	-	186,256	-
-	-	17,366	-
-	-	7,653	6,482
-	-	31,154	39,435
-	-	245,102	-
-	-	659,818	371,696
-	-	3,190	3,190
-	-	146,358	136,548
-	3,310,000	3,310,000	835,000
-	510,000	510,000	735,000
-	78,758	78,758	99,575
-	17,010	74,451	68,525
-	3,915,768	5,382,013	2,438,888
-	-	5,239,617	5,141,689
<u>3,135,376</u>	<u>-</u>	<u>3,135,376</u>	<u>2,980,345</u>
-	-	1,433,236	1,379,089
-	-	1,433,236	1,379,089
-	-	247,233	208,590
-	-	2,254,922	-
-	-	240,398	96,698
-	-	1,532,777	1,260,177
-	-	4,275,330	1,565,465
<u>3,135,376</u>	<u>-</u>	<u>14,083,559</u>	<u>11,066,588</u>
<u>\$3,135,376</u>	<u>\$3,915,768</u>	<u>\$19,465,572</u>	<u>\$13,505,476</u>

CITY OF CARENCRO, LOUISIANA

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -
All Governmental Fund Types
Year Ended November 30, 1998

	General Fund	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)	
					1998	1997
Revenues:						
Taxes	\$ 237,248	\$ 1,256,396	\$ -	\$ -	\$1,493,644	\$1,435,244
Licenses and permits	142,439	-	-	-	142,439	122,308
Intergovernmental	244,802	-	-	-	244,802	218,390
Fines and forfeits	24,991	-	-	-	24,991	27,851
Miscellaneous	12,528	94,616	17,289	4,695	129,128	96,038
Total revenues	<u>662,008</u>	<u>1,351,012</u>	<u>17,289</u>	<u>4,695</u>	<u>2,035,004</u>	<u>1,899,831</u>
Expenditures:						
Current -						
General government:						
Administrative	125,472	20,654	992	-	147,118	171,401
Code department	31,065	-	-	-	31,065	25,840
Public safety:						
Police	413,258	-	-	-	413,258	398,819
Fire	76,834	-	-	-	76,834	94,045
Highways and streets	192,223	-	-	-	192,223	185,217
Recreation	9,000	-	-	-	9,000	11,569
Culture and tourism	35,630	-	-	-	35,630	16,305
Capital outlay	182,101	20,928	-	126,073	329,102	313,287
Debt service -						
Principal retirement	20,817	-	250,000	-	270,817	251,653
Interest and fiscal charges	6,095	-	93,435	-	99,530	113,497
Bond issuance costs	-	-	6,774	-	6,774	-
Total expenditures	<u>1,092,495</u>	<u>41,582</u>	<u>351,201</u>	<u>126,073</u>	<u>1,611,351</u>	<u>1,581,633</u>
Excess (deficiency) of revenues over expenditures	<u>(430,487)</u>	<u>1,309,430</u>	<u>(333,912)</u>	<u>(121,378)</u>	<u>423,653</u>	<u>318,198</u>
Other financing sources (uses):						
Operating transfers in	476,000	-	293,712	20,000	789,712	661,691
Operating transfers out	(20,000)	(869,712)	-	-	(889,712)	(761,691)
Operating transfers from component unit	-	-	78,843	-	78,843	78,843
Operating transfers to component unit	-	(192,631)	-	-	(192,631)	(179,134)
Proceeds from issuance of 1998 sales tax bonds	-	-	-	2,500,000	2,500,000	-
Total other financing sources (uses)	<u>456,000</u>	<u>(1,062,343)</u>	<u>372,555</u>	<u>2,520,000</u>	<u>2,286,212</u>	<u>(200,291)</u>
Excess of revenues and other sources over expenditures and other uses	25,513	247,087	38,643	2,398,622	2,709,865	117,907
Fund balances, beginning	<u>105,293</u>	<u>1,154,884</u>	<u>208,590</u>	<u>96,698</u>	<u>1,565,465</u>	<u>1,447,558</u>
Fund balances, ending	<u>\$ 130,806</u>	<u>\$ 1,401,971</u>	<u>\$ 247,233</u>	<u>\$2,495,320</u>	<u>\$4,275,330</u>	<u>\$1,565,465</u>

The accompanying notes are an integral part of this statement.

CITY OF CARENCRO, LOUISIANA

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget (GAAP Basis) and Actual -
All Governmental Fund Types
Year Ended November 30, 1998

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:						
Taxes	\$ 221,642	\$ 237,248	\$15,606	\$ 1,240,400	\$ 1,256,396	\$ 15,996
Licenses and permits	141,377	142,439	1,062	-	-	-
Intergovernmental	235,073	244,802	9,729	-	-	-
Fines and forfeits	27,532	24,991	(2,541)	-	-	-
Miscellaneous	12,650	12,528	(122)	65,070	94,616	29,546
Total revenues	<u>638,274</u>	<u>662,008</u>	<u>23,734</u>	<u>1,305,470</u>	<u>1,351,012</u>	<u>45,542</u>
Expenditures:						
Current -						
General government:						
Administrative	146,210	125,472	20,738	20,927	20,654	273
Code department	32,516	31,065	1,451	-	-	-
Public safety:						
Police	416,580	413,258	3,322	-	-	-
Fire	90,709	76,834	13,875	-	-	-
Highways and streets	194,900	192,223	2,677	-	-	-
Recreation	9,000	9,000	-	-	-	-
Culture and tourism	30,060	35,630	(5,570)	-	-	-
Capital outlay	204,915	182,101	22,814	200,000	20,928	179,072
Debt service -						
Principal retirement	20,817	20,817	-	-	-	-
Interest and fiscal charges	6,095	6,095	-	-	-	-
Bond issuance costs	-	-	-	-	-	-
Total expenditures	<u>1,151,802</u>	<u>1,092,495</u>	<u>59,307</u>	<u>220,927</u>	<u>41,582</u>	<u>179,345</u>
Excess (deficiency) of revenues over expenditures	<u>(513,528)</u>	<u>(430,487)</u>	<u>83,041</u>	<u>1,084,543</u>	<u>1,309,430</u>	<u>224,887</u>
Other financing sources (uses):						
Operating transfers in	476,000	476,000	-	-	-	-
Operating transfers out	(20,000)	(20,000)	-	(841,204)	(869,712)	(28,508)
Operating transfers from component unit	-	-	-	-	-	-
Operating transfers to component unit	-	-	-	(190,000)	(192,631)	(2,631)
Proceeds from issuance of 1998 sales tax bonds	-	-	-	-	-	-
Total other financing sources (uses)	<u>456,000</u>	<u>456,000</u>	<u>-</u>	<u>(1,031,204)</u>	<u>(1,062,343)</u>	<u>(31,139)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(57,528)</u>	<u>25,513</u>	<u>83,041</u>	<u>53,339</u>	<u>247,087</u>	<u>193,748</u>
Fund balances, beginning	<u>105,293</u>	<u>105,293</u>	<u>-</u>	<u>1,154,884</u>	<u>1,154,884</u>	<u>-</u>
Fund balances, ending	<u>\$ 47,765</u>	<u>\$ 130,806</u>	<u>\$83,041</u>	<u>\$ 1,208,223</u>	<u>\$ 1,401,971</u>	<u>\$193,748</u>

Debt Service Funds			Capital Projects Funds		
Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
6,776	17,289	10,513	2,980	4,695	1,715
<u>6,776</u>	<u>17,289</u>	<u>10,513</u>	<u>2,980</u>	<u>4,695</u>	<u>1,715</u>
1,080	992	88	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	126,073	126,073	-
250,000	250,000	-	-	-	-
93,127	93,435	(308)	-	-	-
-	6,774	(6,774)	-	-	-
<u>344,207</u>	<u>351,201</u>	<u>(6,994)</u>	<u>126,073</u>	<u>126,073</u>	<u>-</u>
<u>(337,431)</u>	<u>(333,912)</u>	<u>3,519</u>	<u>(123,093)</u>	<u>(121,378)</u>	<u>1,715</u>
265,204	293,712	28,508	20,000	20,000	-
-	-	-	-	-	-
78,800	78,843	43	-	-	-
-	-	-	-	-	-
-	-	-	2,500,000	2,500,000	-
<u>344,004</u>	<u>372,555</u>	<u>28,551</u>	<u>2,520,000</u>	<u>2,520,000</u>	<u>-</u>
6,573	38,643	32,070	2,396,907	2,398,622	1,715
<u>208,590</u>	<u>208,590</u>	<u>-</u>	<u>96,698</u>	<u>96,698</u>	<u>-</u>
<u>\$215,163</u>	<u>\$ 247,233</u>	<u>\$32,070</u>	<u>\$2,493,605</u>	<u>\$2,495,320</u>	<u>\$1,715</u>

CITY OF CARENCRO, LOUISIANA

Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings -
 Proprietary Fund Type
 For the Years Ended November 30, 1998 and 1997

	Enterprise	
	1998	1997
Operating revenues:		
Charges for services -		
Gas sales	\$ 513,089	\$ 517,256
Water charges	272,055	267,809
Sewerage charges	222,260	221,859
Garbage collection	239,507	238,522
Connection fees	11,300	9,700
Delinquent and service charges	21,320	22,937
Miscellaneous - Other	2,341	-
Total operating revenues	<u>1,281,872</u>	<u>1,278,083</u>
Operating expenses:		
Gas system	399,412	393,837
Water system	227,468	233,097
Sewerage system	193,126	159,236
Sanitation department	223,337	218,508
General and administrative	153,214	167,201
Depreciation	272,062	274,291
Total operating expenses	<u>1,468,619</u>	<u>1,446,170</u>
Operating loss	<u>(186,747)</u>	<u>(168,087)</u>
Nonoperating revenues (expenses):		
Interest income	113,920	77,224
Interest expense	(1,171)	(1,750)
Total nonoperating revenues (expenses)	<u>112,749</u>	<u>75,474</u>
Loss before operating transfers	<u>(73,998)</u>	<u>(92,613)</u>
Operating transfers in (out):		
Operating transfers in	250,000	250,000
Operating transfers out	(150,000)	(150,000)
Total operating transfers in (out)	<u>100,000</u>	<u>100,000</u>
Net income	26,002	7,387
Add: Depreciation on fixed assets acquired by federal grant revenues externally restricted for capital acquisitions and construction that reduces contributed capital	<u>28,145</u>	<u>28,146</u>
Increase in retained earnings	54,147	35,533
Retained earnings, beginning	<u>1,379,089</u>	<u>1,343,556</u>
Retained earnings, ending	<u>\$1,433,236</u>	<u>\$1,379,089</u>

The accompanying notes are an integral part of this statement.

CITY OF CARENCRO, LOUISIANA

Comparative Statement of Cash Flows
 Proprietary Fund Type
 Years Ended November 30, 1998 and 1997

	Enterprise	
	<u>1998</u>	<u>1997</u>
Cash flows from operating activities:		
Operating loss	<u>\$ (186,747)</u>	<u>\$ (168,087)</u>
Adjustments to reconcile net operating loss to net cash provided by operating activities -		
Depreciation	272,062	274,291
Changes in current assets and liabilities:		
(Increase) decrease in accounts receivable	(385)	6,289
(Increase) decrease in unbilled receivables	13,401	(13,815)
Decrease in other receivables	591	2,984
(Increase) decrease in prepaid items	(3,732)	1,628
Increase in accounts payable	12,747	16,607
Increase in contracts payable	89,938	-
Increase in retainage payable	5,936	-
Increase (decrease) in other accrued liabilities	8,957	(24,585)
Increase in compensated absences payable	7,061	30,749
Total adjustments	<u>406,576</u>	<u>294,148</u>
Net cash provided by operating activities	<u>219,829</u>	<u>126,061</u>
Cash flows from noncapital financing activities:		
Cash received from other funds	252,618	4,112
Cash paid to other funds	-	(62,987)
Operating transfers in	250,000	250,000
Operating transfers out	<u>(150,000)</u>	<u>(150,000)</u>
Net cash provided by noncapital financing activities	<u>352,618</u>	<u>41,125</u>
Cash flows from capital and related financing activities:		
Interest paid on capital lease	(1,171)	(1,750)
Principal paid on capital lease	(6,482)	(6,333)
Acquisition of property, plant and equipment	(850,128)	(167,581)
Contribution from municipality	126,073	-
Proceeds from meter deposits	34,640	29,428
Refund of meter deposits	<u>(24,830)</u>	<u>(17,240)</u>
Net cash used by capital and related financing activities	<u>(721,898)</u>	<u>(163,476)</u>

CITY OF CARENCRO, LOUISIANA

Comparative Statement of Cash Flows (Continued)
 Proprietary Fund Type
 Years Ended November 30, 1998 and 1997

	Enterprise	
	<u>1998</u>	<u>1997</u>
Cash flows from investing activities:		
Purchase of investments and interest-bearing deposits	\$(1,278,886)	\$ (702,546)
Proceeds from the maturities of investments and interest-bearing deposits	1,193,117	623,656
Interest received on investments and interest-bearing deposits	<u>113,358</u>	<u>74,652</u>
Net cash provided (used) by investing activities	<u>27,589</u>	<u>(4,238)</u>
Net decrease in cash and cash equivalents	(121,862)	(528)
Cash and cash equivalents, beginning of period	<u>361,955</u>	<u>362,483</u>
Cash and cash equivalents, end of period	<u>\$ 240,093</u>	<u>\$ 361,955</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	\$ 49,459	\$ 51,487
Interest-bearing deposits - unrestricted	471,126	566,834
Less: Certificates of deposit with a maturity over three months	<u>(158,630)</u>	<u>(255,838)</u>
Total cash and cash equivalents	<u>361,955</u>	<u>362,483</u>
Cash and cash equivalents, end of period -		
Cash - unrestricted	1,100	49,459
Interest-bearing deposits - unrestricted	400,554	471,126
Less: Certificates of deposit with a maturity over three months	<u>(161,561)</u>	<u>(158,630)</u>
Total cash and cash equivalents	<u>240,093</u>	<u>361,955</u>
Net decrease	<u>\$ (121,862)</u>	<u>\$ (528)</u>

(continued)

CITY OF CARENCRO, LOUISIANA

Comparative Statement of Cash Flows (Continued)
Proprietary Fund Type
Years Ended November 30, 1998 and 1997

Noncash Capital and Related Financing Activities:

During the fiscal year ended November 30, 1997, the Enterprise Fund acquired \$20,898 of certain capital assets that were financed through vendor financing. The full purchase price was financed and is due in monthly installments beginning in fiscal year ended November 30, 1997.

The accompanying notes are an integral part of this statement.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

The City of Carencro was incorporated in 1905 under the provisions of the Lawrason Act. The City operates under a Mayor-Board of Aldermen form of government.

The accounting and reporting policies of the City of Carencro conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

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

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

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

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

The following component unit is not presented in the accompanying financial statements:

Parks and Recreation Commission of Carencro, Inc.

The Parks and Recreation Commission of Carencro, Inc., (Commission) is a non-profit corporation established in 1993 for the purpose of maintaining and operating recreational facilities for the general purpose of the City. The component unit has a November 30 year end.

The members of the governing board of the Commission consist of seven (7) trustees. Of the seven (7) trustees, four (4) must be appointed by the City Council, one (1) must be appointed by the Mayor of the City and two (2) may be appointed by the Commission with the authority reverting to the City Council in the event the Commission appoints no one. The Commission's operational and capital budgets are subject to the approval of the City. Bonded debt issued by the Parks and Recreation Commission must be approved by the City Council.

Complete financial statements for the component unit may be obtained at the entity's administrative office (Parks and Recreation Commission of Carencro, Inc., P. O. Drawer 10, Carencro, LA 70520).

These primary government financial statements of the City of Carencro do not include the financial data of the component unit described above. This component unit financial data is necessary for reporting in conformity with generally accepted accounting principles.

B. Fund Accounting

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

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

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

Governmental Funds -

General fund

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special revenue funds

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

Debt service funds

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

Capital projects funds

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

Proprietary Fund -

Enterprise fund

The enterprise fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City applies all applicable FASB pronouncements issued after November 30, 1989 in accounting and reporting for its enterprise fund. The City of Carencro's enterprise fund is the Utility Fund.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

Fiduciary Funds -

Agency funds

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

C. Fixed Assets and Long-Term Liabilities

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus.

All governmental funds are accounted for on a spending or "financial flow" measurement focus, and only current assets and current liabilities are generally included on their balance sheets.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds, 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. The expenditures for infrastructure during the current year were \$41,873. No depreciation has been provided on general fixed assets.

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

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group.

The proprietary fund is accounted for on a cost of services or "capital maintenance" measurement focus, and all assets and all liabilities (whether current or noncurrent) associated with its activity are included on its balance sheet.

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

Water lines	20 years
Sewer lines	20-50 years
Gas lines	20 years
Equipment	5-7 years

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

D. Basis of Accounting

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

All of the City's governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets.

Sales taxes are considered as "measurable" when in the hands of the Sales Tax Collector and are recognized as revenue at that time. Other major revenues that are considered susceptible to accrual include earned grant revenues and other intergovernmental revenues, charges for services and interest on interest-bearing deposits and investments. Franchise fees, licenses and permits, and fines are recognized when received because they are not objectively measurable.

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

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

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

E. Budgets and Budgetary Accounting

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

1. The City Clerk prepares a proposed budget and submits it to the Mayor and Board of Aldermen for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of a resolution prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfers of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Board of Aldermen. Such amendments were not material in relation to the original appropriations.

F. Investments

Investments are stated at cost or amortized cost, which approximates market.

G. 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.

H. Bad Debts

Uncollectible amounts due for customers' utility receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. Although the specific charge-off method is not in conformity with generally accepted accounting principles (GAAP), no allowance for uncollectible accounts receivable was made due to immateriality at November 30, 1998.

I. Compensated Absences

Sick leave is earned at the rate of one day for each month worked, with a limit of ten days per year. Vacation leave is accumulated as follows:

1 - 5 years	5 days
6 - 10 years	10 days
over 10 years	15 days

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

Thirty days of sick leave and one week of vacation may be carried over to a subsequent year. Upon termination of employment, employees are to be paid for accumulated or unused sick and vacation leave.

At November 30, 1998, employees of the City have accumulated and vested \$74,451 of compensated absence benefits, which is recorded in the Utility Fund and the General Long-Term Debt Group. The estimated liabilities include required salary-related payments.

J. Capitalization of Interest Expense

It is the policy of the City of Carencro to capitalize material amounts of interest resulting from borrowings accounted for in the proprietary fund in the course of the construction of fixed assets. At November 30, 1998, no capitalized interest expense was recorded in the financial statements.

K. 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.

L. Fund Equity

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

M. 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.

N. 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 are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

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

(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 November 30, 1998, the City has cash and interest-bearing deposits (book balances) totaling \$1,348,668 as follows:

Demand deposits	\$ 729,307
Time deposits	<u>619,361</u>
Total	<u>\$1,348,668</u>

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 November 30, 1998, are secured as follows:

Bank balances	<u>\$1,418,567</u>
Federal deposit insurance	\$ 394,665
Pledged securities (Category 3)	<u>1,023,902</u>
Total federal insurance and pledged securities	<u>\$1,418,567</u>

Pledged securities in Category 3 is comprised of uninsured and unregistered investments with securities held by the pledging institution, 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) Investments

The City can invest in direct debt securities of the United States unless such an investment is expressly prohibited by law. The City's investments are categorized to give an indication of the level of risk assumed by it at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments with securities held by the counterparty's trust department or agent in the

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

City's name. Category 3 includes uninsured and unregistered investments with securities held by the counterparty, or by its trust department or agent, but not in the City's name. All of the City's investments are classified as Category 1. The carrying amounts and approximate market values of investments at November 30, 1998 are summarized as follows:

	Description	Interest Rate	Carrying Amount	Unrealized Gains (Losses)	Approximate Market Value
Special Revenue Fund:					
1967 Sales Tax Fund	U.S. Treasury Notes	5.50% to 7.13%	\$ 905,628	\$ 5,440	\$ 911,068
	U.S. Treasury Bill	4.35%	96,575	(71)	96,504
Enterprise Fund:					
Utility Fund	U.S. Treasury Notes	5.50% to 7.13%	1,259,778	7,492	1,267,270
	U.S. Treasury Bill	4.25% to 5.08%	87,379	(375)	87,004
			<u>\$2,349,360</u>	<u>\$ 12,486</u>	<u>\$2,361,846</u>

(4) Interfund Receivables/Payables

Interfund receivables/payables at November 30, 1998 consisted of the following:

	Receivables	Payables
General Fund	\$ 171,638	\$ 42,317
Special Revenue Funds:		
1967 Sales Tax Fund	6,203	196,249
1993 Sales Tax Fund	194,311	44,934
Debt Service Fund:		
Sales Tax Bonds - Series 1995	-	32,018
Sales Tax Bonds - Series 1998	9,888	-
Certificates of Indebtedness - Series 1990	30,885	30,160
Capital Projects Funds:		
Sidewalk Construction Fund	20,000	-
Utility Projects Construction Fund	-	28,213

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

	Interfund Receivables	Interfund Payables
Enterprise Fund:		
Utility Fund	\$198,033	\$237,924
Fiduciary Funds:		
Disbursement Fund	6,543	17,521
Payroll Fund	22,317	30,482
	\$659,818	\$659,818

(5) Due from other Governmental Units

Amounts due from other governmental units at November 30, 1998, consisted of the following:

Amount due from the State of Louisiana for beer tax receipts for the quarter ended September 30, 1998	\$ 4,841
Amount due from the State of Louisiana for video poker receipts for the months of October and November 1998	14,300
Amount due from the State of Louisiana for off-track betting fees for the month of November 1998	2,565
	\$21,706

(6) Restricted Assets - Proprietary Fund Type

Restricted assets consisted of the following at November 30, 1998:

Customers' deposits	\$146,358
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CITY OF CARENCRO, LOUISIANA
Notes to Financial Statements (Continued)

(7) Changes in Fixed Assets

A summary of changes in general fixed assets follows:

	<u>Balance 12/01/97</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 11/30/98</u>
Land	\$ 151,994	\$ -	\$ -	\$ 151,994
Buildings	1,794,739	11,209	-	1,805,948
Equipment	<u>1,033,612</u>	<u>143,822</u>	<u>-</u>	<u>1,177,434</u>
Total general fixed assets	<u>\$2,980,345</u>	<u>\$155,031</u>	<u>\$ -</u>	<u>\$3,135,376</u>

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

Land	\$ 115,848
Equipment	343,427
Gas distribution system	1,017,031
Water distribution system	2,490,908
Sewer system	5,183,970
Construction in progress	<u>517,254</u>
Total	9,668,438
Less: Accumulated depreciation	<u>(4,484,965)</u>
Net property, plant and equipment	<u>\$ 5,183,473</u>

Construction in progress of \$517,254 at November 30, 1998 consists of equipment and engineering costs of \$241,267 for sewer pond improvements and \$275,987 of construction and engineering costs for various waterline projects.

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

(8) Changes in Long-Term Liabilities

During the year ended November 30, 1998, the following changes occurred in long-term liabilities reported in the Utility Fund and the General Long-Term Debt Account Group:

	<u>Balance 12/01/97</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 11/30/98</u>
General obligation bonds	\$ 835,000	\$2,500,000	\$ 25,000	\$3,310,000
Certificates of indebtedness	735,000	-	225,000	510,000
Capital lease	106,487	-	27,729	78,758
Compensated absences	<u>68,525</u>	<u>12,650</u>	<u>6,724</u>	<u>74,451</u>
	<u>\$1,745,012</u>	<u>\$2,512,650</u>	<u>\$284,453</u>	<u>\$3,973,209</u>

A. Bonds payable at November 30, 1997, are comprised of the following individual issues:

General obligation bonds and certificates:

\$875,000 Public Improvement Sales Tax Bonds Series 1995, due in annual installments of \$20,000 to \$80,000 through April 1, 2015; interest at 5.3 percent to 12.0 percent; payable from sales tax revenues

\$ 810,000

\$2,500,000 Public Improvement Sales Tax Bonds, Series 1998, due in annual installments of \$75,000 to \$265,000 through April 1, 2018; interest at 4.25 percent to 7.0 percent; payable from sales tax revenues

2,500,000

\$1,915,000 Certificates of Indebtedness, Series 1990, due in annual installments of \$195,000 to \$265,000 through November 1, 2000; interest at 5.47 percent; payable from sales tax revenues

510,000

\$3,820,000

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

The annual requirements to amortize the general obligation bonds and certificates outstanding as of November 30, 1998, including interest payments of \$1,869,306, are as follows:

<u>Year ending November 30</u>	<u>General Obligation</u>
1999	\$ 454,732
2000	540,592
2001	262,920
2002	260,097
2003	257,407
2004-2008	1,280,473
2009-2013	1,298,867
2014-2018	<u>1,334,218</u>
	<u>\$5,689,306</u>

B. Lease Obligations

The City acquired a fire truck under the provisions of a long-term lease dated May 1, 1996, requiring 5 annual payments of \$26,912, each at an implicit interest rate of 6.63 percent.

The Utility Fund acquired an articulating sewer jet trailer under the provisions of a long-term lease dated December 2, 1996, requiring 36 monthly payments of \$674, each at an implicit interest rate of 10.71 percent.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

The following is a schedule of future minimum lease payments under the capital lease obligations, together with the present value of the future minimum lease payments, as of November 30, 1998:

Year ending November 30	General Fund	Utility Fund	Totals
1999	\$26,912	\$8,083	\$34,995
2000	26,912	-	26,912
2001	<u>26,912</u>	<u>-</u>	<u>26,912</u>
Total minimum lease payments	80,736	8,083	88,819
Less amount representing interest	<u>(9,631)</u>	<u>(430)</u>	<u>(10,061)</u>
Present value of future minimum lease payments	<u>\$71,105</u>	<u>\$7,653</u>	<u>\$78,758</u>

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

Proceeds of the 1967 1% sales and use tax levied by the City of Carencro (1998 collections \$628,198; 1997 \$608,163) are dedicated to the following purposes:

Paying principal and interest on any bonded debt or funded indebtedness of the City; constructing, acquiring, extending, improving and/or maintaining sewers, waterworks and natural gas utilities, streets, sidewalks and bridges, street lighting facilities, drainage facilities, fire and police department stations and equipment, garbage disposal and sanitation equipment and facilities, public buildings, public parks and recreational facilities, public works equipment and furnishings or for any one or more of said purposes.

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

During 1993, the City of Carencro levied an additional 1% sales and use tax (1998 collections \$628,198, 1997 \$608,163). Proceeds are dedicated to the following purposes:

Paying principal and interest on any bonded debt or fund indebtedness of the City of Carencro issued for capital purposes; remaining proceeds are divided as follows: one third (1/3) for fire and police protection; one third (1/3) for operating and (1/3) for capital improvements for the City.

(10) Retirement Commitments

All employees are members of one of the following retirement systems:

Federal Social Security System
Municipal and State Police Retirement Systems of Louisiana

Pertinent information relative to each plan follows:

A) Federal Social Security System

All employees of the City of Carencro, except the Chief-of-Police are members of the Federal Social Security System. The City and its employees contribute a percentage of each employee's salary to the System (7.65% contributed by the City; 7.65% by the employee). The City's contribution during the year ended November 30, 1998, amounted to \$49,706.

B) Municipal and State Police Retirement System of Louisiana

Eligible employees of the City participate in the Municipal and State Police Retirement System which is a multiple-employer public employee retirement system (PERS). The plan is controlled and administered by a separate board of trustees and provides retirement, disability and death benefits to plan members and their beneficiaries. Pertinent information relative to the plan follows:

Plan members are required to contribute 7.5 percent of their annual covered salary to the system while the City is required to contribute the statutory rate of 9.0 percent of the total annual covered salary. The City's contributions to the system for the years ended November 30, 1998, 1997 and 1996 were \$2,678, \$2,405, and \$2,282, respectively, equal to the required contribution for each year.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

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

(11) Pension Plan

As of December 1, 1992, the City of Carencro established a defined contribution pension plan. Substantially all employees become eligible to participate in the plan after completing one year of employment. Each year, the City will determine the amount, if any, to contribute to the plan. The contribution is discretionary and will only be made from the current or accumulated surplus of the City. The current year's covered payroll was \$578,963 and the City contributed \$25,000 or approximately 4.3 percent of the covered payroll. The total payroll for all employees was \$663,721 for the year ended November 30, 1998.

(12) Natural Gas Contract

Under contract dated May 1, 1989, the City of Carencro is required to purchase its natural gas from Louisiana Municipal Natural Gas Purchasing and Distribution Authority for an initial term of three (3) years and shall continue thereafter from year to year unless written notice to the contrary is given by either party to the other at least six (6) months prior to the expiration of the initial term or any renewal thereof. During fiscal year ended November 30, 1998, the City's natural gas purchases amounted to \$209,565.

(13) Segment Information for the Enterprise Fund

The City of Carencro maintains one enterprise fund with four departments which provide gas, water, sewerage and sanitation services. Segment information for the year ended November 30, 1998 was as follows:

	<u>Gas Dept</u>	<u>Water Dept</u>	<u>Sewerage Dept.</u>	<u>Sanitation Dept.</u>	<u>Total Enterprise Fund</u>
Operating revenues	\$529,564	\$286,937	\$ 224,062	\$241,309	\$1,281,872
Operating expenses	<u>549,152</u>	<u>341,261</u>	<u>340,013</u>	<u>238,193</u>	<u>1,468,619</u>
Operating income (loss)	<u><u>\$(19,588)</u></u>	<u><u>\$(54,324)</u></u>	<u><u>\$(115,951)</u></u>	<u><u>\$ 3,116</u></u>	<u><u>\$(186,747)</u></u>

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

(14) Contributed Capital

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

The sources of contributed capital used to acquire and construct facilities of the Enterprise Fund is as follows:

	<u>Municipality</u>	<u>State Grants</u>	<u>Federal Grants</u>	<u>Total</u>
Total contributed capital	\$4,947,458	\$ 43,161	\$ 538,151	\$5,528,770
Less: Accumulated amortization	-	(20,180)	(268,973)	(289,153)
Net contributed capital	<u>\$4,947,458</u>	<u>\$ 22,981</u>	<u>\$ 269,178</u>	<u>\$5,239,617</u>

(15) Pending Litigation

There are lawsuits presently pending against the City. The City's legal counsel and elected officials are of the opinion that any unfavorable outcome will be covered by insurance at November 30, 1998.

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

(16) Compensation of City Officials

A detail of compensation paid to the Mayor and Board of Aldermen for year ended November 30, 1998 follows:

Tommy Angelle, Mayor	\$12,000
Aldermen:	
Antoine Babineaux, Jr.	2,400
Glenn Brasseaux	3,000
Allen Conque	2,400
Steven Conques	2,400
J. L. Richard	<u>2,400</u>
	<u>\$24,600</u>

(17) Lease of Enterprise Center of Louisiana

On March 21, 1994, a lease agreement was signed by the City and Enterprise Center of Louisiana. The initial term of the lease is seven (7) years with a monthly rental of \$100. Upon expiration of the lease, the lessee will have the option to renew for ten (10) additional five (5) year terms with a monthly rental of \$1,500. The rental income is included in the General Fund as miscellaneous revenues.

(18) 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 intends to utilize an external computer consultant to identify and test the systems for Year 2000 compliance. To date, a preliminary assessment of the impact of this issue is in process. 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.

SUPPLEMENTAL INFORMATION

SCHEDULES OF INDIVIDUAL FUNDS AND ACCOUNT GROUPS

GENERAL FUND

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

CITY OF CARENCRO, LOUISIANA
General Fund

Comparative Balance Sheet
November 30, 1998 and 1997

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash	\$ 6,494	\$ 65,673
Interest-bearing deposits	5,407	5,168
Receivables:		
Due from other funds	171,638	87,202
Due from other governmental units	21,706	16,048
Other	<u>7,413</u>	<u>-</u>
 Total assets	 <u>\$212,658</u>	 <u>\$174,091</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 35,658	\$ 59,411
Accrued liabilities	3,877	9,387
Due to other funds	<u>42,317</u>	<u>-</u>
Total liabilities	81,852	68,798
 Fund balance:		
Unreserved, undesignated	<u>130,806</u>	<u>105,293</u>
 Total liabilities and fund balance	 <u>\$212,658</u>	 <u>\$174,091</u>

CITY OF CARENCRO, LOUISIANA
General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year Ended November 30, 1998
With Comparative Actual Amounts for Year Ended November 30, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Revenues:				
Taxes	\$ 221,642	\$ 237,248	\$ 15,606	\$ 218,918
Licenses and permits	141,377	142,439	1,062	122,308
Intergovernmental	235,073	244,802	9,729	218,390
Fines and forfeits	27,532	24,991	(2,541)	27,851
Miscellaneous	12,650	12,528	(122)	22,121
Total revenues	<u>638,274</u>	<u>662,008</u>	<u>23,734</u>	<u>609,588</u>
Expenditures:				
Current -				
General government:				
Administrative	146,210	125,472	20,738	157,936
Code department	32,516	31,065	1,451	25,840
Public safety:				
Police	416,580	413,258	3,322	398,819
Fire	90,709	76,834	13,875	94,045
Highways and streets	194,900	192,223	2,677	185,217
Recreation	9,000	9,000	-	11,569
Culture and tourism	30,060	35,630	(5,570)	16,305
Capital outlay				
General government	15,000	11,918	3,082	16,361
Public safety:				
Police	39,000	38,915	85	24,461
Fire	120,915	100,349	20,566	8,212
Highways and streets	30,000	30,919	(919)	-
Debt service -				
Principal paid	20,817	20,817	-	21,653
Interest	6,095	6,095	-	5,260
Total expenditures	<u>1,151,802</u>	<u>1,092,495</u>	<u>59,307</u>	<u>965,678</u>
Deficiency of revenues over expenditures	<u>(513,528)</u>	<u>(430,487)</u>	<u>(83,041)</u>	<u>(356,090)</u>

CITY OF CARENCRO, LOUISIANA
General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual (Continued)
Year Ended November 30, 1998
With Comparative Actual Amounts for Year Ended November 30, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Other financing sources (uses):				
Operating transfers in	476,000	476,000	-	380,000
Operating transfers out	(20,000)	(20,000)	-	(20,000)
Total other financing sources (uses)	<u>456,000</u>	<u>456,000</u>	<u>-</u>	<u>360,000</u>
 Excess (deficiency) of revenues and other sources over expenditures and other uses	 (57,528)	 25,513	 83,401	 3,910
 Fund balance, beginning	 <u>105,293</u>	 <u>105,293</u>	 <u>-</u>	 <u>101,383</u>
 Fund balance, ending	 <u>\$ 47,765</u>	 <u>\$ 130,806</u>	 <u>\$ 83,401</u>	 <u>\$ 105,293</u>

CITY OF CARENCRO, LOUISIANA
General Fund

Statement of Revenues Compared to Budget (GAAP Basis)
Year Ended November 30, 1998
With Comparative Actual Amounts for Year Ended November 30, 1997

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)	<u>1997 Actual</u>
Taxes:				
Franchise-				
Utility companies	\$213,112	\$230,850	\$17,738	\$213,038
Cable TV company	8,530	6,398	(2,132)	5,880
Total taxes	<u>221,642</u>	<u>237,248</u>	<u>15,606</u>	<u>218,918</u>
Licenses and permits:				
Occupational licenses	119,400	120,030	630	105,326
Code department permits	<u>21,977</u>	<u>22,409</u>	<u>432</u>	<u>16,982</u>
Total licenses and permits	<u>141,377</u>	<u>142,439</u>	<u>1,062</u>	<u>122,308</u>
Intergovernmental :				
State of Louisiana -				
Beer taxes	8,611	11,874	3,263	10,168
Tobacco taxes	28,028	28,028	-	28,029
Racing commissions	11,840	19,060	7,220	13,486
Off track betting fees	30,830	34,846	4,016	34,285
Video poker	80,904	73,134	(7,770)	82,190
Louisiana Community Development				
Block Grant	22,106	22,106	-	-
Traffic control	1,380	4,380	3,000	-
Lafayette Parish Government -				
Two percent insurance refund				
Fire department	26,374	26,374	-	25,232
Proceeds for fire department	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Total intergovernmental	<u>235,073</u>	<u>244,802</u>	<u>9,729</u>	<u>218,390</u>
Fines and forfeits	<u>27,532</u>	<u>24,991</u>	<u>(2,541)</u>	<u>27,851</u>
Miscellaneous:				
Interest	250	239	(11)	240
Acadian Ambulance rent	4,200	4,200	-	4,200
ECOL rent	1,200	1,200	-	1,200
Other sources	<u>7,000</u>	<u>6,889</u>	<u>(111)</u>	<u>16,481</u>
Total miscellaneous	<u>12,650</u>	<u>12,528</u>	<u>(122)</u>	<u>22,121</u>
Total revenues	<u>\$638,274</u>	<u>\$662,008</u>	<u>\$23,734</u>	<u>\$609,588</u>

CITY OF CARENCRO, LOUISIANA
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis)
Year Ended November 30, 1998
With Comparative Actual Amounts for Year Ended November 30, 1997

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>	<u>1997 Actual</u>
Current :				
General government -				
Administrative:				
Salaries and wages	\$ 24,600	\$ 24,600	\$ -	\$ 18,000
Retirement	7,150	6,637	513	16,958
Insurance	10,000	9,073	927	10,534
Payroll taxes	-	919	(919)	-
Office expense	10,600	11,384	(784)	11,186
Advertisements and recordations	4,580	7,910	(3,330)	2,608
Dues	2,100	2,502	(402)	2,869
Computer consultant	5,500	5,611	(111)	4,644
Legal fees	22,400	6,663	15,737	22,512
Other professional fees	17,890	18,370	(480)	18,680
Miscellaneous	12,000	8,100	3,900	14,916
Travel and conferences	6,410	5,658	752	5,982
Auto allowance	6,000	6,000		
Utilities and telephone	9,980	7,975	2,005	8,643
Repairs and maintenance	7,000	4,070	2,930	8,257
Litigation claims	-	-	-	12,147
Total administrative	<u>146,210</u>	<u>125,472</u>	<u>20,738</u>	<u>157,936</u>
Code department:				
Salaries	17,160	17,107	53	14,892
Inspection fees	11,320	11,055	265	7,875
Insurance	100	87	13	94
Supplies	250	338	(88)	-
Payroll taxes	1,360	1,362	(2)	1,190
Utilities and telephone	2,126	1,076	1,050	1,738
Miscellaneous	200	40	160	51
Total code department	<u>32,516</u>	<u>31,065</u>	<u>1,451</u>	<u>25,840</u>
Total general government	<u>178,726</u>	<u>156,537</u>	<u>22,189</u>	<u>183,776</u>

(continued)

CITY OF CARENCRO, LOUISIANA
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis) (Continued)
Year Ended November 30, 1998
With Comparative Actual Amounts for Year Ended November 30, 1997

	Budget	Actual	Variance - Favorable (Unfavorable)	1997 Actual
Public safety -				
Police department:				
Salaries	264,033	263,350	683	239,754
Payroll taxes	18,900	19,633	(733)	15,383
Retirement expense	4,500	5,280	(780)	4,027
Contract labor	4,000	4,862	(862)	4,589
Maintenance	6,000	5,876	124	3,812
Utilities and telephone	17,650	17,574	76	10,945
Insurance	36,000	32,664	3,336	37,513
Gas and repairs	29,000	30,215	(1,215)	32,169
Miscellaneous	3,240	3,506	(266)	2,505
Supplies	23,700	17,414	6,286	24,688
Uniforms	2,800	5,309	(2,509)	4,646
Training	4,200	4,440	(240)	6,271
Drug task force expense	600	466	134	4,879
Auxiliary repairs and maintenance	500	-	500	730
Auxiliary uniforms	500	333	167	1,240
Auxiliary miscellaneous	450	298	152	923
Litigation claims	507	2,038	(1,531)	4,745
Total police department	416,580	413,258	3,322	398,819
Fire department:				
Salaries	15,100	11,800	3,300	13,430
Payroll taxes	1,124	1,153	(29)	1,022
Utilities and telephone	7,300	10,383	(3,083)	9,089
Insurance	8,500	7,719	781	5,440
Equipment expenses	4,500	250	4,250	11,888
Miscellaneous	1,200	994	206	4,007
Maintenance and supplies	38,700	25,606	13,094	41,053
Auto	11,000	12,092	(1,092)	5,583
Training	3,135	4,623	(1,488)	2,533
Uniforms	150	2,214	(2,064)	-
Total fire department	90,709	76,834	13,875	94,045
Total public safety	507,289	490,092	17,197	492,864

(continued)

CITY OF CARENCRO, LOUISIANA
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis) (Continued)
Year Ended November 30, 1998
With Comparative Actual Amounts for Year Ended November 30, 1997

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)	<u>1997 Actual</u>
Highways and streets -				
Salaries	84,800	82,166	2,634	76,754
Payroll taxes	6,900	7,077	(177)	6,256
Contract labor	100	-	100	40
Maintenance and supplies	23,600	22,686	914	22,343
Lighting	68,000	69,999	(1,999)	67,592
Miscellaneous	500	313	187	115
Insurance	<u>11,000</u>	<u>9,982</u>	<u>1,018</u>	<u>12,117</u>
Total highways and streets	<u>194,900</u>	<u>192,223</u>	<u>2,677</u>	<u>185,217</u>
Recreation -				
PARC - master plan	9,000	9,000	-	11,410
Supplies	<u>-</u>	<u>-</u>	<u>-</u>	<u>159</u>
Total recreation	<u>9,000</u>	<u>9,000</u>	<u>-</u>	<u>11,569</u>
Culture and tourism -				
City contests, LaPorte de Carencro, parades, etc.	3,450	8,100	(4,650)	4,611
Economic development	<u>26,610</u>	<u>27,530</u>	<u>(920)</u>	<u>11,694</u>
Total culture and tourism	<u>30,060</u>	<u>35,630</u>	<u>(5,570)</u>	<u>16,305</u>

(continued)

CITY OF CARENCRO, LOUISIANA
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis) (Continued)
Year Ended November 30, 1998
With Comparative Actual Amounts for Year Ended November 30, 1997

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>	<u>1997 Actual</u>
Capital outlay:				
General government -				
Equipment	<u>15,000</u>	<u>11,918</u>	<u>3,082</u>	<u>16,361</u>
Public Safety -				
Police :				
Building renovations	11,000	11,209	(209)	-
Autos	21,000	20,750	250	24,461
Equipment	<u>7,000</u>	<u>6,956</u>	<u>44</u>	<u>-</u>
Total police	<u>39,000</u>	<u>38,915</u>	<u>85</u>	<u>24,461</u>
Fire :				
Equipment	<u>120,915</u>	<u>100,349</u>	<u>20,566</u>	<u>8,212</u>
Highways and streets	<u>30,000</u>	<u>30,919</u>	<u>(919)</u>	<u>-</u>
Total capital outlay	<u>204,915</u>	<u>182,101</u>	<u>22,814</u>	<u>49,034</u>
Debt service:				
Principal paid	20,817	20,817	-	21,653
Interest	<u>6,095</u>	<u>6,095</u>	<u>-</u>	<u>5,260</u>
Total debt service	<u>26,912</u>	<u>26,912</u>	<u>-</u>	<u>26,913</u>
Total expenditures	<u>\$1,151,802</u>	<u>\$1,092,495</u>	<u>\$59,307</u>	<u>\$965,678</u>

SPECIAL REVENUE FUNDS

1967 Sales Tax Fund

To account for the receipt and use of proceeds of the City's 1% sales and use tax. These taxes are dedicated to and used for the purpose of paying principal and interest on any bonded debt or funded indebtedness of the City and for purposes of constructing and acquiring the City's sewer system, waterworks and natural gas utilities, paving and improving streets, sidewalks and bridges, constructing street lighting, drainage facilities, fire and police department stations and equipment, public buildings, public parks, public works or for any one or more of said purposes.

1993 Sales Tax Fund

To account for the receipt and use of proceeds of the City's 1% sales and use tax. These taxes are dedicated to and used for the purpose of paying principal and interest of any bonded debt of the City issued for any lawful capital purpose. The remaining proceeds are dedicated and divided as follows: one-third (1/3) for the purpose of paying the cost of fire and police protection for the City; one-third (1/3) for operating and maintaining recreational facilities and programs for the City; and one-third (1/3) for paying the cost of capital improvements for the City, including acquiring the necessary sites, furnishings, and equipment.

CITY OF CARENCRO, LOUISIANA
Special Revenue Funds

Combining Balance Sheet
November 30, 1998
With Comparative Totals for November 30, 1997

	<u>1967 Sales</u> <u>Tax Fund</u>	<u>1993 Sales</u> <u>Tax Fund</u>	<u>Totals</u>	
			<u>1998</u>	<u>1997</u>
 ASSETS				
Interest-bearing deposits	\$ 288,913	\$ 14,448	\$ 303,361	\$ 382,180
Investments, at cost	1,002,203	-	1,002,203	923,127
Receivables:				
Taxes	49,388	49,388	98,776	103,501
Due from other funds	6,203	194,311	200,514	-
Due from component unit	-	29,035	29,035	29,035
Accrued interest	13,035	-	13,035	13,356
	<u>1,359,742</u>	<u>\$287,182</u>	<u>\$1,646,924</u>	<u>\$1,451,199</u>
 LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 340	\$ 240	\$ 580	\$ 1,150
Due to other funds	196,249	44,934	241,183	291,975
Due to component unit	3,190	-	3,190	3,190
Total liabilities	<u>199,779</u>	<u>45,174</u>	<u>244,953</u>	<u>296,315</u>
 Fund balances:				
Unreserved, undesignated	<u>1,159,963</u>	<u>242,008</u>	<u>1,401,971</u>	<u>1,154,884</u>
Total liabilities and fund balances	<u>\$1,359,742</u>	<u>\$287,182</u>	<u>\$1,646,924</u>	<u>\$1,451,199</u>

CITY OF CARENCRO, LOUISIANA
Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended November 30, 1998
With Comparative Totals for November 30, 1997

	<u>1967 Sales Tax Fund</u>	<u>1993 Sales Tax Fund</u>	<u>Totals</u>	
			<u>1998</u>	<u>1997</u>
Revenues:				
Taxes	\$ 628,198	\$ 628,198	\$ 1,256,396	\$ 1,216,326
Miscellaneous - Interest	<u>91,544</u>	<u>3,072</u>	<u>94,616</u>	<u>60,903</u>
Total revenues	<u>719,742</u>	<u>631,270</u>	<u>1,351,012</u>	<u>1,277,229</u>
Expenditures:				
Current -				
General government	11,936	8,718	20,654	13,465
Capital outlay -				
Public safety:				
Fire	-	-	-	90,561
Highways and streets	-	20,928	20,928	173,692
Total expenditures	<u>11,936</u>	<u>29,646</u>	<u>41,582</u>	<u>277,718</u>
Excess of revenues over expenditures	<u>707,806</u>	<u>601,624</u>	<u>1,309,430</u>	<u>999,511</u>
Other financing uses:				
Operating transfers to other funds	(663,712)	(206,000)	(869,712)	(741,691)
Operating transfers to component unit	<u>-</u>	<u>(192,631)</u>	<u>(192,631)</u>	<u>(179,134)</u>
Total other financing uses	<u>(663,712)</u>	<u>(398,631)</u>	<u>(1,062,343)</u>	<u>(920,825)</u>
Excess of revenues over expenditures and other uses	44,094	202,993	247,087	78,686
Fund balances, beginning	<u>1,115,869</u>	<u>39,015</u>	<u>1,154,884</u>	<u>1,076,198</u>
Fund balances, ending	<u>\$1,159,963</u>	<u>\$ 242,008</u>	<u>\$ 1,401,971</u>	<u>\$ 1,154,884</u>

CITY OF CARENCRO, LOUISIANA
Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget (GAAP Basis) and Actual
Year Ended November 30, 1998

	1967 Sales Tax Fund			1993 Sales Tax Fund			Totals		
	Budget	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:									
Taxes	\$ 620,200	\$ 628,198	\$ 7,998	\$ 620,200	\$ 628,198	\$ 7,998	\$1,240,400	\$1,256,396	\$ 15,996
Miscellaneous - interest	62,121	91,544	29,423	2,949	3,072	123	65,070	94,616	29,546
Total revenues	<u>682,321</u>	<u>719,742</u>	<u>37,421</u>	<u>623,149</u>	<u>631,270</u>	<u>8,121</u>	<u>1,305,470</u>	<u>1,351,012</u>	<u>45,542</u>
Expenditures:									
Current -									
General government	11,910	11,936	(26)	9,017	8,718	299	20,927	20,654	273
Capital outlay -									
Highways and streets	11,910	11,936	(26)	200,000	20,928	179,072	200,000	20,928	179,072
Total expenditures	<u>11,910</u>	<u>11,936</u>	<u>(26)</u>	<u>209,017</u>	<u>29,646</u>	<u>179,371</u>	<u>220,927</u>	<u>41,582</u>	<u>179,345</u>
Excess of revenues over expenditures	<u>670,411</u>	<u>707,806</u>	<u>37,395</u>	<u>414,132</u>	<u>601,624</u>	<u>187,492</u>	<u>1,084,543</u>	<u>1,309,430</u>	<u>224,887</u>
Other financing uses:									
Operating transfers out	(635,204)	(663,712)	(28,508)	(206,000)	(206,000)	-	(841,204)	(869,712)	(28,508)
Operating transfers to component unit	-	-	-	(190,000)	(192,631)	(2,631)	(190,000)	(192,631)	(2,631)
Total other financing uses	<u>(635,204)</u>	<u>(663,712)</u>	<u>(28,508)</u>	<u>(396,000)</u>	<u>(398,631)</u>	<u>(2,631)</u>	<u>(1,031,204)</u>	<u>(1,062,343)</u>	<u>(31,139)</u>
Excess of revenues over expenditures and other uses	35,207	44,094	8,887	18,132	202,993	184,861	53,339	247,087	193,748
Fund balances, beginning	<u>1,115,869</u>	<u>1,115,869</u>	<u>-</u>	<u>39,015</u>	<u>39,015</u>	<u>-</u>	<u>1,154,884</u>	<u>1,154,884</u>	<u>-</u>
Fund balances, ending	<u>\$1,151,076</u>	<u>\$1,159,963</u>	<u>\$ 8,887</u>	<u>\$ 57,147</u>	<u>\$ 242,008</u>	<u>\$184,861</u>	<u>\$1,208,223</u>	<u>\$1,401,971</u>	<u>\$193,748</u>

CITY OF CARENCRO, LOUISIANA
Special Revenue Funds

Combining Statement of Expenditures Compared to Budget (GAAP Basis)
Year Ended November 30, 1998

	1967 Sales Tax Fund		1993 Sales Tax Fund		Totals	
	Budget	Actual	Budget	Actual	Budget	Actual
						Variance - Favorable
						(Unfavorable)
General government:						
Collection expense	\$ 3,772	\$ 3,643	\$ 3,772	\$ 3,643	\$ 7,544	\$ 7,286
Professional fees	7,965	8,065	5,145	5,075	13,110	13,140
Miscellaneous	173	228	100	-	273	228
Total general government	11,910	11,936	9,017	8,718	20,927	20,654
Capital outlay:						
Highways and streets -						
Street improvements and						
overlay	-	-	200,000	20,928	200,000	20,928
Total expenditures	\$11,910	\$11,936	\$209,017	\$29,646	\$220,927	\$41,582
						Variance - Favorable
						(Unfavorable)
						\$ 258
						(30)
						45
						273
						\$179,371
						\$179,072
						\$179,345

DEBT SERVICE FUNDS

Certificate of Indebtedness, Series 1990

To accumulate monies for payment of the \$1,915,000 Certificates of Indebtedness, Series 1990, due in annual installments, plus interest, through maturity in 2000. Debt service is financed from proceeds of the City's 1970, 1% sales and use tax.

Sales Tax Bonds Series 1995

To accumulate monies for payment of the \$875,000 Public Improvement Sales Tax Bonds, Series, 1995, due in annual installments, plus interest through maturity in 2015. Debt service is financed by transfers from the Park and Recreation Commission, Inc.'s share of the 1993 sales tax proceeds.

Sales Tax Bonds Series 1998

To accumulate monies for payment of the \$2,500,000 Public Improvement Sales Tax Bonds, Series 1998, due in annual installments, plus interest through maturity in 2018. Debt service is financed from proceeds of the City's 1993, 1% sales and use tax.

CITY OF CARENCRO, LOUISIANA
Debt Service Funds

Combining Balance Sheet
November 30, 1998
With Comparative Totals for November 30, 1997

	Certificates of Indebtedness Series 1990	Sales Tax Bonds Series 1995	Sales Tax Bonds Series 1998	Totals	
				<u>1998</u>	<u>1997</u>
ASSETS					
Cash	1	1	-	2	1
Interest-bearing deposits	332,557	181,181	-	513,738	236,984
Receivables:					
Due from other funds	<u>30,885</u>	<u>-</u>	<u>9,888</u>	<u>40,773</u>	<u>30,885</u>
Total assets	<u>\$363,443</u>	<u>\$181,182</u>	<u>\$9,888</u>	<u>\$554,513</u>	<u>\$267,870</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Due to paying agent	\$245,102	\$ -	\$ -	\$245,102	\$ -
Due to other funds	<u>30,160</u>	<u>32,018</u>	<u>-</u>	<u>62,178</u>	<u>59,280</u>
Total liabilities	275,262	32,018	-	307,280	59,280
Fund balances:					
Reserved for debt service	<u>88,181</u>	<u>149,164</u>	<u>9,888</u>	<u>247,233</u>	<u>208,590</u>
Total liabilities and fund balances	<u>\$363,443</u>	<u>\$181,182</u>	<u>\$9,888</u>	<u>\$554,513</u>	<u>\$267,870</u>

CITY OF CARENCRO, LOUISIANA
Debt Service Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended November 30, 1998
With Comparative Totals for November 30, 1997

	<u>Certificates of Indebtedness Series 1990</u>	<u>Sales Tax Bonds Series 1995</u>	<u>Sales Tax Bonds Series 1998</u>	<u>Totals</u>	
				1998	1997
Revenues:					
Miscellaneous -					
Interest on investment and deposits	<u>\$ 3,930</u>	<u>\$ 3,471</u>	<u>\$9,888</u>	<u>\$ 17,289</u>	<u>\$ 10,157</u>
Expenditures:					
General Government -					
Professional fees	880	112	-	992	1,017
Debt service -					
Principal retirement	225,000	25,000	-	250,000	230,000
Interest	40,204	51,073	-	91,277	105,464
Paying agent's fees	1,026	1,132	-	2,158	1,756
Bond issuance costs	-	-	6,774	6,774	-
Total expenditures	<u>267,110</u>	<u>77,317</u>	<u>6,774</u>	<u>351,201</u>	<u>338,237</u>
Excess (deficiency) of revenues over expenditures	<u>(263,180)</u>	<u>(73,846)</u>	<u>3,114</u>	<u>(333,912)</u>	<u>(328,080)</u>
Other financing sources:					
Operating transfers in	286,938	-	6,774	293,712	261,691
Transfer from component unit	-	78,843	-	78,843	78,843
Total other financing sources	<u>286,938</u>	<u>78,843</u>	<u>6,774</u>	<u>372,555</u>	<u>340,534</u>
Excess of revenue and other sources over expenditures	23,758	4,997	9,888	38,643	12,454
Fund balances, beginning	<u>64,423</u>	<u>144,167</u>	<u>-</u>	<u>208,590</u>	<u>196,136</u>
Fund balances, ending	<u>\$ 88,181</u>	<u>\$149,164</u>	<u>\$9,888</u>	<u>\$ 247,233</u>	<u>\$ 208,590</u>

CITY OF CARENCRO, LOUISIANA
Debt Service Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget (GAAP Basis) and Actual
Year Ended November 30, 1998

	Certificates of Indebtedness Series 1990			Sales Tax Bonds Series 1995		
	Budget	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:						
Miscellaneous - interest	\$ 3,476	\$ 3,930	\$ 454	\$ 3,300	\$ 3,471	\$ 171
Expenditures:						
General government -						
Professional fees	1,080	880	200	-	112	(112)
Debt service -						
Principal retirement	225,000	225,000	-	25,000	25,000	-
Interest	40,204	40,204	-	51,073	51,073	-
Paying agent's fees	925	1,026	(101)	925	1,132	(207)
Bond issuance cost	-	-	-	-	-	-
Total expenditures	<u>267,209</u>	<u>267,110</u>	<u>99</u>	<u>76,998</u>	<u>77,317</u>	<u>(319)</u>
Excess (deficiency) of revenues over expenditures	<u>(263,733)</u>	<u>(263,180)</u>	<u>553</u>	<u>(73,698)</u>	<u>(73,846)</u>	<u>(148)</u>
Other financing sources:						
Operating transfers in	265,204	286,938	21,734	-	-	-
Transfers from component unit	-	-	-	78,800	78,843	43
Total other financing sources	<u>265,204</u>	<u>286,938</u>	<u>21,734</u>	<u>78,800</u>	<u>78,843</u>	<u>43</u>
Excess of revenues and other sources over expenditures	1,471	23,758	22,287	5,102	4,997	(105)
Fund balances, beginning	<u>64,423</u>	<u>64,423</u>	<u>-</u>	<u>144,167</u>	<u>144,167</u>	<u>-</u>
Fund balances, ending	<u>\$ 65,894</u>	<u>\$ 88,181</u>	<u>\$22,287</u>	<u>\$149,269</u>	<u>\$149,164</u>	<u>\$ (105)</u>

Sales Tax Bonds Series 1998			Totals		
Budget	Actual	Variance-Favorable (Unfavorable)	Budget	Actual	Variance-Favorable (Unfavorable)
<u>\$ -</u>	<u>\$ 9,888</u>	<u>\$ 9,888</u>	<u>\$ 6,776</u>	<u>\$ 17,289</u>	<u>\$ 10,513</u>
-	-	-	1,080	992	88
-	-	-	250,000	250,000	-
-	-	-	91,277	91,277	-
-	-	-	1,850	2,158	(308)
-	<u>6,774</u>	<u>(6,774)</u>	-	<u>6,774</u>	<u>(6,774)</u>
-	<u>6,774</u>	<u>(6,774)</u>	<u>344,207</u>	<u>351,201</u>	<u>(6,994)</u>
-	<u>3,114</u>	<u>3,114</u>	<u>(337,431)</u>	<u>(333,912)</u>	<u>3,519</u>
-	<u>6,794</u>	<u>6,774</u>	<u>265,204</u>	<u>293,712</u>	<u>28,508</u>
-	-	-	<u>78,800</u>	<u>78,843</u>	<u>43</u>
-	<u>6,794</u>	<u>6,774</u>	<u>344,004</u>	<u>372,555</u>	<u>28,551</u>
-	<u>9,888</u>	<u>9,888</u>	<u>6,573</u>	<u>38,643</u>	<u>32,070</u>
-	-	-	<u>208,590</u>	<u>208,590</u>	-
<u>\$ -</u>	<u>\$ 9,888</u>	<u>\$ 9,888</u>	<u>\$ 215,163</u>	<u>\$ 247,233</u>	<u>\$ 32,070</u>

CAPITAL PROJECTS FUNDS

Sidewalk Construction Fund

To accumulate funds and account for the construction of sidewalks provided by General Fund revenues (transfers).

Utility Projects Construction Fund

To account for various improvements and construction to be made to the City's wastewater treatment facility and water distribution system provided by proceeds of the Public Improvement Sales Tax Bonds, Series 1998.

CITY OF CARENCRO, LOUISIANA
Capital Projects Funds

Combining Balance Sheet
November 30, 1998

	<u>Sidewalk Construction Fund</u>	<u>Utility Projects Construction Fund</u>	<u>Totals</u>	
			<u>1998</u>	<u>1997</u>
ASSETS				
Interest-bearing deposits	\$ 98,103	\$ -	\$ 98,103	\$ 93,956
Receivables:				
Due from other funds	20,000	-	20,000	-
Due from other governmental units	-	-	-	2,742
Due from bondholders	-	2,509,888	2,509,888	-
Accrued interest	<u>3,290</u>	<u>-</u>	<u>3,290</u>	<u>-</u>
 Total assets	 <u>\$121,393</u>	 <u>\$2,509,888</u>	 <u>\$2,631,281</u>	 <u>\$ 96,698</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Contracts payable	\$ -	\$ 96,318	\$ 96,318	-
Retainage payable	-	11,430	11,430	-
Due to other funds	<u>-</u>	<u>28,213</u>	<u>28,213</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>135,961</u>	<u>135,961</u>	<u>-</u>
 Fund balances:				
Reserved for incomplete contracts	-	2,254,922	2,254,922	-
Unreserved -				
Designated for capital expenditures	<u>121,393</u>	<u>119,005</u>	<u>240,398</u>	<u>96,698</u>
Total fund balances	<u>121,393</u>	<u>2,373,927</u>	<u>2,495,320</u>	<u>96,698</u>
 Total liabilities and fund balances	 <u>\$121,393</u>	 <u>\$2,509,888</u>	 <u>\$2,631,281</u>	 <u>\$ 96,698</u>

CITY OF CARENCRO, LOUISIANA
Capital Projects Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended November 30, 1998
With Comparative Totals for Year Ended November 30, 1997

	Sidewalk Construction Fund	Utility Projects Construction Fund	Totals	
			1998	1997
Revenues:				
Miscellaneous -				
Interest on deposits	\$ 4,695	\$ -	\$ 4,695	\$ 2,857
Expenditures:				
Capital outlay -				
Construction	-	114,301	114,301	-
Engineering and other	-	11,772	11,772	-
Total capital outlay	-	126,073	126,073	-
Excess (deficiency) of revenues over expenditures	4,695	(126,073)	(121,378)	2,857
Other financing sources:				
Operating transfers in	20,000	-	20,000	20,000
Proceeds from issuance of 1998 sales tax bonds	-	2,500,000	2,500,000	-
Total other financing sources	20,000	2,500,000	2,520,000	20,000
Excess of revenues and other sources over expenditures	24,695	2,373,927	2,398,622	22,857
Fund balances, beginning	96,698	-	96,698	73,841
Fund balances, ending	<u>\$121,393</u>	<u>\$2,373,927</u>	<u>\$2,495,320</u>	<u>\$ 96,698</u>

ENTERPRISE FUND

Utility Fund

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

CITY OF CARENCRO, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Balance Sheet
November 30, 1998 and 1997

	Totals	
	1998	1997
ASSETS		
Current assets:		
Cash	\$ 1,100	\$ 49,459
Interest-bearing deposits	400,554	471,126
Investments, at cost	1,200,799	1,127,771
Receivables:		
Accounts	108,453	108,068
Unbilled utility receivables	58,754	72,155
Due from other funds	198,033	233,168
Accrued interest	16,064	15,502
Other	-	591
Prepaid items	6,695	2,963
Total current assets	1,990,452	2,080,803
Restricted assets:		
Customers' deposits - Investments, at cost	146,358	136,548
Property, plant and equipment:		
Property, plant and equipment, at cost, net of accumulated depreciation	5,183,473	4,605,407
Total assets	\$7,320,283	\$6,822,758

	Totals	
	<u>1998</u>	<u>1997</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Current liabilities (payable from current assets) -		
Accounts payable	\$ 75,669	\$ 62,922
Contracts payable	89,938	-
Retainage payable	5,936	-
Accrued liabilities	26,511	17,554
Due to other funds	237,924	20,441
Capital lease payable	7,653	6,482
Total current liabilities payable from current assets	<u>443,631</u>	<u>107,399</u>
Current liabilities (payable from restricted assets) -		
Customers' deposits	<u>146,358</u>	<u>136,548</u>
Long-term liabilities -		
Capital lease payable	-	7,653
Compensated absences payable	57,441	50,380
Total long-term liabilities	<u>57,441</u>	<u>58,033</u>
Total liabilities	<u>647,430</u>	<u>301,980</u>
Fund equity:		
Contributed capital -		
Municipality	4,947,458	4,821,386
Federal, state and parish grants (net of accumulated amortization)	292,159	320,303
Total contributed capital	<u>5,239,617</u>	<u>5,141,689</u>
Retained earnings -		
Unreserved:		
Undesignated	<u>1,433,236</u>	<u>1,379,089</u>
Total fund equity	<u>6,672,853</u>	<u>6,520,778</u>
Total liabilities and fund equity	<u><u>\$7,320,283</u></u>	<u><u>\$6,822,758</u></u>

CITY OF CARENCRO, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings
Years Ended November 30, 1998 and 1997

	Enterprise	
	1998	1997
Operating revenues:		
Charges for services -		
Gas sales	\$ 513,089	\$ 517,256
Water charges	272,055	267,809
Sewerage charges	222,260	221,859
Garbage collection	239,507	238,522
Connection fees	11,300	9,700
Delinquent and service charges	21,320	22,937
Miscellaneous - Other	2,341	-
Total operating revenues	1,281,872	1,278,083
Operating expenses:		
Gas system	419,164	407,478
Water system	315,263	323,824
Sewerage system	325,157	291,901
Sanitation department	223,337	218,508
General and administrative	185,698	204,459
Total operating expenses	1,468,619	1,446,170
Operating loss	(186,747)	(168,087)
Nonoperating revenues (expenses):		
Interest income	113,920	77,224
Interest expense	(1,171)	(1,750)
Total nonoperating revenues (expenses)	112,749	75,474
Loss before operating transfers	(73,998)	(92,613)
Operating transfers in (out):		
Operating transfers in	250,000	250,000
Operating transfers out	(150,000)	(150,000)
Total operating transfers in (out)	100,000	100,000
Net income	26,002	7,387
Add: Depreciation on fixed assets acquired by federal grant revenues externally restricted for capital acquisitions and construction that reduces contributed capital	28,145	28,146
Increase in retained earnings	54,147	35,533
Retained earnings, beginning	1,379,089	1,343,556
Retained earnings, ending	\$1,433,236	\$1,379,089

CITY OF CARENCRO, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Operating Expenses by Department
Years Ended November 30, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Gas system:		
Gas purchased	\$ 209,565	\$ 216,193
Maintenance and supplies	21,839	28,820
Cathodic protection survey	7,317	2,318
Depreciation	19,752	13,641
Salaries	131,175	114,235
Payroll taxes	11,626	12,478
Miscellaneous	1,553	1,026
Engineering fees	-	1,200
Insurance	16,337	17,567
Total gas system	<u>419,164</u>	<u>407,478</u>
Water system:		
Maintenance and supplies	90,037	114,665
Miscellaneous	87,795	90,727
Salaries	55,103	48,690
Payroll taxes	4,365	2,797
Utilities	37,669	38,376
Miscellaneous	1,585	250
Insurance	7,341	8,039
Contractual services	31,368	20,280
Total water system	<u>315,263</u>	<u>323,824</u>
Sewerage system:		
Salaries	35,920	30,606
Payroll taxes	3,246	1,579
Maintenance and supplies	60,006	40,370
Contractual services	32,740	38,308
Depreciation	132,031	132,665
Utilities	59,282	45,467
Miscellaneous	617	1,638
Insurance	1,315	1,268
Total sewerage system	<u>325,157</u>	<u>291,901</u>
Sanitation department:		
Garbage collection fees	222,918	218,508
Miscellaneous	419	-
Total sanitation department	<u>223,337</u>	<u>218,508</u>

(continued)

CITY OF CARENCRO, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Operating Expenses by Department (Continued)
Years Ended November 30, 1998 and 1997

	<u>1998</u>	<u>1997</u>
General and administrative:		
Salaries	\$ 45,124	\$ 68,916
Telephone	7,363	2,050
Truck operation	20,051	21,144
Office supplies and postage	9,136	9,305
Bad debts	7,121	3,018
Insurance	12,207	12,242
Payroll taxes	6,137	9,312
Retirement contribution	11,250	11,250
Depreciation	32,484	37,258
Miscellaneous	7,902	4,355
Professional fees	17,555	15,100
Travel	1,783	1,737
Maintenance and supplies	1,030	791
Utilities	4,874	6,241
Uniforms	1,681	1,740
Total general and administrative	<u>185,698</u>	<u>204,459</u>
 Total operating expenses	 <u>\$1,468,619</u>	 <u>\$1,446,170</u>

CITY OF CARENCRO, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Cash Flows
Years Ended November 30, 1998 and 1997

	1998	1997
Cash flows from operating activities:		
Operating loss	\$ (186,747)	\$ (168,087)
Adjustments to reconcile net operating loss to net cash provided by operating activities -		
Depreciation	272,062	274,291
Changes in current assets and liabilities:		
(Increase) decrease in accounts receivable	(385)	6,289
(Increase) decrease in unbilled receivables	13,401	(13,815)
Decrease in other receivables	591	2,984
(Increase) decrease in prepaid items	(3,732)	1,628
Increase in accounts payable	12,747	16,607
Increase in contracts payable	89,938	-
Increase in retainage payable	5,936	-
(Increase) decrease in other accrued liabilities	8,957	(24,585)
Increase in compensated absences payable	7,061	30,749
Total adjustments	406,576	294,148
Net cash provided by operating activities	219,829	126,061
Cash flows from noncapital financing activities:		
Operating transfers in	250,000	250,000
Operating transfers out	(150,000)	(150,000)
Cash received from other funds	252,618	4,112
Cash paid to other funds	-	(62,987)
Net cash provided by noncapital financing activities	352,618	41,125
Cash flows from capital and related financing activities:		
Interest paid on capital lease	(1,171)	(1,750)
Principal paid on capital lease	(6,482)	(6,333)
Acquisition of property, plant and equipment	(850,128)	(167,581)
Contribution from municipality	126,073	-
Proceeds from meter deposits	34,640	29,428
Refund of meter deposits	(24,830)	(17,240)
Net cash used by capital and related financing activities	(721,898)	(163,476)

CITY OF CARENCRO, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Cash Flows (Continued)
Years Ended November 30, 1998 and 1997

	Enterprise	
	1998	1997
Cash flows from investing activities:		
Purchase of investments and interest-bearing deposits	(1,278,886)	(702,546)
Proceeds from the maturities of investments and interest-bearing deposits	1,193,117	623,656
Interest received on investments and interest-bearing deposits	113,358	74,652
Net cash provided (used) by investing activities	27,589	(4,238)
 Net decrease in cash and cash equivalents	 (121,862)	 (528)
 Cash and cash equivalents, beginning of period	 361,955	 362,483
 Cash and cash equivalents, end of period	 \$ 240,093	 \$ 361,955
 Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
 Cash and cash equivalents, beginning of period -		
Cash - unrestricted	\$ 49,459	\$ 51,487
Interest-bearing deposits - unrestricted	471,126	566,834
Less: Certificates of deposit with a maturity over three months	(158,630)	(255,838)
Total cash and cash equivalents	361,955	362,483
 Cash and cash equivalents, end of period -		
Cash - unrestricted	1,100	49,459
Interest-bearing deposits - unrestricted	400,554	471,126
Less: Certificates of deposit with a maturity over three months	(161,561)	(158,630)
Total cash and cash equivalents	240,093	361,955
 Net decrease	 \$ (121,862)	 \$ (528)

(continued)

CITY OF CARENCRO, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Cash Flows (Continued)
Years Ended November 30, 1998 and 1997

Noncash Capital and Related Financing Activities:

During the fiscal year ended November 30, 1997, the Enterprise Fund acquired \$20,898 of certain capital assets that were financed through vendor financing. The full purchase price was financed and is due in monthly installments beginning in fiscal year ended November 30, 1997.

AGENCY FUNDS

Payroll and Disbursement Funds

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

CITY OF CARENCRO, LOUISIANA
Agency Funds

Combining Balance Sheet
November 30, 1998
With Comparative Totals for November 30, 1997

	<u>Payroll Fund</u>	<u>Disbursement Fund</u>	<u>Totals</u>	
			<u>1998</u>	<u>1997</u>
 ASSETS				
Cash	\$ 8,931	\$10,978	\$19,909	\$12,007
Due from other funds	<u>22,317</u>	<u>6,543</u>	<u>28,860</u>	<u>20,441</u>
 Total assets	 <u>\$31,248</u>	 <u>\$17,521</u>	 <u>\$48,769</u>	 <u>\$32,448</u>
 LIABILITIES				
Bank overdraft	\$ -	\$ -	\$ -	\$19,954
Payroll liabilities	766	-	766	12,494
Due to other funds	<u>30,482</u>	<u>17,521</u>	<u>48,003</u>	<u>-</u>
 Total liabilities	 <u>\$31,248</u>	 <u>\$17,521</u>	 <u>\$48,769</u>	 <u>\$32,448</u>

CITY OF CARENCRO, LOUISIANA
Agency Funds

Combining Statement of Changes in Assets and Liabilities - All Agency Funds
Year Ended November 30, 1998

	Balances November 30, 1997	Additions	Deductions	Balances November 30, 1998
<u>PAYROLL FUND</u>				
ASSETS				
Cash	\$12,007	\$ 700,981	\$ 704,057	\$ 8,931
Due from other funds	487	737,921	716,091	22,317
Total assets	\$12,494	\$1,438,902	\$1,420,148	\$31,248
LIABILITIES				
Payroll liabilities	\$12,494	\$ 14,120	\$ 25,848	\$ 766
Due to other funds	-	30,482	-	30,482
Total liabilities	\$12,494	\$ 44,602	\$ 25,848	\$31,248
<u>DISBURSEMENT FUND</u>				
ASSETS				
Cash	\$ -	\$1,970,327	\$1,959,349	\$10,978
Due from other funds	19,954	2,237,991	2,251,402	6,543
Total assets	\$19,954	\$4,208,318	\$4,210,751	\$17,521
LIABILITIES				
Bank overdraft	\$19,954	\$ -	\$ 19,954	-
Due to other funds	-	122,987	105,466	17,521
Total liabilities	\$19,954	\$ 122,987	\$ 125,420	\$17,521
<u>TOTALS - ALL AGENCY FUNDS</u>				
ASSETS				
Cash	\$12,007	\$2,671,308	\$2,663,406	\$19,909
Due from other funds	20,441	2,975,912	2,967,493	28,860
Total assets	\$32,448	\$5,647,220	\$5,630,899	\$48,769
LIABILITIES				
Bank overdraft	\$19,954	\$ -	\$ 19,954	\$ -
Payroll liabilities	12,494	14,120	25,848	766
Due to other funds	-	153,469	105,466	48,003
Total liabilities	\$32,448	\$ 167,589	\$ 151,268	\$48,769

GENERAL FIXED ASSETS ACCOUNT GROUP

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

CITY OF CARENCRO, LOUISIANA

Comparative Statement of General Fixed Assets
November 30, 1998 and 1997

	<u>1998</u>	<u>1997</u>
General fixed assets, at cost:		
Land	\$ 151,994	\$ 151,994
Buildings	1,805,948	1,794,739
Equipment	<u>1,177,434</u>	<u>1,033,612</u>
Total general fixed assets	<u>\$3,135,376</u>	<u>\$2,980,345</u>
Investment in general fixed assets:		
Property acquired from -		
General Fund revenues	\$1,471,731	\$1,316,700
Sales tax revenues	859,580	859,580
Federal, state and local grants	<u>804,065</u>	<u>804,065</u>
Total investment in general fixed assets	<u>\$3,135,376</u>	<u>\$2,980,345</u>

CITY OF CARENCRO, LOUISIANA

Statement of Changes in General Fixed Assets
Year Ended November 30, 1998

	<u>Land</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Total</u>
General fixed assets, beginning of year	\$151,994	\$1,794,739	\$1,033,612	\$2,980,345
Additions:				
General Fund revenues	<u>-</u>	<u>11,209</u>	<u>143,822</u>	<u>155,031</u>
General fixed assets, end of year	<u>\$151,994</u>	<u>\$1,805,948</u>	<u>\$1,177,434</u>	<u>\$3,135,376</u>

GENERAL LONG-TERM DEBT ACCOUNT GROUP

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

CITY OF CARENCRO, LOUISIANA

Statement of General Long-Term Debt
November 30, 1998

With Comparative Totals for November 30, 1997

	Certificate of Indebtedness Series 1990	Sales Tax Bonds Series 1995	Sales Tax Bonds Series 1998	Capital Lease	Compensated Absences Payable	Totals
						1998 1997
AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT						
Amount available in debt service funds for debt retirement	\$ 88,181	\$ 149,164	\$ 9,888	\$ -	\$ -	\$ 247,233 \$ 208,590
Amount to be provided from -						
1% sales and use tax	421,819	660,836	2,490,112	-	-	3,572,767 1,361,410
Governmental fund revenues	-	-	-	78,758	17,010	95,768 110,067
Total amount available and to be provided	\$ 510,000	\$ 810,000	\$ 2,500,000	\$ 78,758	\$ 17,010	\$ 3,915,768 \$ 1,680,067
GENERAL LONG-TERM DEBT PAYABLE						
Bonds and certificates of indebtedness payable	\$ 510,000	\$ 810,000	\$ 2,500,000	\$ -	\$ -	\$ 3,820,000 \$ 1,570,000
Capital lease payable	-	-	-	78,758	-	78,758 91,922
Compensated absences payable	-	-	-	-	17,010	17,010 18,145
Total general long-term debt payable	\$ 510,000	\$ 810,000	\$ 2,500,000	\$ 78,758	\$ 17,010	\$ 3,915,768 \$ 1,680,067

**INTERNAL CONTROL
AND
COMPLIANCE**

KOLDER, CHAMPAGNE, SLAVEN & RAINEY, LLC

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

The Honorable Tommy Angelle, Mayor
and Members of the Board of Aldermen
City of Carencro, Louisiana

We have audited the primary government financial statements of the City of Carencro for the year ended November 30, 1998, and have issued our report thereon dated February 12, 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 Carencro'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 Carencro'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 Carencro'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 is described in the accompanying summary schedule of current and prior year audit findings and corrective action plan at Item 98-1 (IC).

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 described above is a material weakness.

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

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

Lafayette, Louisiana
February 12, 1999

CITY OF CARENCRE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
Year Ended November 30, 1998

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
CURRENT YEAR (11/30/98)						

Internal Control:

98-1 (IC)	Unknown	Due to the small number of employees, the City did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Marie Lemaire, City Clerk	N/A
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Management Letter:

98-2 (ML) Item 1	1998	The accounts receivable subsidiary ledger should be reconciled with the general ledger on a monthly basis and any necessary adjustments should be made at that time.	No	City officials are considering auditor recommendations regarding this matter. No action has been taken at this time.	Marie Lemaire, City Clerk	6/30/99
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(continued)

CITY OF CARENCRO, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan (Continued)
Year Ended November 30, 1998

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
(Continued)						
98-3 (ML) Item 2	1998	All payroll reports should be filed on a timely basis.	No	City officials are considering auditor recommendations regarding this matter. No action has been taken at this time.	Marie Lemaire, City Clerk	3/31/99
98-4 (ML) Item 3	1997	Current filing policies and procedures should be examined to insure that adequate documentation exists to support recorded expenditures.	No	City officials are considering auditor recommendations regarding this matter. No action has been taken at this time.	Marie Lemaire, City Clerk	3/31/99
98-5 (ML) Item 4	Unknown	The City should strive to operate the gas, water, and sewerage departments of the Utility Fund on a profitable basis. These operations should be financed and operated such that the cost of providing services to the general public on a continuing basis be completely financed or recovered through user charges. We recommend that the City establish utility rate structures sufficient to recover all costs in these above-mentioned departments.	Yes	City officials have considered auditor recommendations regarding this matter. Action has been taken in 11/98 during adoption of year ended 11/30/99 budget. Rates were increased and will be reevaluated to determine if sufficient to cover costs.	Marie Lemaire, City Clerk	12/1/98

(continued)

CITY OF CARENCRO, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan (Continued)
Year Ended November 30, 1998

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
PRIOR YEAR (11/30/97) Management Letter						
Item 1	1997	Verification of calculated payroll tax deposits should be performed prior to the remittance of the deposits in order to prevent deficient and/or duplicate payments of tax liability.	Yes	N/A	Marie Lemaire, City Clerk	N/A

OTHER SUPPLEMENTARY INFORMATION

CITY OF CARENCRO, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Departmental Analysis of Revenues and Expenses
Years Ended November 30, 1998 and 1997

	Totals		Gas	
	1998	1997	1998	1997
Operating Revenues:				
Charges for services -				
Customers	\$1,246,911	\$1,245,446	\$ 513,089	\$ 517,256
Other charges	32,620	32,637	15,625	10,521
Miscellaneous -				
Other	2,341	-	850	-
Total operating revenues	<u>1,281,872</u>	<u>1,278,083</u>	<u>529,564</u>	<u>527,777</u>
Operating expenses:				
Salaries	267,322	262,447	131,175	114,235
Payroll	25,374	26,166	11,626	12,478
Retirement contribution	11,250	11,250	-	-
Gas purchased	209,565	216,193	209,565	216,193
Maintenance and supplies	172,912	184,646	21,839	28,820
Cathodic protection survey	7,317	2,318	7,317	2,318
Garbage collection fees	222,918	218,508	-	-
Depreciation expense	272,062	274,291	19,752	13,641
Utilities	101,825	90,084	-	-
Telephone	7,363	2,050	-	-
Truck operation	20,051	21,144	-	-
Office supplies and postage	9,136	9,305	-	-
Bad debts	7,121	3,018	-	-
Insurance	37,200	39,116	16,337	17,567
Miscellaneous	12,076	7,269	1,553	1,026
Professional fees	17,555	15,100	-	-
Uniforms	1,681	1,740	-	-
Engineering fees	-	1,200	-	1,200
Travel	1,783	1,737	-	-
Contractual services	64,108	58,588	-	-
Allocation of general and administrative expense	-	-	129,988	143,121
Total operating expenses	<u>1,468,619</u>	<u>1,446,170</u>	<u>549,152</u>	<u>550,599</u>
Operating income (loss)	<u>(186,747)</u>	<u>(168,087)</u>	<u>\$ (19,588)</u>	<u>\$ (22,822)</u>
Nonoperating revenues (expenses):				
Interest income	113,920	77,224		
Interest expense	(1,171)	(1,750)		
Total nonoperating revenues (expenses)	<u>112,749</u>	<u>75,474</u>		
Loss before operating transfers	<u>(73,998)</u>	<u>(92,613)</u>		
Operating transfers in (out):				
Operating transfers in	250,000	250,000		
Operating transfers out	(150,000)	(150,000)		
Total operating transfers in (out)	<u>100,000</u>	<u>100,000</u>		
Net income	26,002	7,387		
Add: Depreciation on fixed assets acquired by federal grant revenues externally restricted for capital acquisitions and construction that reduces contributed capital				
	28,145	28,146		
Increase in retained earnings	54,147	35,533		
Retained earnings, beginning	<u>1,379,089</u>	<u>1,343,556</u>		
Retained earnings, ending	<u>\$1,433,236</u>	<u>\$1,379,089</u>		

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MANAGEMENT LETTER

*The Honorable Tommy Angelle, Mayor
and Members of the Board of Aldermen
City of Carencro, Louisiana*

We have completed our audit of the primary government financial statements of the City of Carencro, Louisiana for the year ended November 30, 1998, and submit the following recommendations for your consideration:

- (1) The accounts receivable subsidiary ledger should be reconciled with the general ledger on a monthly basis and any necessary adjustments should be made at that time.
- (2) All payroll reports should be filed on a timely basis.

Additionally, the following recommendations were presented as of and for the audit period ended November 30, 1997 and are reiterated currently:

- (3) Current filing policies and procedures should be examined to insure that adequate documentation exists to support all recorded expenditures.
- (4) The City should strive to operate the gas, water, and sewerage departments of the Utility Fund on a profitable basis. These operations should be financed and operated such that the cost of providing services to the general public on a continuing basis be completely financed or recovered through user charges. We recommend that the City establish utility rate structures sufficient to recover all costs in these above-mentioned departments.

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

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

Lafayette, Louisiana
February 12, 1999

CITY OF CARENCRO, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers
(Unaudited)
November 30, 1998 and 1997

Records maintained by the City indicated the following number of customers were being served during the months of November, 1998 and 1997:

<u>Department</u>	<u>1998</u>	<u>1997</u>
Gas (metered)	994	1,016
Water (unmetered)	1,737	1,694
Sewerage	1,606	1,587
Garbage	1,681	1,655

CITY OF CARENCRO, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Departmental Analysis of Revenues and Expenses
Years Ended November 30, 1998 and 1997

	<u>Totals</u>		<u>Gas</u>	
	<u>1998</u>	<u>1997</u>	<u>1998</u>	<u>1997</u>
Operating Revenues:				
Charges for services -				
Customers	\$1,246,911	\$1,245,446	\$ 513,089	\$ 517,256
Other charges	32,620	32,637	15,625	10,521
Miscellaneous -				
Other	2,341	-	850	-
Total operating revenues	<u>1,281,872</u>	<u>1,278,083</u>	<u>529,564</u>	<u>527,777</u>
Operating expenses:				
Salaries	267,322	262,447	131,175	114,235
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Office supplies and postage	9,136	9,305	-	-
Bad debts	7,121	3,018	-	-
Insurance	37,200	39,116	16,337	17,567
Miscellaneous	12,076	7,269	1,553	1,026
Professional fees	17,555	15,100	-	-
Uniforms	1,681	1,740	-	-
Engineering fees	-	1,200	-	1,200
Travel	1,783	1,737	-	-
Contractual services	64,108	58,588	-	-
Allocation of general and administrative expense	-	-	129,988	143,121
Total operating expenses	<u>1,468,619</u>	<u>1,446,170</u>	<u>549,152</u>	<u>550,599</u>
Operating income (loss)	<u>(186,747)</u>	<u>(168,087)</u>	<u>\$ (19,588)</u>	<u>\$ (22,822)</u>
Nonoperating revenues (expenses):				
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Total nonoperating revenues (expenses)	<u>112,749</u>	<u>75,474</u>		
Loss before operating transfers	<u>(73,998)</u>	<u>(92,613)</u>		
Operating transfers in (out):				
Operating transfers in	250,000	250,000		
Operating transfers out	(150,000)	(150,000)		
Total operating transfers in (out)	<u>100,000</u>	<u>100,000</u>		
Net income	26,002	7,387		
Add: Depreciation on fixed assets acquired by federal grant revenues externally restricted for capital acquisitions and construction that reduces contributed capital				
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Increase in retained earnings	54,147	35,533		
Retained earnings, beginning	<u>1,379,089</u>	<u>1,343,556</u>		
Retained earnings, ending	<u>\$1,433,236</u>	<u>\$1,379,089</u>		

Water		Sewerage		Sanitation		Administration	
1998	1997	1998	1997	1998	1997	1998	1997
\$272,055	\$267,809	\$ 222,260	\$ 221,859	\$239,507	\$238,522	\$ -	\$ -
13,585	14,317	1,705	4,129	1,705	3,670	-	-
1,297	-	97	-	97	-	-	-
<u>286,937</u>	<u>282,126</u>	<u>224,062</u>	<u>225,988</u>	<u>241,309</u>	<u>242,192</u>	<u>-</u>	<u>-</u>
55,103	48,690	35,920	30,606	-	-	45,124	68,916
4,365	2,797	3,246	1,579	-	-	6,137	9,312
-	-	-	-	-	-	11,250	11,250
-	-	-	-	-	-	-	-
90,037	114,665	60,006	40,370	-	-	1,030	791
-	-	-	-	-	-	-	-
-	-	-	-	222,918	218,508	-	-
87,795	90,727	132,031	132,665	-	-	32,484	37,258
37,669	38,376	59,282	45,467	-	-	4,874	6,241
-	-	-	-	-	-	7,363	2,050
-	-	-	-	-	-	20,051	21,144
-	-	-	-	-	-	9,136	9,305
-	-	-	-	-	-	7,121	3,018
7,341	8,039	1,315	1,268	-	-	12,207	12,242
1,585	250	617	1,638	419	-	7,902	4,355
-	-	-	-	-	-	17,555	15,100
-	-	-	-	-	-	1,681	1,740
-	-	-	-	-	-	-	-
-	-	-	-	-	-	1,783	1,737
31,368	20,280	32,740	38,308	-	-	-	-
25,998	28,624	14,856	16,357	14,856	16,357	(185,698)	(204,459)
<u>341,261</u>	<u>352,448</u>	<u>340,013</u>	<u>308,258</u>	<u>238,193</u>	<u>234,865</u>	<u>-</u>	<u>-</u>
<u>\$(54,324)</u>	<u>\$(70,322)</u>	<u>\$(115,951)</u>	<u>\$ (82,270)</u>	<u>\$ 3,116</u>	<u>\$ 7,327</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF CARENCRO, LOUISIANA

Combined Schedule of Interest-Bearing Deposits and Investments - All Funds
November 30, 1998

		Interest Rate	Maturity Date	Total Book Value
General Fund -				
Money Market Investment Account	(B)	Variable	N/A	\$ 5,407
Special Revenue Funds -				
1967 Sales Tax Fund:				
Money Market Investment Account	(B)	Variable	N/A	54,063
Money Market Investment Account	(B)	Variable	N/A	25,917
Money Market Investment Account	(B)	Variable	N/A	8,933
Certificate of Deposit	(B)	4.40%	08/03/99	100,000
Certificate of Deposit	(B)	4.40%	08/23/99	100,000
U. S. Treasury Bill	(B)	4.35%	09/16/99	96,575
U.S. Treasury Note	(B)	5.75%	09/30/99	100,036
U. S. Treasury Notes	(SSB)	5.625-7.125%	Various	805,592
1993 Sales Tax Fund:				
Money Market Investment Account	(B)	Variable	N/A	7,005
Money Market Investment Account	(B)	Variable	N/A	7,443
				<u>1,305,564</u>
Debt Service Funds -				
Certificates of Indebtedness, Series				
1990 Fund:				
Money Market Investment Account	(B)	Variable	N/A	332,557
Sales Tax Bonds, Series 1995 Fund:				
Money Market Investment Account	(B)	Variable	N/A	65,449
Money Market Investment Account	(B)	Variable	N/A	90,605
Money Market Investment Account	(B)	Variable	N/A	18,281
Money Market Investment Account	(B)	Variable	N/A	6,846
				<u>513,738</u>
Capital Projects Fund -				
Sidewalk Construction Fund:				
Certificate of Deposit	(B)	4.15%	04/07/99	12,312
Certificate of Deposit	(B)	4.15%	12/06/98	11,263
Certificate of Deposit	(I)	5.00%	04/07/99	21,000
Certificate of Deposit	(I)	5.00%	04/07/99	21,000
Certificate of Deposit	(I)	5.91%	12/09/98	11,938
Certificate of Deposit	(I)	5.25%	01/11/99	20,590
				<u>98,103</u>

(continued)

CITY OF CARENCRO, LOUISIANA

Combined Schedule of Interest-Bearing Deposits and Investments - All Funds (Continued)
November 30, 1998

		<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Total Book Value</u>
Utility Fund:				
Operating Account -				
Money Market Investment Account	(B)	Variable	N/A	11,641
Money Market Investment Account	(B)	Variable	N/A	16,719
Money Market Investment Account	(B)	Variable	N/A	50,935
Certificate of Deposit	(B)	4.20%	12/09/98	100,000
Certificate of Deposit	(B)	3.27%	02/08/99	59,698
Certificate of Deposit	(B)	4.15%	04/07/99	61,561
Certificate of Deposit	(H)	5.15%	09/23/99	100,000
U. S. Treasury Notes	(SSB)	5.625-7.125%	Various	<u>1,200,799</u>
				<u>1,601,353</u>
Utilities System Customers Deposit Account -				
U. S. Treasury Notes	(SSB)	4.25-6.375%	Various	<u>146,358</u>
				<u>146,358</u>
Total interest-bearing deposits and investments - all funds				<u><u>\$3,670,523</u></u>

Certificates of Deposit, Money Market
Investment Accounts and U.S. Treasury
Notes with ---

(B) Bank One, Lafayette, Louisiana
(H) Hibernia
(I) Iberia Savings Bank
(SSB) Salomon Smith Barney

CITY OF CARENCRO, LOUISIANA

Schedule of Insurance in Force
(Unaudited)
November 30, 1998

<u>Description of Coverage</u>	<u>Coverage Amounts</u>
Workmen's Compensation - Employer's liability	Statutory \$100,000
Surety Bonds -	
Mr. Tommy Angelle, Mayor	50,000
Mrs. Marie LeMaire, City Clerk	50,000
Mrs. Madeline Braquet, Utility collection clerk	25,000
Mrs. Glenda Senegal, Utility collection clerk	25,000
Mrs. Delores Cormier, Utility collection clerk	25,000
Mr. Kim Sampy, Office Worker	10,000
Fire, Extended Coverage and Vandalism -	
Municipal building and contents:	
Building	265,000
Contents	54,000
	-
Comprehensive General Liability -	
Bodily injury, property damage and personal injury	500,000
Police Liability -	
Personal injury, liability, false arrest, etc.	500,000
Automobile Bodily Injury, Property Damage and Uninsured Motorists	500,000
Fire and Extended Coverage -	
Water treatment plant	38,000
Contents	20,000
Fire and Extended Coverage -	
Utility Shed on Andre St.	60,000
Contents	20,000
Fire and Extended Coverage -	
Old City Hall and Jail	45,000
Contents	15,000
Public Officials Liability	500,000

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MANAGEMENT LETTER

The Honorable Tommy Angelle, Mayor
and Members of the Board of Aldermen
City of Carencro, Louisiana

We have completed our audit of the primary government financial statements of the City of Carencro, Louisiana for the year ended November 30, 1998, and submit the following recommendations for your consideration:

- (1) The accounts receivable subsidiary ledger should be reconciled with the general ledger on a monthly basis and any necessary adjustments should be made at that time.
- (2) All payroll reports should be filed on a timely basis.

Additionally, the following recommendations were presented as of and for the audit period ended November 30, 1997 and are reiterated currently:

- (3) Current filing policies and procedures should be examined to insure that adequate documentation exists to support all recorded expenditures.
- (4) The City should strive to operate the gas, water, and sewerage departments of the Utility Fund on a profitable basis. These operations should be financed and operated such that the cost of providing services to the general public on a continuing basis be completely financed or recovered through user charges. We recommend that the City establish utility rate structures sufficient to recover all costs in these above-mentioned departments.

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

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

Lafayette, Louisiana
February 12, 1999