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CITY OF BUNKIE
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 1999

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

Release Date DEC 15 1999

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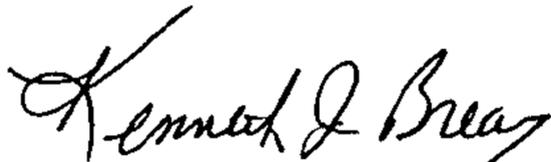
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***The Honorable Mayor and
Members of the Board of Aldermen
August 12, 1999
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However, the primary government financial statements, because they do not include the financial data of the component units of the City of Bunkie, Louisiana, do not purport to, and do not, present fairly the financial position of the City of Bunkie, Louisiana as of June 30, 1999 and the results of its operations and cash flows of its proprietary funds for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued a report dated August 12, 1999 on my consideration of the City of Bunkie's internal control over financial reporting and its compliance with certain provisions of laws, regulations, contracts and grants.

My audit was conducted for the purpose of forming an opinion on the primary government financial statements taken as a whole. The combining financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the primary government financial statements of the City of Bunkie, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the primary government financial statements and, in my opinion, is fairly presented in all material respects in relation to the primary government financial statements taken as a whole.



KENNETH J. BREAUX
CERTIFIED PUBLIC ACCOUNTANT

CITY OF BUNKIE, LOUISIANA
COMBINED BALANCE SHEET

All Fund Types and Account Groups
June 30, 1999

ASSETS	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPE	ACCOUNT GROUP	TOTALS
	General	Special Revenue	Capital Projects	Debt Service			
Cash and cash equivalents	\$ 507,288	\$ 422,019	\$ 49	\$ -	\$ 298,919	\$ -	\$ 1,228,275
Receivables, net of allowance	49,155	-	-	-	108,670	-	157,825
Due from other funds	29,521	-	-	-	-	-	29,521
Due from other governmental units	49,623	62,027	-	-	35,705	-	147,355
Restricted assets							
Cash	49,538	170,469	-	-	587,275	-	807,282
Property and equipment, net	-	-	-	-	4,754,655	2,735,758	7,490,413
TOTAL ASSETS	\$ 685,125	\$ 654,515	\$ 49	\$ -	\$ 5,785,224	\$ 2,735,758	\$ 9,860,671
LIABILITIES AND FUND EQUITY							
Liabilities:							
Accounts and other payables	\$ 83,265	\$ -	\$ -	\$ -	\$ 50,712	\$ -	\$ 133,977
Payable from restricted assets:							
Bonds payable - current	-	-	-	-	75,839	-	75,839
Accrued interest payable	-	-	-	-	106,107	-	106,107
Customer meter deposits	-	-	-	-	77,375	-	77,375
Due to other funds	-	20,676	-	-	8,845	-	29,521
General obligation bonds payable	-	-	-	-	2,239,228	-	2,239,228
Revenue bonds payable	-	-	-	-	147,000	-	147,000
TOTAL LIABILITIES	\$ 83,265	\$ 20,676	\$ -	\$ -	\$ 2,705,106	\$ -	\$ 2,809,047
Fund Equity							
Contributed capital	\$ -	\$ -	\$ -	\$ -	\$ 2,566,588	\$ -	\$ 2,566,588
Investment in general fixed assets	-	-	-	-	-	2,735,758	2,735,758
Retained earnings:							
Reserved for bond indenture	-	-	-	-	405,329	-	405,329
Unreserved	-	-	-	-	108,201	-	108,201
Fund balances:							
Reserved	49,538	170,469	-	-	-	-	220,007
Unreserved	552,322	463,370	49	-	-	-	1,015,741
TOTAL FUND EQUITY	\$ 601,860	\$ 633,839	\$ 49	\$ -	\$ 3,080,118	\$ 2,735,758	\$ 7,051,624
TOTAL LIABILITIES AND FUND EQUITY	\$ 685,125	\$ 654,515	\$ 49	\$ -	\$ 5,785,224	\$ 2,735,758	\$ 9,860,671

The accompanying notes are an integral part of the financial statements.

CITY OF BUNKIE, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

All Governmental Fund Types
For the Year Ended June 30, 1999

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Memorandum Totals</u>
<u>Revenues:</u>					
Taxes	\$ 349,036	\$ 473,870	\$ -	\$ -	\$ 822,906
Licenses and permits	116,668	-	-	-	116,668
Intergovernmental	372,912	-	65,443	-	438,355
Utility agreements	150,480	-	-	-	150,480
Other	66,802	16,107	-	-	82,909
Total Revenues	<u>\$ 1,055,898</u>	<u>\$ 489,977</u>	<u>\$ 65,443</u>	<u>\$ -</u>	<u>\$ 1,611,318</u>
<u>Expenditures:</u>					
General government	\$ 402,941	\$ 11,346	\$ -	\$ -	\$ 414,287
Fire protection	270,986	-	-	-	270,986
Police protection	412,466	-	-	-	412,466
Highways and streets	250,293	-	-	-	250,293
Recreation	74,814	-	-	-	74,814
Airport	101,221	-	-	-	101,221
Animal control	7,096	-	-	-	7,096
Capital outlay	-	-	73,793	-	73,793
Debt service					
Principal retirement	-	-	-	55,000	55,000
Interest and fiscal charges	-	-	-	3,025	3,025
Total Expenditures	<u>\$ 1,519,817</u>	<u>\$ 11,346</u>	<u>\$ 73,793</u>	<u>\$ 58,025</u>	<u>\$ 1,662,981</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (463,919)</u>	<u>\$ 478,631</u>	<u>\$ (8,350)</u>	<u>\$ (58,025)</u>	<u>\$ (51,663)</u>
<u>Other financing sources (uses)</u>					
Operating transfers in	612,209	-	8,350	58,025	678,584
Operating transfers (out)	(8,350)	(348,025)	-	-	(356,375)
Total other sources (uses)	<u>\$ 603,859</u>	<u>\$ (348,025)</u>	<u>\$ 8,350</u>	<u>\$ 58,025</u>	<u>\$ 322,209</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ 139,940</u>	<u>\$ 130,606</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 270,546</u>
Fund balances, beginning	<u>\$ 461,920</u>	<u>\$ 503,233</u>	<u>\$ 49</u>	<u>\$ -</u>	<u>965,202</u>
Fund balances, ending	<u>\$ 601,860</u>	<u>\$ 633,839</u>	<u>\$ 49</u>	<u>\$ -</u>	<u>\$ 1,235,748</u>

The accompanying notes are an integral part of the financial statements.

CITY OF BUNKIE, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

*Budget (GAAP Basis) and Actual
 General and Special Revenue Funds
 For the Year Ended June 30, 1999*

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<u>Revenues:</u>						
Taxes	\$ 308,536	\$ 349,036	\$ 40,500	\$ 411,000	\$ 473,870	\$ 62,870
Licenses and permits	105,830	116,668	10,838	-	-	-
Intergovernmental	316,718	372,912	56,194	-	-	-
Utility agreements	152,167	150,480	(1,687)	-	-	-
Other	70,101	66,802	(3,299)	14,000	16,107	2,107
Total Revenues	\$ 953,352	\$1,055,898	\$ 102,546	\$ 425,000	\$ 489,977	\$ 64,977
<u>Expenditures:</u>						
General government	\$ 460,026	\$ 402,941	\$ 57,085	\$ 11,330	\$ 11,346	\$ (16)
Fire protection	279,980	270,986	8,994	-	-	-
Police protection	403,004	412,466	(9,462)	-	-	-
Highways and streets	291,000	250,293	40,707	-	-	-
Recreation	97,473	74,814	22,659	-	-	-
Airport	86,363	101,221	(14,858)	-	-	-
Animal control	8,030	7,096	934	-	-	-
Total Expenditures	\$1,625,876	\$1,519,817	\$ 106,059	\$ 11,330	\$ 11,346	\$ (16)
Excess (deficiency) of revenues over expenditures	\$ (672,524)	\$ (463,919)	\$ 208,605	\$ 413,670	\$ 478,631	\$ 64,961
<u>Other financing sources (uses)</u>						
Operating transfers in	590,000	612,209	22,209	-	-	-
Operating transfers (out)	-	(8,350)	(8,350)	(348,025)	(348,025)	-
Total other sources (uses)	\$ 590,000	\$ 603,859	\$ 13,859	\$ (348,025)	\$ (348,025)	\$ -
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ (82,524)	\$ 139,940	\$ 222,464	\$ 65,645	\$ 130,606	\$ 64,961
Fund balances, beginning	461,920	461,920	-	503,233	503,233	-
Fund balances, ending	\$ 379,396	\$ 601,860	\$ 222,464	\$ 568,878	\$ 633,839	\$ 64,961

The accompanying notes are an integral part of the financial statements.

CITY OF BUNKIE, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS

Proprietary Fund Type
For the Year Ended June 30, 1999

	<u>ENTERPRISE FUND</u>	
Operating revenues:		
Charges for services	\$ 707,557	
Delinquent and other charges	31,242	
Total operating revenues		\$ 738,799
Operating expenses:		
Salaries and wages	\$ 94,973	
Employee benefits	41,519	
Chemicals and supplies	43,860	
Repairs and maintenance	14,349	
Utilities and telephone	56,714	
Gasoline and oil	4,540	
Depreciation	191,507	
Other expenses	22,003	
Inflow and infiltration	64,819	
Total operating expenses		534,284
Operating income		\$ 204,515
Non-operating revenues (expenses)		
Interest income	\$ 21,762	
Interest expense	(125,605)	
Ad valorem taxes	232,459	
Total non-operating revenues (expenses)		128,616
Income before operating transfers		\$ 333,131
Operating transfers in (out)		
General Fund	\$ (322,209)	
Total operating transfers in (out)		(322,209)
Net income		\$ 10,922
Retained earnings, beginning of year		502,608
Retained earnings, end of year		\$ 513,530

The accompanying notes are an integral part of the financial statements.

CITY OF BUNKIE, LOUISIANA
COMBINED STATEMENT OF CASH FLOWS

Proprietary Fund Type
For the Year Ended June 30, 1999

		ENTERPRISE FUND
Cash flows from operating activities:		
Operating income		\$ 204,515
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	\$ 191,507	
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	336	
Increase (decrease) in payables and accrued expenses	(789)	
Increase (decrease) in meter deposits	7,285	
Net adjustments		198,339
Net cash provided by operating activities		402,854
Cash flows from non-capital financing activities:		
Increase (decrease) in due to other funds	1,543	
Operating transfers out	(322,209)	
Net cash used by non-capital financing activities		(320,666)
Cash flows from capital and related financing activities:		
Purchase of property and equipment	(167,077)	
Grant proceeds	161,705	
Ad valorem taxes	232,459	
Bond principal payments	(116,226)	
Interest payments	(128,916)	
Net cash used by capital and related financing activities		(18,055)
Cash flows from investing activities:		
Interest earned	21,762	
Net cash provided by investing activities		21,762
Net decrease in cash and cash equivalents		85,895
Cash and cash equivalents, beginning		800,299
Cash and cash equivalents, ending		886,194
Restricted Cash		587,275
Cash and cash equivalents, unrestricted		\$ 298,919

Supplemental Disclosures:

During the year ended June 30, 1999, utility system improvements costing \$62,748 were acquired through capital project funds. There were no further noncash operating, financing, or investing activities.

The accompanying notes are an integral part of the financial statements.

CITY OF BUNKIE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

June 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Bunkie, Louisiana (the City) was incorporated in 1910 under the provisions of Louisiana Law. The City operates under the Lawrason Act with a Mayor - Board of Aldermen form of government and provides the following functions to its citizenry: public safety (police and fire protection), highways and streets, sanitation, health and social services, culture and recreation, public improvements, utility services (water and sewer), planning and zoning, and general administrative services.

The accounting and reporting policies of the City conform to generally accepted accounting principles as applicable to local governments. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting practices. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the *Louisiana Municipal Audit and Accounting Guide* and to the industry audit guide, *Audits of State and Local Governmental Units*. Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The following is a summary of the more significant policies.

FINANCIAL REPORTING ENTITY

The accompanying financial statements reflect only the primary government of the City of Bunkie. The primary government includes only those funds, organizations, institutions, agencies, departments, and offices that are not legally separate from the City. The financial statements do not include the data of the component units necessary for general purpose financial reporting in conformity with generally accepted accounting principles.

BASIS OF PRESENTATION

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

Governmental Fund Types - Governmental funds are those through which general government functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The following are the City's governmental fund types:

General Fund - The general fund is the main operating fund of the City. It is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted for a specific purpose are accounted for in this fund.

CITY OF BUNKIE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 1999

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources restricted to expenditures for specific purposes.

Debt Service Fund - The debt service fund is used to account for the accumulation of financial resources for the payment of principal, interest, and other related costs on general long-term debt paid primarily from taxes levied by the City.

Capital Projects Fund - The capital projects fund is 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) being financed from general obligation bond proceeds, grants, or transfers from other funds.

Proprietary Fund Types - Proprietary funds are accounted for on a flow of economic resources measurement focus. The accounting objectives are a determination of net income, financial position, and changes in cash flow. All assets and liabilities associated with a proprietary fund's activities are included on its balance sheet. Proprietary fund equity is segregated into contributed capital and retained earnings. The following is the City's proprietary fund type:

Enterprise Fund - Enterprise funds are used to account for activities which are financed and operated in a manner similar to private business enterprise 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 where the governing body has decided the 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 enterprise fund reported in the financial statements provides water and sewer services to the residents of the City and certain adjacent areas.

Account Groups - An account group is used to establish accounting control and accountability for the City's general fixed assets. The account group is not a "fund". It is concerned only with the measurement of financial position. It is not involved with the measurement of results of operations.

General Fixed Assets Account Group - This account group is established to account for all fixed assets of the City, other than those assets accounted for in the proprietary funds. Capital outlays in funds other than the proprietary funds are recorded as expenditures of those funds at the time of purchase and are subsequently recorded for control purposes in the General Fixed Assets Account Group.

MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of

CITY OF BUNKIE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

June 30, 1999

accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The governmental fund types use a current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which are recorded as fund liabilities when due or when amounts have been accumulated in the Debt Service Fund for payments to be made early in the following year.

The proprietary fund types are accounted for on an economic resources measurement focus using the accrual basis of accounting. Revenues are recorded when they are earned, including unbilled water and sewer services which are accrued. Expenses are recorded at the time liabilities are incurred.

BUDGETARY CONTROL

The City Charter establishes the fiscal year as the twelve-month period beginning July 1. The procedures detailed below are followed in establishing the budgetary data reflected in the financial statements.

The City Clerk and Mayor prepare a proposed budget based on an estimate of the revenues expected to be received in the next fiscal year and submits the proposal to the Board of Aldermen by April 30 of each year. 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 set.

A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.

As required by state law, the budgets are amended whenever projected revenue fails to meet original expectations or when projected expenditures exceed original expectations. Budgetary amounts are presented as amended and all budgetary appropriations lapse at the end of the fiscal year.

CASH AND CASH EQUIVALENTS

For reporting purposes, cash and cash equivalents (restricted and unrestricted) includes all cash on hand, cash in bank accounts, certificates of deposit, and highly liquid investments maturing in three months or less. Cash restricted for payment as required by law, contract, or agreement is reported separately in the financial statements.

CITY OF BUNKIE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

June 30, 1999

ENCUMBRANCE ACCOUNTING

Purchase orders, contracts, and other commitments to engage in future expenditures are referred to as encumbrances. Since encumbrances do not represent liabilities or current expenditures, encumbrances are not reported in the accompanying financial statements.

INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

DUE FROM OTHER GOVERNMENTAL UNITS

Receivables from other governmental units represent collections of various revenues which are expected to be submitted within sixty days after the close of the fiscal year.

PROPERTY, PLANT, AND EQUIPMENT

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. The City has elected to capitalize public domain or "infrastructure" fixed assets consisting of certain improvements other than buildings, including roads, bridges, sidewalks, and drainage improvements. No depreciation has been provided on general fixed assets.

All fixed assets are stated at historical cost, including interest when material, or estimated historical cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair value on the date donated. At June 30, 1999, there were no material amounts of donated fixed assets.

Depreciation of all exhaustible fixed assets used by the proprietary fund is charged as an expense against its operations. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as shown below:

Distribution system and extensions	25 years
Water wells, tanks, lines, pumps, and hydrants	25 years
Wastewater plant upgrade	40 years
Sewer lines and stations	40 years
Water meters	10 years

LONG-TERM DEBT

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-term Debt Account Group. Long-term liabilities for certain general obligation debt and revenue bonds used to construct proprietary fund fixed assets are accounted for in the enterprise funds.

CITY OF BUNKIE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 1999

COMPENSATED ABSENCES

The City does not accumulate unpaid vacation, sick pay, and other employee benefit amounts because employees are not allowed to carry over significant amounts.

TOTAL COLUMNS ON COMBINED STATEMENTS – OVERVIEW

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

NOTE 2 - CASH AND CASH EQUIVALENTS

At June 30, 1999, cash and cash equivalents totaled \$2,040,970 (book balance) and \$2,117,905 (bank balance). The book balance included \$812,695 that is classified as restricted, and the remaining \$1,228,275 is considered unrestricted. The composition of these accounts is as follows:

	<u>Book Balance</u>	<u>Bank Balance</u>
Demand Deposits – noninterest bearing	\$ 84,232	\$ 134,721
Interest-bearing checking and certificates of deposit	1,951,025	1,977,771
Petty cash	300	----
<u>Total cash and cash equivalents</u>	<u>\$ 2,035,557</u>	<u>\$ 2,112,492</u>
Restricted cash	807,282	867,533
<u>Cash and cash equivalents</u>	<u>\$ 1,228,275</u>	<u>\$ 1,244,959</u>

Under state law, these deposits must be secured by federal deposit insurance or by the pledge of securities held by the bank. The securities pledged are held in the name of the pledging bank in a custodial bank that is mutually acceptable to both parties. At June 30, 1999, all deposits with financial institutions were fully covered by federal deposit insurance and/or pledged securities. A detailed analysis of this coverage is as follows:

Total cash at June 30, 1999 (Bank Balance)	\$ 2,112,492
Less: FDIC insurance coverage	647,153
<u>Subtotal</u>	<u>1,465,339</u>
Pledged securities at custodial banks	1,957,550
<u>Excess of FDIC insurance and pledged assets</u>	<u>\$ 492,211</u>

Even though the pledged securities are considered uncollateralized (Category 3), State law imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten

CITY OF BUNKIE, LOUISIANA
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June 30, 1999

(10) days of being notified by the City that the pledging bank has failed to pay deposited funds on demand.

Restrictions on cash imposed by various bond agreements and/or state law are disclosed in Note 7.

NOTE 3 - RECEIVABLES

Receivables at June 30, 1999 consisted of the following:

	<u>General Fund</u>	<u>Enterprise Fund</u>	<u>Memorandum Totals</u>
Charges for services	\$ ----	\$ 110,670	\$ 110,670
Other charges	49,155	----	49,155
Total receivables	49,155	110,670	159,825
Less: allowance for uncollectibles	----	2,000	2,000
Receivables, net of allowance	\$ 49,155	\$ 108,670	\$ 157,825

NOTE 4 - INTERFUND RECEIVABLES AND PAYABLES

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

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 29,521	\$ ----
Special Revenue Fund:		
Sales Tax Fund	----	20,676
Proprietary Fund:		
Sewer System Fund	----	8,845
Totals	\$ 29,521	\$ 29,521

NOTE 5 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at June 30, 1999 consisted of the following:

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Memorandum Total</u>
<u>State of Louisiana</u>				
Fire insurance taxes	\$ 12,874	\$ ----	\$ ----	\$ 12,874
Motor vehicle taxes	----	8,563	----	8,563

CITY OF BUNKIE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

June 30, 1999

Beer and tobacco taxes	8,805	----	----	8,805
Video poker tax	4,500	----	----	4,500
LCDBG	----	----	35,705	35,705
<u>Avoyelles Parish</u>				
Sales taxes	----	53,464	----	53,464
Casino tax	22,000	----	----	22,000
<u>Bunkie City Court</u>				
Fines	1,444	----	----	1,444
Total	\$ 49,623	\$ 62,027	\$ 35,705	\$ 147,355

NOTE 6 - FIXED ASSETS

A summary of general fixed asset transactions for the year ended June 30, 1999 follows:

	Balance June 30, 1998	Additions	Disposals	Balance June 30, 1999
Construction in progress	\$ 17,265	\$ 2,695	\$ ----	\$ 19,960
Land	182,551	----	----	182,551
Buildings	809,137	73,970	----	883,107
Improvements	761,126	38,998	----	800,124
Vehicles	379,260	28,335	856	406,739
Equipment	413,176	30,101	----	443,277
Total	\$ 2,562,515	\$ 174,099	\$ 856	\$ 2,735,758

A summary of Proprietary Fund Type property, plant, and equipment at June 30, 1999 follows:

	Water System	Sewer System	Total
Construction in progress	\$ ----	\$ 151,761	\$ 151,761
Well sites and right of way	45,546	----	45,546
Distribution system and equipment	2,436,395	----	2,436,395
Treatment plant and sewer lines	----	4,258,045	4,258,045
Vehicles and equipment	----	163,837	163,837
Subtotal	2,481,941	4,573,643	7,055,584
Less: accumulated depreciation	1,625,894	675,035	2,300,929
Net property and equipment	\$ 856,047	\$ 3,898,608	\$ 4,754,655

CITY OF BUNKIE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 1999

For the year ended June 30, 1999, depreciation expense totaled \$ 191,507.

NOTE 7: LONG-TERM DEBT

At June 30, 1999, long-term debt consisted of the following individual issues:

	Enterprise Fund
<u>General Obligation Bonds</u>	
1992 General Obligation Bonds, dated July 30, 1992, due in annual installments ranging from \$56,592 to \$181,543, maturing July 30, 2017 bearing interest at a rate of 5.0%, secured by an annual ad valorem tax.	2,315,067
<u>Revenue Bonds</u>	
Waterworks Utility Revenue Bonds, dated July 1, 1970, due in annual installments ranging from \$3,000 to \$52,000, maturing July 1, 2002, bearing interest at a rate of 5.0%. Revenue generated by the City's water system has been pledged to secure these bonds.	147,000
Total	2,462,067
Less: current portion of long-term debt	75,839
Net long-term debt	\$ 2,386,228

Transactions for the year ended June 30, 1999 are summarized as follows:

	Balance 6-30-98	Additions	Payments	Balance 6-30-99
<u>General Long-term Debt Group</u>				
General obligation bonds	\$ 55,000	\$ ----	\$ 55,000	\$ ----
<u>Proprietary Fund</u>				
General obligation bonds	\$ 2,387,294	\$ ----	\$ 72,227	\$ 2,315,067
Revenue bonds	191,000	----	44,000	147,000
Total	\$ 2,578,294	\$ ----	\$ 116,227	\$ 2,462,067

GENERAL OBLIGATION BONDS

General obligation bonds are direct obligations issued on a pledge of the general taxing power for the payment of the debt obligations of the City. General obligation bonds require the City to

CITY OF BUNKIE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

June 30, 1999

compute, at the time the taxes are levied, the rate of tax required to provide (in each year the bonds are outstanding) sufficient resources to pay principal and interest at maturity.

The 1992 General Obligation Bonds are payable from ad valorem taxes levied, within the limits prescribed by law, against all taxable property within the City as provided in the bond ordinance.

REVENUE BONDS

Waterworks Utility Revenue Bonds constitute special obligations of the City secured by a lien on and pledge of the net revenues of the water system.

The revenue bonds are collateralized by the revenue of the water system and the various special funds established by the bond ordinance. The ordinance provides that the revenue of the system is to be used first to satisfy the City's obligation on the bond issue, second to pay all reasonable expenses of administration, operation, and maintenance of the system, and third to establish and maintain the revenue bond funds as set forth in the bond ordinances. Remaining revenues may then be used for any lawful purpose. The City is in compliance with all significant requirements of the ordinance at June 30, 1999.

ANNUAL REQUIREMENTS TO RETIRE DEBT OBLIGATIONS -

The annual aggregate maturities for the years subsequent to June 30, 1999 are as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Total</u>
2000	75,839
2001	125,631
2002	132,612
2003	139,793
2004	92,182
Thereafter	1,896,010
<u>Total</u>	<u>\$ 2,462,067</u>

NOTE 8: AD VALOREM TAXES

Ad valorem taxes are assessed on a calendar year basis and are due on or before December 31 in the year in which the tax is levied. Property taxes are recognized in compliance with NCGA Interpretation 3 - (Revenue Recognition - Property Taxes) which states that such revenue is recorded when it becomes measurable and available. Available means due or past due and collected no longer than 60 days after the close of the current period.

For the year ended June 30, 1999, the City levied 5.66 mills of taxes totaling \$75,184 and collected \$75,044, which was dedicated to the general corporate purposes of the City.

CITY OF BUNKIE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

June 30, 1999

For the year ended June 30, 1999, the City levied 17.50 mills of taxes totaling \$232,460 and collected \$232,460, which is dedicated to the payment of general obligation bonds issued to finance construction of the Wastewater Treatment Plant.

NOTE 9: PENSION PLANS

Substantially all employees of the City of Bunkie are members of the Municipal Police Employees' Retirement System of Louisiana or the Municipal Employees' Retirement System. These systems are multiple-employer (cost-sharing) public employee retirement systems (PERS), controlled and administered by separate boards of trustees.

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA (SYSTEM)

The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the City participating in the retirement system are members of Plan A. All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

Contributions to the System include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each municipality, except Orleans and East Baton Rouge Parishes. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. State statute requires covered employees to contribute 9.25 percent of their annual covered salaries to the System. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The System issued an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (504) 925-4810.

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM OF LOUISIANA (SYSTEM)

All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 percent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined

CITY OF BUNKIE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

June 30, 1999

months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

State statute requires covered employees to contribute 7.5 percent of their annual covered salaries to the System. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The System issued an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809, or by calling (504) 929-7411.

NOTE 10: COMPENSATION OF ELECTED OFFICIALS

Per diem payments to the Board of Aldermen for the year ended June 30, 1999 were as follows:

	<u>Position</u>	<u>Amount</u>
Lemuel Bassette	Alderman	\$ 3,600
Bruce Coulon	Alderman	3,600
Charles Descant	Alderman	3,600
Albert Kelley	Alderman	3,600
Gerard Moreau	Alderman	3,600
		<u>\$ 18,000</u>

Compensation paid to the Mayor for the year ended June 30, 1999 totaled \$21,600.

NOTE 11: ACCOUNTS, SALARIES, AND OTHER PAYABLES

The following is a summary of payables at June 30, 1999:

	<u>General Fund</u>	<u>Proprietary Fund</u>	<u>Total</u>
Salaries	\$ 12,330	\$ 2,708	\$ 15,038
Accounts	70,935	12,299	83,234
Construction	-	35,705	35,705
Total	<u>\$ 83,265</u>	<u>\$ 50,712</u>	<u>\$ 133,977</u>

CITY OF BUNKIE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 1999

NOTE 12: COMMITMENTS AND CONTINGENCIES

The City has been named as a defendant in several lawsuits as of June 30, 1999. These suits are at various stages in the legal system. It is not possible to predict at this time the extent of the City's liability. Losses, if any, are not expected to exceed available insurance coverage.

NOTE 13: RESERVED FUND BALANCES AND RETAINED EARNINGS

Various bond covenants require the City to maintain cash reserves that can only be used under specific circumstances. Since these fund are available only under specific circumstances, the amounts are presented as restricted. In addition, the City has collected ad valorem taxes from a taxpayer that has protested the tax assessment. The protested taxes are being held in escrow until the protest can be resolved.

Amounts reported as restricted assets are summarized as follows:

	General Fund	Special Revenue Fund	Debt Service Fund	Proprietary Fund	Totals Memorandum Only
Escrow for ad valorem taxes	\$ 49,538	\$ ----	\$ ----	\$ ----	\$ 49,538
Restricted by bond indenture	----	170,469	5,413	587,275	763,157
Total restricted assets	49,538	170,469	5,413	587,275	812,695
Less: payable from restricted assets	-	-	5,413	181,946	187,359
Total	\$ 49,538	\$ 170,469	\$ ----	\$ 405,329	\$ 625,336

NOTE 14: INTERGOVERNMENTAL AGREEMENT

The 1991 Louisiana Legislature mandated that there be one agency per parish to collect the various sales taxes levied in each parish. In June 1992, the City entered into an agreement with the Avoyelles Parish School Board whereby the School Board will act as the collecting agent and charge the City one and one-half percent per month of the total taxes collected on behalf of the City. For the year ended June 30, 1999, the City paid the School Board \$11,015 in collection fees.

NOTE 15: LCDBG ASSISTANCE

The City was awarded funding for improvements to its utility system in the form of Community Development Block Grants. Expenditures related to these projects as of June 30, 1999 are summarized as follows:

	Current Expenditures	Previous Expenditures	Total
1996 LCDBG	\$ 1,138	\$ 171,676	\$ 172,814
1997 LCDBG	61,610	90,141	151,751
Total	\$ 62,748	\$ 261,817	\$ 324,565

CITY OF BUNKIE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 1999

NOTE 16: CONTRIBUTED CAPITAL

Capital contributions reported by the Proprietary Fund for the year ended June 30, 1999 are summarized as follows:

	<u>Water System Fund</u>	<u>Sewer System Fund</u>	<u>Total</u>
Balance June 30, 1998	\$ 939,598	\$ 1,402,536	\$ 2,342,134
Current contributions - LCDBG	1,138	61,610	62,748
Contributions – USDA grant	----	161,706	161,706
Balance June 30, 1999	<u>\$ 940,736</u>	<u>\$ 1,625,852</u>	<u>\$ 2,566,588</u>

Contributed capital is recorded in the proprietary funds that have received capital grants or contributions and such resources are restricted for the acquisition or construction of capital assets. Contributed capital is not amortized based on the depreciation recognized on the portion of the assets acquired or constructed from such resources.

NOTE 17: RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks of loss are covered by participation in a public entity risk pool that operates as a common insurance program and by acquiring commercial insurance coverage. Claims resulting from these risks have historically not exceeded insurance coverage.

KENNETH J. BREAUX

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ROBERT E. MORROW, C.P.A.

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

August 12, 1999

The Honorable Mayor and
Members of the Board of Aldermen
City of Bunkie, Louisiana

I have audited the financial statements of the City of Bunkie, Louisiana, as of and for the year ended June 30, 1999, and have issued my report thereon dated August 12, 1999. I conducted my 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 Bunkie, Louisiana's financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my 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 my audit, I considered the City of Bunkie, Louisiana's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the primary government financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect the City's ability to record, process, summarize and report financial data consistent with the assertions of management in the primary government financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 99-1 and 99-2.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I believe none of the reportable conditions 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.

Kenneth J. Breaux

KENNETH J. BREAUX
CERTIFIED PUBLIC ACCOUNTANT

CITY OF BUNKIE

Summary of Findings and Questioned Cost For the Year Ended June 30, 1999

PART I - SUMMARY OF AUDITOR'S RESULTS:

- The Independent Auditor's Report on the primary government financial statements for the City of Bunkie as of June 30, 1999 and for the year then ended expressed a qualified opinion.
- Reportable conditions were noted in the audit and none of the reportable conditions were considered to be a material weakness.
- The results of the audit disclosed no instances of noncompliance that are considered to be material to the financial statements of the City of Bunkie.
- The City was not required to have a Single Audit; therefore, none of the reporting required by OMB Circular A-133 was required.

PART II - FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS:

99-1, Segregation of Duties:

Clerks responsible for collecting utility payments also have authority to adjust utility amounts. Under this situation, a single person has the ability to misappropriate utility payments and conceal the misappropriation by adjusting the account balance. In the future, responsibility for adjustments should be limited to personnel who are not involved in the collection or depositing of utility payments.

99-2, Administration of Public Funds:

The State Constitution places certain restrictions on the use of municipal resources. In general, the City cannot legally loan, pledge, or donate anything of value to any person, association, or corporation. We noted certain transactions processed by the person responsible for collecting utility payments that are reductions of bills for utility services delivered to customers. Transactions of this nature could be interpreted as a violation of Article 7, Paragraph 14; therefore, we suggest adopting a policy regarding the adjustment of utility bills that is based on consultation with legal counsel.

PART III - FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS WHICH SHALL INCLUDE AUDIT FINDINGS AS DEFINED BY OMB CIRCULAR A-133:

- N/A

CITY OF BUNKIE

Management's Corrective Action Plan For the Year Ended June 30, 1999

<u>SECTION I</u>	
INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.	
<u>Findings</u>	<u>Response</u>
<p><u>99-1, Segregation of Duties:</u> Currently, administrative personnel responsible for collecting utility payments also have authority to adjust utility accounts. In the future, employees who collect payments should be prohibited from posting any adjustments or payments to the billing records.</p> <p><u>99-2, Administration of Public Funds:</u> The State Constitution places certain restrictions on the use of municipal resources. In general, the City cannot legally loan, pledge, or donate anything of value to any person, association, or corporation. In the course of performing my audit, I noted certain transactions that could be interpreted as apparent violations of constitutional provisions. We recommend that management adopt policies regarding adjustments of utility billings and, furthermore, refer any transactions that might potentially violate these constitutional provisions to legal counsel.</p>	<p><u>99-1, Segregation of Duties:</u> The City intends to restructure its administrative procedures in a manner that will permit proper segregation of duties in this process. Specifically, employees who collect utility payments will be prohibited from posting or otherwise adjusting billing records.</p> <p><u>99-2, Administration of Public Funds:</u> Management has gained a working knowledge of the requirements imposed by Article 7, Paragraph 14 of the Louisiana Constitution. Furthermore, any transactions that represent potential violations will be referred to legal counsel.</p>
<u>SECTION II</u>	
INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
No findings were reported in the schedule of findings and questions cost.	Response - N/A
<u>SECTION III</u>	
MANAGEMENT LETTER	
No findings were reported in the schedule of findings and questions cost.	Response - N/A

CITY OF BUNKIE

Schedule of Prior Year Findings and Questioned Cost For the Year Ended June 30, 1999

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.	
No findings of the nature were reported as a result of the previous audit.	Response – N/A
SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
No findings of the nature were reported as a result of the previous audit.	Response – N/A
SECTION III MANAGEMENT LETTER	
No findings of the nature were reported as a result of the previous audit.	Response – N/A

SUPPLEMENTAL SECTION
COMBINING FINANCIAL STATEMENTS AND SCHEDULES

GENERAL FUND

General Fund - The main operating fund of the City. It is used to account for all financial resources traditionally associated with government except those required to be accounted for in another fund.

CITY OF BUNKIE, LOUISIANA

General Fund

Comparative Balance Sheets

June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Assets		
Cash and cash equivalents	\$ 507,288	\$ 334,498
Receivables	49,155	50,594
Due from other funds	29,521	25,760
Due from other governments	49,623	52,635
Restricted assets - cash	49,538	59,244
	<u>685,125</u>	<u>522,731</u>
Total Assets	<u>\$ 685,125</u>	<u>\$ 522,731</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 83,265	\$ 60,811
	<u>83,265</u>	<u>60,811</u>
Total liabilities	<u>83,265</u>	<u>60,811</u>
Fund Balance:		
Reserved for escrow	\$ 49,538	\$ 59,244
Unreserved	552,322	402,676
	<u>601,860</u>	<u>461,920</u>
Total fund balance	<u>601,860</u>	<u>461,920</u>
Total Liabilities and Fund Balance	<u>\$ 685,125</u>	<u>\$ 522,731</u>

CITY OF BUNKIE, LOUISIANA

*Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ending June 30, 1999 with Comparative Totals for 1998*

	<i>Budget GAAP</i>	<i>1999 Actual</i>	<i>Variance Favorable (Unfavorable)</i>	<i>1998 Actual</i>
Revenues:				
Taxes	\$ 308,536	\$ 349,036	\$ 40,500	\$ 315,039
Licenses and permits	105,830	116,668	10,838	148,749
Intergovernmental	316,718	372,912	56,194	311,519
Utility agreements	152,167	150,480	(1,687)	154,431
Other charges	70,101	66,802	(3,299)	103,800
Total Revenues	<u>953,352</u>	<u>1,055,898</u>	<u>102,546</u>	<u>1,033,538</u>
Expenditures:				
General government	460,026	402,941	57,085	351,163
Fire protection	279,980	270,986	8,994	256,134
Police protection	403,004	412,466	(9,462)	389,817
Highways and streets	291,000	250,293	40,707	276,634
Recreation	97,473	74,814	22,659	47,539
Airport	86,363	101,221	(14,858)	35,826
Animal control	8,030	7,096	934	8,373
Total Expenditures	<u>1,625,876</u>	<u>1,519,817</u>	<u>106,059</u>	<u>1,365,486</u>
Excess (deficiency) of revenues over expenditures	<u>(672,524)</u>	<u>(463,919)</u>	<u>208,605</u>	<u>(331,948)</u>
Other financing sources (uses):				
Operating transfers in	590,000	612,209	22,209	567,975
Operating transfers out	-	(8,350)	(8,350)	-
Total other financing sources	<u>590,000</u>	<u>603,859</u>	<u>13,859</u>	<u>567,975</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(82,524)</u>	<u>139,940</u>	<u>222,464</u>	<u>236,027</u>
Fund balance, beginning	<u>461,920</u>	<u>461,920</u>	<u>-</u>	<u>225,893</u>
Fund balance, ending	<u>\$ 379,396</u>	<u>\$ 601,860</u>	<u>\$ 222,464</u>	<u>\$ 461,920</u>

CITY OF BUNKIE, LOUISIANA

Schedule of Revenues - Budget and Actual

For the Year Ended June 30, 1999 with Comparative Totals for 1998

	<i>Budget GAAP Basis</i>	<i>1999 Actual</i>	<i>Variance Favorable (Unfavorable)</i>	<i>1998 Actual</i>
Taxes:				
Ad valorem taxes and interest	\$ 72,666	\$ 75,044	\$ 2,378	\$ 73,085
Hotel / motel tax	8,534	19,343	10,809	-
Payments in lieu of taxes	21,336	21,336	-	22,422
Sales taxes - .5%	206,000	233,313	27,313	219,532
Total taxes	<u>308,536</u>	<u>349,036</u>	<u>40,500</u>	<u>315,039</u>
Licenses and permits				
Occupational licenses	101,000	110,400	9,400	135,924
Building permits	3,000	3,384	384	6,288
Chain store tax	1,130	2,255	1,125	5,625
Electrical inspections	700	629	(71)	912
Total licenses and permits	<u>105,830</u>	<u>116,668</u>	<u>10,838</u>	<u>148,749</u>
Intergovernmental:				
Drivers license office fees	13,000	12,798	(202)	13,054
Casino and video poker proceeds	114,337	136,402	22,065	109,051
Fines - City Court	13,373	8,552	(4,821)	19,849
Tobacco taxes	19,216	25,621	6,405	25,621
Beer taxes	8,556	11,390	2,834	11,661
Fire insurance taxes	12,086	12,874	788	12,086
Airport improvements	50,350	81,381	31,031	27,319
Fire Protection District #2 taxes	56,567	56,567	-	51,767
Law enforcement grants	29,233	27,327	(1,906)	41,111
Total intergovernmental	<u>316,718</u>	<u>372,912</u>	<u>56,194</u>	<u>311,519</u>
Utility agreements:				
Cleco franchise	112,139	111,636	(503)	107,574
Entex franchise	28,398	26,598	(1,800)	34,490
Cable TV franchise	11,630	12,246	616	12,367
Total utility agreements	<u>152,167</u>	<u>150,480</u>	<u>(1,687)</u>	<u>154,431</u>
Other charges:				
Miscellaneous	33,790	27,864	(5,926)	24,838
Grant - playground equipment	10,050	10,050	-	-
Group insurance refunds	10,000	9,739	(261)	5,140
Miscellaneous licenses	2,443	1,843	(600)	3,010
Interest and penalties	5,818	8,689	2,871	6,720
Summer recreation program fees	6,500	7,102	602	6,602
Sale of land	-	-	-	50,000
Rents	1,500	1,515	15	7,490
Total other charges	<u>70,101</u>	<u>66,802</u>	<u>(3,299)</u>	<u>103,800</u>
Total Revenues	<u>\$ 953,352</u>	<u>\$ 1,055,898</u>	<u>\$ 102,546</u>	<u>\$ 1,033,538</u>

CITY OF BUNKIE, LOUISIANA

Schedule of Expenditures - Budget and Actual

For the Year Ended June 30, 1999 with Comparative Totals for 1998

	<i>Budget GAAP Basis</i>	<i>1999 Actual</i>	<i>Variance Favorable (Unfavorable)</i>	<i>1998 Actual</i>
General government:				
City court costs	\$ 29,475	\$ 28,146	\$ 1,329	\$ 22,715
Mayor's salary	21,600	21,600	-	18,902
Aldermen's salaries	18,000	18,000	-	7,775
Office salaries	43,436	43,814	(378)	41,187
Janitorial salaries	11,253	11,253	-	10,374
Mayor's expense allowance	1,200	1,200	-	1,200
Maintenance	13,000	12,296	704	6,219
Postage and supplies	15,000	13,571	1,429	13,439
Telephone and utilities	19,900	19,768	132	18,836
Miscellaneous	8,600	2,613	5,987	11,020
Capital outlay	20,507	20,507	-	-
Contingencies - ad valorem taxes	45,193	-	45,193	-
Insurance - workman's comp.	1,280	1,237	43	1,280
Insurance - general	74,000	74,891	(891)	73,998
Insurance deductibles and claims	320	319	1	3,276
Insurance - group	63,000	62,300	700	59,990
Payroll taxes	13,300	14,190	(890)	10,434
Retirement	5,100	5,090	10	4,706
Janitorial expenses	2,000	1,889	111	1,848
Dues and publications	2,650	2,221	429	2,183
Drivers license office	6,550	7,076	(526)	5,227
Audit and legal	18,000	15,629	2,371	18,348
Assessor's compensation	2,515	2,513	2	2,496
Printing and publications	6,000	4,974	1,026	7,434
Election expenses	5,040	5,040	-	109
Health department	5,107	5,298	(191)	1,037
Conferences and conventions	4,000	3,681	319	4,135
Warehouse	1,000	883	117	-
Drug testing expense	3,000	2,942	58	2,995
Total general government	<u>460,026</u>	<u>402,941</u>	<u>57,085</u>	<u>351,163</u>

CITY OF BUNKIE, LOUISIANA

Schedule of Expenditures - Budget and Actual

For the Year Ended June 30, 1999 with Comparative Totals for 1998

	<i>Budget GAAP Basis</i>	<i>1999 Actual</i>	<i>Variance Favorable (Unfavorable)</i>	<i>1998 Actual</i>
Fire department:				
Salaries	147,659	144,264	3,395	134,345
Supplies	19,330	20,722	(1,392)	16,110
Equipment repairs	19,000	16,930	2,070	17,352
Gas and oil	6,500	6,125	375	4,645
Phone and utilities	7,500	6,921	579	7,275
Volunteer firemen	9,220	10,280	(1,060)	8,800
Training	1,010	1,152	(142)	1,656
Capital outlay	8,050	5,515	2,535	6,281
Insurance - worker's comp.	13,035	13,174	(139)	12,195
Insurance - general	10,530	8,540	1,990	10,530
Insurance - group	29,803	29,251	552	28,779
Miscellaneous	-	180	(180)	-
State unemployment expense	300	154	146	279
Retirement	7,778	7,778	-	7,887
Audit and legal	265	-	265	-
Total fire department	\$ 279,980	\$ 270,986	\$ 8,994	\$ 256,134
Police department:				
Salaries	226,764	246,588	(19,824)	238,937
Supplies	14,800	13,173	1,627	10,341
Equipment repairs	14,600	15,914	(1,314)	15,482
Gas and oil	12,300	12,325	(25)	11,634
Telephone and utilities	5,900	5,823	77	5,295
Medical exams	2,000	784	1,216	485
Prisoner meals	4,200	3,859	341	2,485
Training schools	2,000	878	1,122	1,088
Miscellaneous	2,200	2,461	(261)	792
Capital outlay	28,340	28,335	5	14,578
Insurance - worker's comp.	18,000	16,356	1,644	18,415
Retirement	18,500	14,430	4,070	18,014
Group insurance	53,000	51,359	1,641	51,873
State unemployment	400	181	219	398
Total police department	\$ 403,004	\$ 412,466	\$ (9,462)	\$ 389,817

CITY OF BUNKIE, LOUISIANA
Schedule of Expenditures - Budget and Actual
For the Year Ended June 30, 1999 with Comparative Totals for 1998

	<i>Budget GAAP Basis</i>	<i>1999 Actual</i>	<i>Variance Favorable (Unfavorable)</i>	<i>1998 Actual</i>
Street department:				
Salaries	116,845	112,423	4,422	105,669
Supplies	24,000	22,404	1,596	24,343
Equipment repairs	8,000	3,848	4,152	9,587
Miscellaneous	1,700	1,445	255	8,511
Gas and oil	4,200	2,910	1,290	4,043
Telephone and utilities	32,000	30,767	1,233	31,384
Capital outlay	6,520	4,079	2,441	1,398
Asphalt and culverts	10,000	6,826	3,174	20,660
Drainage and sidewalk repairs	13,500	5,710	7,790	13,422
Demolition	10,000	1,500	8,500	5,292
Insurance - worker's comp	21,000	23,860	(2,860)	18,062
Insurance - group	36,200	30,080	6,120	27,034
Retirement	7,035	4,441	2,594	7,018
State unemployment expense	-	-	-	211
Total street department	<u>\$ 291,000</u>	<u>\$ 250,293</u>	<u>\$ 40,707</u>	<u>\$ 276,634</u>
Recreation department:				
Salaries	7,201	6,011	1,190	6,538
Supplies	15,000	15,469	(469)	9,014
Repairs	4,000	3,089	911	3,656
Gas and oil	800	640	160	804
Equipment	-	-	-	1,224
Umpires	3,600	2,357	1,243	3,605
Little league expenses	10,185	7,253	2,932	10,474
Miscellaneous	600	600	-	2,068
Capital outlay	55,672	38,998	16,674	8,340
Insurance - worker's comp.	400	357	43	1,805
State unemployment expense	15	40	(25)	11
Total recreation department	<u>\$ 97,473</u>	<u>\$ 74,814</u>	<u>\$ 22,659</u>	<u>\$ 47,539</u>
Airport department:				
Supplies	6,000	7,142	(1,142)	1,129
Repairs	45,000	10,035	34,965	2,938
Fuel purchases	4,500	3,896	604	4,418
Gas and oil	100	-	100	45
Capital outlay	22,729	73,970	(51,241)	21,679
Telephone and utilities	4,000	1,777	2,223	1,168
Miscellaneous	-	-	-	900
Insurance	2,234	2,451	(217)	2,234
Non-directional beacon	1,800	1,950	(150)	1,315
Total airport department	<u>\$ 86,363</u>	<u>\$ 101,221</u>	<u>\$ (14,858)</u>	<u>\$ 35,826</u>
Animal control department:				
Salaries	4,500	4,298	202	4,662
Supplies	3,000	2,371	629	3,224
Holding pen repairs	-	20	(20)	-
Utilities	370	254	116	348
Insurance - workers comp	150	114	36	131
State unemployment expense	10	39	(29)	8
Total animal control department	<u>\$ 8,030</u>	<u>\$ 7,096</u>	<u>\$ 934</u>	<u>\$ 8,373</u>

SPECIAL REVENUE FUNDS

The Special Revenue Funds account for the accumulation and disbursement of restricted resources. The City has the following Special Revenue Funds:

Sales Tax Fund - The sales tax fund is used to account for the accumulation of resources from a 1.5% sales tax assessment levied by the City.

Surplus Bond Fund - The surplus bond fund is used to account for funds remaining in a bond reserve fund. The original bond issue has been paid out, and the resources are restricted to expenditures consistent with the original indebtedness.

CITY OF BUNKIE, LOUISIANA
Special Revenue Funds
Combining Balance Sheets
June 30, 1999 with Comparative Totals for 1998

	<u>Sales Tax Fund</u>	<u>Surplus Bond Fund</u>	<u>Totals</u>	
			<u>1999</u>	<u>1998</u>
Assets				
Cash and cash equivalents	\$ 422,019	\$ -	\$ 422,019	\$ 288,142
Due from other governments	62,027	-	62,027	55,373
Restricted assets - cash	119,333	51,136	170,469	178,176
	<u>119,333</u>	<u>51,136</u>	<u>170,469</u>	<u>178,176</u>
Total Assets	<u>\$ 603,379</u>	<u>\$ 51,136</u>	<u>\$ 654,515</u>	<u>\$ 521,691</u>
Liabilities and Fund Balances				
Liabilities:				
Due to other funds	\$ 20,676	\$ -	\$ 20,676	\$ 18,458
Total liabilities	<u>20,676</u>	<u>-</u>	<u>20,676</u>	<u>18,458</u>
Fund balances:				
Reserved	119,333	51,136	170,469	178,176
Unreserved	463,370	-	463,370	325,057
	<u>463,370</u>	<u>-</u>	<u>463,370</u>	<u>325,057</u>
Total fund balances	<u>582,703</u>	<u>51,136</u>	<u>633,839</u>	<u>503,233</u>
Total Liabilities and Fund Balances	<u>\$ 603,379</u>	<u>\$ 51,136</u>	<u>\$ 654,515</u>	<u>\$ 521,691</u>

CITY OF BUNKIE, LOUISIANA

Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended June 30, 1999 with Comparative Totals for 1998

	<i>Sales</i>	<i>Surplus</i>	<i>Totals</i>	
	<i>Tax Fund</i>	<i>Bond Fund</i>	<i>1999</i>	<i>1998</i>
Revenues:				
Taxes	\$ 473,870	\$ -	\$ 473,870	\$ 439,441
Interest	14,892	1,215	16,107	10,779
Total revenues	<u>488,762</u>	<u>1,215</u>	<u>489,977</u>	<u>450,220</u>
Expenditures				
Collection expense	11,015	-	11,015	14,422
Paying agent fees	305	-	305	300
Miscellaneous	26	-	26	-
Total expenditures	<u>11,346</u>	<u>-</u>	<u>11,346</u>	<u>14,722</u>
Excess (deficiency) of revenues over expenditures	477,416	1,215	478,631	435,498
Other financing uses:				
Operating transfers out	<u>348,025</u>	<u>-</u>	<u>348,025</u>	<u>343,050</u>
Excess (deficiency) of revenues over expenditures and other uses	129,391	1,215	130,606	92,448
Fund balance, beginning	<u>453,312</u>	<u>49,921</u>	<u>503,233</u>	<u>410,785</u>
Fund balance, ending	<u>\$ 582,703</u>	<u>\$ 51,136</u>	<u>\$ 633,839</u>	<u>\$ 503,233</u>

CAPITAL PROJECTS FUNDS

The Capital Projects Funds are used to account for the accumulation and disbursement of resources used in the construction of capital assets. The City has the following Capital Projects Funds:

1996 LCDBG Fund – This fund is used to record the capital activity associated with a waterline replacement project in the amount of \$225,000 for repair and replacement of a water transmission main to the City. This project is funded by an LCDBG grant from the State of Louisiana.

1997 LCDBG Fund – This fund is used to record the capital activity associated with a sewer system upgrade in the amount of \$998,903. This project is funded by an LCDBG grant from the State of Louisiana.

ISTEA Fund – This fund is used to record the capital activity associated with the renovations to the depot and downtown area. This project is funded by a grant from the State of Louisiana.

CITY OF BUNKIE, LOUISIANA

Capital Projects Funds

Combining Balance Sheets

June 30, 1999

	<u>1996 LCDBG Fund</u>	<u>1997 LCDBG Fund</u>	<u>ISTEA Fund</u>	<u>Total</u>
Assets				
Cash and cash equivalents	<u>\$ 38</u>	<u>\$ 1</u>	<u>\$ 10</u>	<u>\$ 49</u>
Total Assets	<u>\$ 38</u>	<u>\$ 1</u>	<u>\$ 10</u>	<u>\$ 49</u>
Liabilities and Fund Balances				
Liabilities:				
Construction payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Unreserved	<u>38</u>	<u>1</u>	<u>10</u>	<u>49</u>
Total fund balances	<u>38</u>	<u>1</u>	<u>10</u>	<u>49</u>
Total Liabilities and Fund Balances	<u>\$ 38</u>	<u>\$ 1</u>	<u>\$ 10</u>	<u>\$ 49</u>

CITY OF BUNKIE, LOUISIANA

Capital Projects Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended June 30, 1999

	<i>1996 LCDBG Fund</i>	<i>1997 LCDBG Fund</i>	<i>ISTEA Fund</i>	<i>Total</i>
Revenues:				
Intergovernmental	\$ 1,138	\$ 61,610	\$ 2,695	\$ 65,443
Total revenues	1,138	61,610	2,695	65,443
Expenditures:				
Administrative	1,138	343	-	1,481
Construction	-	61,267	2,695	63,962
Other	-	-	8,350	8,350
Total expenditures	1,138	61,610	11,045	73,793
Excess (deficiency) of revenues over expenditures	-	-	(8,350)	(8,350)
Other financing sources (uses):				
Operating transfers in	-	-	8,350	8,350
Total other financing sources (uses):	-	-	8,350	8,350
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	-
Fund balance, beginning	38	1	10	49
Fund balance, ending	\$ 38	\$ 1	\$ 10	\$ 49

ENTERPRISE FUNDS

The Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the City is that costs of providing the goods and services to the general public on a continuing basis will be financed or recovered through user charges.

Water System Fund and Sewer System Fund - The City maintains a Water System Fund and a Sewer System Fund. Activities of these funds include administration, operation, and maintenance of the facilities and billing and collection activities. These funds also account for the accumulation of resources for, and the payment of, long-term debt principal and interest on outstanding indebtedness. All costs are financed through user charges to utility customers, and are reviewed and adjusted periodically if necessary to ensure the integrity of the fund.

CITY OF BUNKIE, LOUISIANA

Enterprise Fund

Combining Balance Sheet

June 30, 1999 with Comparative Totals for 1998

	<i>Water Fund</i>	<i>Sewer Fund</i>	<i>Totals</i>	
			<i>1999</i>	<i>1998</i>
Assets				
Current assets:				
Cash and cash equivalents	\$ 56,068	\$ 242,851	\$ 298,919	\$ 249,655
Receivables, net of allowance	60,196	48,474	108,670	109,006
Due from other governments	-	35,705	35,705	-
Total current assets	116,264	327,030	443,294	358,661
Restricted assets:				
Cash	317,907	269,368	587,275	550,644
Property, plant, and equipment:				
Construction in progress	-	151,761	151,761	261,826
Well sites and right of way	45,546	-	45,546	45,546
Treatment plant and lines	-	4,258,045	4,258,045	4,096,751
Depreciable assets	2,436,395	163,837	2,600,232	2,421,635
Accumulated depreciation	(1,625,894)	(675,035)	(2,300,929)	(2,109,422)
Total property, plant, and equipment	856,047	3,898,608	4,754,655	4,716,336
Total Assets	\$ 1,290,218	\$ 4,495,006	\$ 5,785,224	\$ 5,625,641
Liabilities and Fund Equity				
Current liabilities:				
Accounts payable	\$ 5,075	\$ 42,929	\$ 48,004	\$ 13,539
Accrued salaries	602	2,106	2,708	2,257
Payable from restricted assets:				
Bonds payable - current portion	-	75,839	75,839	72,227
Accrued interest	-	106,107	106,107	109,418
Customer meter deposits	77,375	-	77,375	70,090
Total current liabilities	83,052	226,981	310,033	267,531
Other liabilities:				
Due to other funds	-	8,845	8,845	7,302
Long-term debt:				
General obligation bonds payable	-	2,239,228	2,239,228	2,315,066
Revenue bonds payable	147,000	-	147,000	191,000
Total liabilities	230,052	2,475,054	2,705,106	2,780,899
Fund Equity:				
Contributed capital	940,736	1,625,852	2,566,588	2,342,134
Retained earnings				
Reserved for bond retirement	317,907	87,422	405,329	368,999
Unreserved	(198,477)	306,678	108,201	133,609
Total fund equity	1,060,166	2,019,952	3,080,118	2,844,742
Total Liabilities and Fund Equity	\$ 1,290,218	\$ 4,495,006	\$ 5,785,224	\$ 5,625,641

CITY OF BUNKIE, LOUISIANA

Enterprise Fund

Combining Statement of Revenues, Expenses, and Changes in Retained Earnings

For the Year Ended June 30, 1999 with Comparative Totals for 1998

	<i>Water</i>	<i>Sewer</i>	<i>Totals</i>	
	<i>Fund</i>	<i>Fund</i>	<i>1999</i>	<i>1998</i>
Operating revenues:				
Charges for services	\$ 409,772	\$ 297,785	\$ 707,557	\$ 693,966
Delinquent and other charges	30,357	885	31,242	30,919
Total operating revenues	<u>440,129</u>	<u>298,670</u>	<u>738,799</u>	<u>724,885</u>
Operating expenses:				
Salaries and wages	31,708	63,265	94,973	107,640
Employee benefits	8,027	33,492	41,519	45,342
Chemicals and supplies	22,358	21,502	43,860	39,042
Repairs and maintenance	5,818	8,531	14,349	25,472
Utilities and telephone	30,398	26,316	56,714	69,019
Gasoline and oil	3,455	1,085	4,540	4,683
Depreciation	58,964	132,543	191,507	201,641
Other operating expenses	5,668	16,335	22,003	23,943
Inflow and infiltration	-	64,819	64,819	106,421
Total operating expenses	<u>166,396</u>	<u>367,888</u>	<u>534,284</u>	<u>623,203</u>
Operating income	<u>273,733</u>	<u>(69,218)</u>	<u>204,515</u>	<u>101,682</u>
Non-operating revenues (expenses)				
Interest income	10,947	10,815	21,762	20,012
Interest expense	(9,550)	(116,055)	(125,605)	(131,301)
Ad valorem taxes	-	232,459	232,459	216,575
Total non-operating revenues (expenses)	<u>1,397</u>	<u>127,219</u>	<u>128,616</u>	<u>105,286</u>
Income before operating transfers	<u>275,130</u>	<u>58,001</u>	<u>333,131</u>	<u>206,968</u>
Operating transfers in (out)				
General Fund	<u>(303,702)</u>	<u>(18,507)</u>	<u>(322,209)</u>	<u>(285,975)</u>
Total transfers in (out)	<u>(303,702)</u>	<u>(18,507)</u>	<u>(322,209)</u>	<u>(285,975)</u>
Net income (loss)	(28,572)	39,494	10,922	(79,007)
Retained earnings, beginning	<u>148,002</u>	<u>354,606</u>	<u>502,608</u>	<u>581,615</u>
Retained earnings, ending	<u>\$ 119,430</u>	<u>\$ 394,100</u>	<u>\$ 513,530</u>	<u>\$ 502,608</u>