

CITY OF EUNICE, LOUISIANA

Financial Report

Year Ended June 30, 2002

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Independent Auditor's Report

The Honorable Mayor Kenneth J. Peart
and Members of the Council
City of Eunice, Louisiana

We have audited the accompanying general purpose financial statements of the City of Eunice, Louisiana, as of and for the year ended June 30, 2002, as listed in the table of contents. These general purpose financial statements are the responsibility of the City of Eunice, Louisiana's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Eunice, Louisiana, as of June 30, 2002, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 5, 2002 on our consideration of the City of Eunice, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The financial information for the preceding year, which is included for comparative purposes, was taken from the financial report for that year in which an unqualified opinion on the general purpose financial statements of the City of Eunice, Louisiana was expressed.

Member of:
American Institute of
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Certified Public Accountants

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the City of Eunice, Louisiana, taken as a whole. The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented, in all material respects in relation to the general purpose financial statements taken as a whole.

Darnall, Sikes & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana

September 5, 2002

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

CITY OF EUNICE, LOUISIANA
Combined Balance Sheet - All Fund Types and Account Groups
June 30, 2002

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS				
Cash and cash equivalents	\$ 256,900	\$ 1,163,659	\$ 375,630	\$ -
Investments, at cost	-	362,752	845,413	-
Receivables (net of allowance for uncollectibles):				
Accounts	-	-	-	-
Taxes	1,055	199	-	-
Other	5,406	-	-	-
Due from governmental units	91,495	-	-	-
Due from other funds	2,022	157,598	-	-
Prepaid items	210,219	10,324	-	-
Restricted assets:				
Cash	-	-	-	21,167
Investments, at cost	-	-	-	-
Land and buildings	-	-	-	-
Industrial facilities	-	-	-	-
Autos, equipment, furniture and fixtures	-	-	-	-
Utility, plant and equipment, at cost	-	-	-	-
Accumulated depreciation	-	-	-	-
Amounts available in debt service funds	-	-	-	-
Amounts to be provided for retirement of general long-term debt	-	-	-	-
Total assets	\$ 567,097	\$ 1,694,532	\$ 1,221,043	\$ 21,167
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$ 79,523	\$ 1,515	\$ -	\$ -
Accrued liabilities	38,774	69,234	-	-
Deferred grant revenue	-	-	-	-
Due to other funds	133,645	-	82,843	-
Payable from restricted assets -				
Customers' deposits	-	-	-	-
General long-term debt	-	-	-	-
General obligation bonds payable	-	-	-	-
Capital leases payable	-	-	-	-
Total liabilities	<u>251,942</u>	<u>70,749</u>	<u>82,843</u>	<u>-</u>
Fund equity:				
Contributed capital	-	-	-	-
Investment in general fixed assets	-	-	-	-
Retained earnings -				
Unreserved	-	-	-	-
Fund balances:				
Reserved for prepaid items	210,219	10,324	-	-
Reserved for debt service	-	-	1,138,200	-
Unreserved, undesignated	104,936	1,613,459	-	21,167
Total fund equity	<u>315,155</u>	<u>1,623,783</u>	<u>1,138,200</u>	<u>21,167</u>
Total liabilities and fund equity	\$ 567,097	\$ 1,694,532	\$ 1,221,043	\$ 21,167

The accompanying notes are an integral part of this statement.

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)	
Enterprise	Internal Service	Agency	General Fixed Assets	General Long-Term Debt	2002	2001
\$ 195,335	\$ 5,000	\$ 108,320	\$ -	\$ -	\$ 2,104,844	\$ 1,752,785
-	99,981	-	-	-	1,308,146	1,402,920
243,993	-	-	-	-	243,993	263,571
-	-	-	-	-	1,254	3,568
588	-	-	-	-	5,994	5,579
-	-	-	-	-	91,495	90,950
824	-	62,309	-	-	222,753	210,177
47,943	-	-	-	-	268,486	110,563
48,881	-	-	-	-	70,048	94,960
151,119	-	-	-	-	151,119	251,190
-	-	-	5,921,905	-	5,921,905	5,911,905
-	-	-	1,204,648	-	1,204,648	1,159,648
-	-	-	2,418,755	-	2,418,755	2,186,799
13,952,901	-	-	-	-	13,952,901	13,864,290
(5,860,691)	-	-	-	-	(5,860,691)	(5,564,171)
-	-	-	-	713,798	713,798	1,160,642
-	-	-	-	547,588	547,588	640,429
<u>\$ 8,780,893</u>	<u>\$ 104,981</u>	<u>\$ 170,629</u>	<u>\$ 9,545,308</u>	<u>\$ 1,261,386</u>	<u>\$ 23,367,036</u>	<u>\$ 23,545,805</u>
\$ 28,082	\$ -	\$ -	\$ -	\$ -	\$ 109,120	\$ 123,895
47,115	-	170,629	-	-	325,752	258,287
-	-	-	-	-	-	29,747
6,265	-	-	-	-	222,753	210,177
199,695	-	-	-	-	199,695	203,530
-	-	-	-	161,386	161,386	91,071
-	-	-	-	1,100,000	1,100,000	1,710,000
19,688	-	-	-	-	19,688	38,278
<u>300,845</u>	<u>-</u>	<u>170,629</u>	<u>-</u>	<u>1,261,386</u>	<u>2,138,394</u>	<u>2,664,985</u>
4,927,524	-	-	-	-	4,927,524	4,927,524
-	-	-	9,545,308	-	9,545,308	9,258,352
3,552,524	104,981	-	-	-	3,657,505	3,952,005
-	-	-	-	-	220,543	91,880
-	-	-	-	-	1,138,200	1,198,380
-	-	-	-	-	1,739,562	1,452,679
<u>8,480,048</u>	<u>104,981</u>	<u>-</u>	<u>9,545,308</u>	<u>-</u>	<u>21,228,642</u>	<u>20,880,820</u>
<u>\$ 8,780,893</u>	<u>\$ 104,981</u>	<u>\$ 170,629</u>	<u>\$ 9,545,308</u>	<u>\$ 1,261,386</u>	<u>\$ 23,367,036</u>	<u>\$ 23,545,805</u>

CITY OF EUNICE, LOUISIANA

Combined Statement of Revenues, Expenditures and Changes in
Fund Balances - All Governmental Fund Types
Year Ended June 30, 2002

	Governmental Fund Types				Total	
	General	Special Revenue	Debt Service	Capital Projects	(Memorandum Only)	
					2002	2001
Revenues:						
Taxes	\$ 984,321	\$ 3,266,678	\$ -	\$ -	\$ 4,250,999	\$ 4,141,379
Licenses and permits	430,508	-	-	-	430,508	384,002
Intergovernmental revenues	291,038	260,339	-	-	551,377	477,170
Fines, forfeitures and bonds	14,294	7,501	-	-	21,795	15,724
Liberty Cajun Music Show	59,196	-	-	-	59,196	63,096
Interest	-	29,142	41,695	1,689	72,526	135,747
Miscellaneous	<u>428,529</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>428,529</u>	<u>240,307</u>
Total revenues	<u>2,207,886</u>	<u>3,563,660</u>	<u>41,695</u>	<u>1,689</u>	<u>5,814,930</u>	<u>5,457,425</u>
Expenditures:						
Current -						
General government	1,028,248	103,466	-	-	1,131,714	1,116,958
Public safety	2,227,212	177,962	-	-	2,405,174	2,355,644
Public works	746,497	66,791	-	-	813,288	805,351
Health and welfare	18,007	-	-	-	18,007	23,454
Culture and recreation	437,708	108,861	-	-	546,569	556,927
Other	30,590	-	-	78,836	109,426	81,693
Capital outlay	17,735	636,246	-	-	653,981	737,667
Debt service:						
Principal retirement	-	30,568	610,000	-	640,568	749,477
Interest and fiscal charges	<u>-</u>	<u>3,524</u>	<u>81,466</u>	<u>-</u>	<u>84,990</u>	<u>122,604</u>
Total expenditures	<u>4,505,997</u>	<u>1,127,418</u>	<u>691,466</u>	<u>78,836</u>	<u>6,403,717</u>	<u>6,549,775</u>
Excess (deficiency) of revenues over expenditures	<u>(2,298,111)</u>	<u>2,436,242</u>	<u>(649,771)</u>	<u>(77,147)</u>	<u>(588,787)</u>	<u>(1,092,350)</u>
Other financing sources (uses):						
Operating transfers in	2,384,826	24,365	710,172	-	3,119,363	2,896,648
Operating transfers out	<u>(9,474)</u>	<u>(2,165,739)</u>	<u>-</u>	<u>-</u>	<u>(2,175,213)</u>	<u>(2,166,669)</u>
Total other financing sources (uses)	<u>2,375,352</u>	<u>(2,141,374)</u>	<u>710,172</u>	<u>-</u>	<u>944,150</u>	<u>729,979</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	77,241	294,868	60,401	(77,147)	355,363	(362,371)
Fund balances, beginning	<u>237,914</u>	<u>1,328,915</u>	<u>1,077,799</u>	<u>98,314</u>	<u>2,742,942</u>	<u>3,105,310</u>
Fund balances, ending	<u>\$ 315,155</u>	<u>\$ 1,623,783</u>	<u>\$ 1,138,200</u>	<u>\$ 21,167</u>	<u>\$ 3,098,305</u>	<u>\$ 2,742,939</u>

The accompanying notes are an integral part of this statement.

CITY OF EUNICE, LOUISIANA

Combined Statement of Revenues, Expenditures and Changes in Fund
Balances - Budget (GAAP Basis) and Actual -
All Governmental Fund Types
Year Ended June 30, 2002

	General Fund		
	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:			
Taxes	\$ 976,204	\$ 984,321	\$ 8,117
Licenses and permits	393,420	430,508	37,088
Intergovernmental revenues	247,263	291,038	43,775
Fines, forfeitures and bonds	13,500	14,294	794
Liberty Cajun Music Show	100,632	59,196	(41,436)
Interest	-	-	-
Miscellaneous	<u>283,980</u>	<u>428,529</u>	<u>144,549</u>
Total revenues	<u>2,014,999</u>	<u>2,207,886</u>	<u>192,887</u>
Expenditures:			
Current -			
General government	1,019,825	1,028,248	(8,423)
Public safety	2,217,209	2,227,212	(10,003)
Public works	725,343	746,497	(21,154)
Health and welfare	18,400	18,007	393
Culture and recreation	432,148	437,708	(5,560)
Other	28,650	30,590	(1,940)
Capital outlay	-	17,735	(17,735)
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>4,441,575</u>	<u>4,505,997</u>	<u>(64,422)</u>
Excess (deficiency) of revenues over expenditures	<u>(2,426,576)</u>	<u>(2,298,111)</u>	<u>128,465</u>
Other financing sources (uses):			
Operating transfers in	2,412,486	2,384,826	(27,660)
Operating transfers out	<u>-</u>	<u>(9,474)</u>	<u>(9,474)</u>
Total other financing sources (uses)	<u>2,412,486</u>	<u>2,375,352</u>	<u>(37,134)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(14,090)	77,241	91,331
Fund balances, beginning	<u>237,914</u>	<u>237,914</u>	<u>-</u>
Fund balances, ending	<u>\$ 223,824</u>	<u>\$ 315,155</u>	<u>\$ 91,331</u>

Special Revenue Funds			Totals (Memorandum Only)		
Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
\$ 3,296,563	\$ 3,266,678	\$ (29,885)	\$ 4,272,767	\$ 4,250,999	\$ (21,768)
-	-	-	393,420	430,508	37,088
179,574	260,339	80,765	426,837	551,377	124,540
10,200	7,501	(2,699)	23,700	21,795	(1,905)
-	-	-	100,632	59,196	(41,436)
27,160	29,142	1,982	27,160	29,142	1,982
<u>1,700</u>	<u>-</u>	<u>(1,700)</u>	<u>285,680</u>	<u>428,529</u>	<u>142,849</u>
<u>3,515,197</u>	<u>3,563,660</u>	<u>48,463</u>	<u>5,530,196</u>	<u>5,771,546</u>	<u>241,350</u>
96,024	103,466	(7,442)	1,115,849	1,131,714	(15,865)
116,358	177,962	(61,604)	2,333,567	2,405,174	(71,607)
93,700	66,791	26,909	819,043	813,288	5,755
-	-	-	18,400	18,007	393
108,000	108,861	(861)	540,148	546,569	(6,421)
-	-	-	28,650	30,590	(1,940)
787,718	636,246	151,472	787,718	653,981	133,737
30,568	30,568	-	30,568	30,568	-
<u>3,524</u>	<u>3,524</u>	<u>-</u>	<u>3,524</u>	<u>3,524</u>	<u>-</u>
<u>1,235,892</u>	<u>1,127,418</u>	<u>108,474</u>	<u>5,677,467</u>	<u>5,633,415</u>	<u>44,052</u>
<u>2,279,305</u>	<u>2,436,242</u>	<u>156,937</u>	<u>(147,271)</u>	<u>138,131</u>	<u>285,402</u>
-	24,365	24,365	2,412,486	2,409,191	(3,295)
<u>(2,349,676)</u>	<u>(2,165,739)</u>	<u>183,937</u>	<u>(2,349,676)</u>	<u>(2,175,213)</u>	<u>174,463</u>
<u>(2,349,676)</u>	<u>(2,141,374)</u>	<u>208,302</u>	<u>62,810</u>	<u>233,978</u>	<u>171,168</u>
(70,371)	294,868	365,239	(84,461)	372,109	456,570
<u>1,328,915</u>	<u>1,328,915</u>	<u>-</u>	<u>1,566,829</u>	<u>1,566,829</u>	<u>-</u>
<u>\$ 1,258,544</u>	<u>\$ 1,623,783</u>	<u>\$ 365,239</u>	<u>\$ 1,482,368</u>	<u>\$ 1,938,938</u>	<u>\$ 456,570</u>

CITY OF EUNICE, LOUISIANA

Combined Statement of Revenues, Expenditures and Changes in
Retained Earnings - All Proprietary Fund Types
Year Ended June 30, 2002

	Enterprise Fund	Internal Service Fund	Totals (Memorandum Only)	
			2002	2001
Operating revenues:				
Charges for services	\$ 2,964,896	\$ 513,687	\$ 3,478,583	\$ 4,449,430
Other billings to customers	<u>46,973</u>	<u>-</u>	<u>46,973</u>	<u>74,358</u>
Total operating revenues	<u>3,011,869</u>	<u>513,687</u>	<u>3,525,556</u>	<u>4,523,788</u>
Operating expenses:				
Payroll and related benefits	410,295	579,701	989,996	699,223
Gas purchases	1,049,251	-	1,049,251	2,019,105
Supplies and materials	109,313	-	109,313	52,993
Repairs and maintenance	76,414	-	76,414	82,309
Office expenses	32,978	-	32,978	30,769
Professional fees	14,502	-	14,502	16,410
Interest	2,258	-	2,258	3,294
Insurance	104,887	-	104,887	115,154
Depreciation	330,837	-	330,837	354,822
Bad debts	19,173	-	19,173	51,762
Permits	8,208	-	8,208	9,883
Utilities and telephone	139,518	-	139,518	165,794
Miscellaneous	<u>22,167</u>	<u>-</u>	<u>22,167</u>	<u>6,661</u>
Total operating expenses	<u>2,319,801</u>	<u>579,701</u>	<u>2,899,502</u>	<u>3,608,179</u>
Operating income	<u>692,068</u>	<u>(66,014)</u>	<u>626,054</u>	<u>915,609</u>
Nonoperating income:				
Interest earned on investments	11,344	3,175	14,519	28,859
Gain on sale of investments	-	-	-	540
Other income	<u>9,074</u>	<u>-</u>	<u>9,074</u>	<u>134,646</u>
Total nonoperating income	<u>20,418</u>	<u>3,175</u>	<u>23,593</u>	<u>164,045</u>
Income before operating transfers	<u>712,486</u>	<u>(62,839)</u>	<u>649,647</u>	<u>1,079,654</u>
Operating transfers:				
Operating transfers in	20,849	-	20,849	20,849
Operating transfers out	<u>(964,996)</u>	<u>-</u>	<u>(964,996)</u>	<u>(749,996)</u>
Total operating transfers	<u>(944,147)</u>	<u>-</u>	<u>(944,147)</u>	<u>(729,147)</u>
Net income (loss)	(231,661)	(62,839)	(294,500)	350,507
Retained earnings, beginning	<u>3,784,185</u>	<u>167,820</u>	<u>3,952,005</u>	<u>3,601,498</u>
Retained earnings, ending	<u>\$ 3,552,524</u>	<u>\$ 104,981</u>	<u>\$ 3,657,505</u>	<u>\$ 3,952,005</u>

The accompanying notes are an integral part of this statement.

CITY OF EUNICE, LOUISIANA

Combined Statement of Cash Flows - All Proprietary Fund Types
Year Ended June 30, 2002

	Enterprise Fund	Internal Service Fund	Total (Memorandum Only)	
			2002	2001
Cash flows from operating activities:				
Operating income	\$ 692,068	\$ (66,014)	\$ 626,054	\$ 915,609
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	330,837	-	330,837	354,822
Provision for uncollectible accounts	10,000	-	10,000	40,000
(Increase) decrease in current assets:				
Accounts receivable	28,751	-	28,751	(52,978)
Other receivables	766	-	766	(563)
Prepaid items	(29,260)	-	(29,260)	(823)
Increase (decrease) in current liabilities:			-	
Accounts payable	440	-	440	(2,710)
Accrued liabilities	(7,245)	-	(7,245)	(102,956)
Due to other funds	3,077	-	3,077	(8,402)
Other payables	(884)	-	(884)	2,526
Customers' deposits	(3,835)	-	(3,835)	(1,335)
Net cash provided (used) by operating activities	<u>1,024,715</u>	<u>(66,014)</u>	<u>958,701</u>	<u>1,143,190</u>
Cash flows from noncapital financing activities:				
Operating transfers in from other funds	20,849	-	20,849	20,849
Operating transfers out to other funds	(964,996)	-	(964,996)	(749,996)
Net cash used by noncapital financing activities	<u>(944,147)</u>	<u>-</u>	<u>(944,147)</u>	<u>(729,147)</u>
Cash flows from capital and related financing activities:				
Acquisition of plant and equipment	(122,928)	-	(122,928)	(376,469)
Disposal of plant and equipment	-	-	-	540
Payments of capital lease	(18,590)	-	(18,590)	(17,555)
Other	9,074	-	9,074	134,646
Net cash used by capital and related financing activities	<u>(132,444)</u>	<u>-</u>	<u>(132,444)</u>	<u>(258,838)</u>
Cash flows from investing activities:				
Interest on investments	11,344	3,175	14,519	28,859
Purchase of investments	(48,192)	(99,981)	(148,173)	(228,710)
Proceeds from maturities of investments	94,909	162,820	257,729	285,628
Net cash provided by investing activities	<u>58,061</u>	<u>66,014</u>	<u>124,075</u>	<u>85,777</u>
Net increase (decrease) in cash and cash equivalents	6,185	-	6,185	240,982
Cash and cash equivalents, beginning	<u>389,150</u>	<u>5,000</u>	<u>394,150</u>	<u>153,168</u>
Cash and cash equivalents, ending	<u>\$ 395,335</u>	<u>\$ 5,000</u>	<u>\$ 400,335</u>	<u>\$ 394,150</u>

The accompanying notes are an integral part of this statement.

CITY OF EUNICE, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Eunice was incorporated in 1909 under the Lawrason Act, and is administered under the Mayor and Board of Aldermen form of government. The accounting and reporting policies of the City of Eunice conform to generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:513 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, published by the American Institute of Certified Public Accountants.

The following is a summary of the more significant accounting policies:

Reporting Entity

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the City is able to exercise oversight responsibilities.

Based on the foregoing criteria, the following governmental organizations are not considered part of the City and are thus excluded from the accompanying financial statements for the reasons noted:

The Eunice City Court is operated under the directorship of the Eunice City Judge who is an elected public official. Revenues are derived from court costs. The City cannot significantly influence operations nor does it have responsibility for fiscal management.

The Opelousas-Eunice Public Library is a joint venture between the cities of Opelousas and Eunice. The City of Eunice does not exercise significant influence over management or fiscal matters of the Library. A copy of the joint ventures separate financial statements can be obtained from the Opelousas-Eunice Public Library, P.O. Box 249, Opelousas, LA 70570.

Fund Accounting

The government uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

CITY OF EUNICE, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types."

Governmental Fund Types

Governmental fund types are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary Fund Types

Proprietary funds which includes enterprise and internal service funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities are provided to outside parties or to other departments or agencies of the government.

Proprietary funds are reported in accordance with GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and other Governmental Entities that use Proprietary Fund Accounting. This standard requires that all applicable GASB pronouncements, Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) issued on or before November 30, 1989 be applied to proprietary activities unless they (FASB Statements and Interpretations, ARB Opinions, and ARBs) conflict with or contradict GASB pronouncements.

GASB Statement No. 20 also states that for proprietary activities, management may elect to apply all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements. Proprietary activities under the control of the City will not elect to apply FASB Statements and Interpretations issued after November 30, 1989, unless they are adopted by GASB.

Fiduciary Fund Types

Fiduciary fund types are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. When these assets are held under the terms of a formal trust agreement, either a pension trust

CITY OF EUNICE, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

fund, a nonexpendable trust fund or an expendable trust fund is used. The terms "nonexpendable" and "expendable" refer to whether or not the government is under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the government holds on behalf of others as their agent.

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.

Account Groups

An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. The following two account groups are not "funds".

General Fixed Assets

The fixed assets (capital outlays) used in governmental fund type operations are accounted for (capitalized) in the General Fixed Assets Account Group and are recorded as expenditures in the governmental fund types when purchased.

General Long-Term Debt

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group. The General Long-Term Debt Account Group shows only the measurement of financial position and is not involved with measurement of results of operations. Principal and interest payments on long-term liabilities (bank loans and capital lease obligations) are accounted for in the Debt Service Fund.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resource management focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

CITY OF EUNICE, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The modified accrual basis of accounting is used by all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, 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. An exception to this general rule is principal and interest on general long-term debt which is recognized when due.

Those revenues susceptible to accrual are property taxes, franchise taxes, licenses, interest revenue, and intergovernmental revenues.

Fines and permit revenues and sales tax collections are not susceptible to accrual because generally they are not measurable until received in cash.

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

Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general and special revenue funds. All annual appropriations lapse at fiscal year end. Project-length financial plans are adopted for all capital project funds, therefore, they are not included in this report.

Encumbrances are not recorded in the financial statements.

The budget presented is as amended by the Board of Aldermen. Expenditures may not legally exceed budgeted appropriations by more than 5% at the individual fund level.

Cash and Investments

Cash includes amounts in demand deposits. Investments include certificates of deposit, time deposits and investments in the Louisiana Asset Management Pool (LAMP), a local government investment pool. The bank balance of cash and investments is covered by federal depository insurance or by collateral held by the City's bank in the City's name.

CITY OF EUNICE, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

Prepaid Items

Payments made for services that will benefit periods beyond June 30, 2002, are recorded as prepaid items.

Fixed Assets

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost or estimated historical cost. The amounts of estimated costs are immaterial to these financial statements. Donated fixed assets are stated at their fair market value on the date donated.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized, as these assets are immovable and of value only to the government.

Assets in the general fixed assets account group are not depreciated. Depreciation of buildings, equipment and vehicles in the proprietary fund types is computed using the straight-line method. The estimated useful lives are as follows:

Gas system	67 years
Sewerage system	40-67 years
Meters & regulators	25 years
Vehicle & other equipment	25 years

Compensated Absences

Vested compensatory time that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Vested compensatory time of the proprietary fund is recorded as an expense and liability of that fund as the benefits accrue to employees. In accordance with the provisions of Statement of Financial Standards No. 43, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. Vacation time is allowed January 1st and lapse December 31st if not used.

CITY OF EUNICE, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-Term Obligations

Long-term debt expected to be financed by governmental fund types is reported in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund type operations are accounted for in those funds.

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 appropriated for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

Interfund Transactions

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

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

Memorandum Only - Total Columns

Total columns on the general purpose financial 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 are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the government's financial position and operations. However, comparative data has not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

Statement of Cash Flows

For purposes of the statement of cash flows, all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

CITY OF EUNICE, LOUISIANA

Notes to Financial Statements

NOTE 2 LEGAL COMPLIANCE - BUDGETS

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

The City Clerk prepares a proposed budget and submits same to the Mayor and Council no later than fifteen days prior to the beginning of each fiscal 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 called.

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.

Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Council.

NOTE 3 CASH AND INTEREST-BEARING DEPOSITS

Under state law, the City may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The City may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2002, the City has cash and interest-bearing deposits (book balances) totaling \$3,634,157 as follows:

Demand deposits	\$ 2,128,336
Louisiana Asset Management Pool (LAMP)	647,671
Time deposits	<u>858,150</u>
Total	<u>\$ 3,634,157</u>

CITY OF EUNICE, LOUISIANA

Notes to Financial Statements

NOTE 3 CASH AND INTEREST-BEARING DEPOSITS (Continued)

These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2002, are secured as follows:

Bank balances	<u>\$ 2,986,486</u>
Federal deposit insurance	\$ 123,638
Pledged securities (Category 3)	<u>3,490,101</u>
Total	<u>3,613,739</u>
Excess	<u>\$ 627,253</u>

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

The Louisiana Asset Management Pool (LAMP) is a non-profit corporation created under Louisiana Law. This corporation, created at the initiative of the Louisiana State Treasurer's Office and governed by a board of directors, allows units of local government to pool their cash balances as a means of increasing their rate of return on investments. LAMP invests only in securities and other obligations that are permissible under Louisiana law for municipalities and parishes; accordingly, these investments are restricted to securities issued, guaranteed or otherwise backed by the United States Government or one of its agencies, enterprises or instrumentalities. Since participation in LAMP constitutes a direct investment in the assets constituting the pool, there are no specific collateralization requirements; accordingly, these cash equivalents are considered uncollateralized under the provisions of GASB Codification 150.163(b).

CITY OF EUNICE, LOUISIANA

Notes to Financial Statements

NOTE 4 RECEIVABLES

Receivables at June 30, 2002, consist of the following:

	<u>General</u>	<u>Special Revenue</u>	<u>Enterprise</u>	<u>Total</u>
Taxes	\$ 1,319	\$ 249	\$ -	\$ 1,568
Accounts	-	-	320,993	320,993
Other	<u>5,406</u>	<u>-</u>	<u>588</u>	<u>5,994</u>
Gross receivables	6,725	249	321,581	328,555
Less: allowance for uncollectibles	<u>264</u>	<u>50</u>	<u>77,000</u>	<u>77,314</u>
Net total receivables	<u>\$ 6,461</u>	<u>\$ 199</u>	<u>\$ 244,581</u>	<u>\$ 251,241</u>

Accounts receivable in the Enterprise Fund consists of billed and unbilled receivables relating to gas and sewerage services. Gas accounts receivable are divided into two billing cycles. Cycle 1 is billed on the 18th for meters read from the 1st through the 15th. Cycle 2 is billed on the 3rd for meters read the 16th through 24th of the previous month. Billed receivables at June 30, 2002 were \$217,106 and unbilled receivables were \$103,887.

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

The City bills and collects its own property taxes using the assessed values determined by the tax assessors of St. Landry Parish and Acadia Parish.

For the year ended June 30, 2002, taxes of 13.29 mills were levied on property with an assessed valuation totaling \$39,897,710 and were dedicated as follows:

General corporate tax	6.65 mills
Street maintenance	4.53 mills
Sewer maintenance	2.11 mills

Total taxes levied were \$523,574. Taxes receivable, net of allowance for uncollectibles, at June 30, 2002, were \$1,254.

CITY OF EUNICE, LOUISIANA

Notes to Financial Statements

NOTE 5 FIXED ASSETS

The following is a summary of changes in the general fixed assets account group during the fiscal year:

	Balance June 30, 2001	Additions	Deletions	Balance June 30, 2002
Land and buildings	\$ 5,911,905	\$ 10,000	\$ -	\$ 5,921,905
Industrial facilities	1,159,648	45,000	-	1,204,648
Autos and equipment	<u>2,186,799</u>	<u>246,528</u>	<u>(14,572)</u>	<u>2,418,755</u>
	<u>\$ 9,258,352</u>	<u>\$ 301,528</u>	<u>\$ (14,572)</u>	<u>\$ 9,545,308</u>

The following is a summary of proprietary fund type fixed assets at June 30, 2002:

	Cost
Gas system	\$ 5,072,678
Sewage system	7,987,479
Autos and trucks	76,603
Equipment	372,171
Meters and regulators	<u>443,970</u>
	13,952,901
Accumulated depreciation	<u>(5,860,691)</u>
Total	<u>\$ 8,092,210</u>

NOTE 6 LONG-TERM DEBT

The following is a summary of debt transactions of the City of Eunice for the year ended June 30, 2002:

	June 30, 2001	Additions	Retirements	June 30, 2002
General obligations bonds	\$ 1,710,000	\$ -	\$ 610,000	\$ 1,100,000
Capital leases, sales tax fund	88,071	120,570	77,255	131,386
Other - liability insurance claims payable	<u>3,000</u>	<u>30,000</u>	<u>3,000</u>	<u>30,000</u>
	<u>\$ 1,801,071</u>	<u>\$ 150,570</u>	<u>\$ 690,255</u>	<u>\$ 1,261,386</u>

CITY OF EUNICE, LOUISIANA

Notes to Financial Statements

NOTE 6 LONG-TERM DEBT (Continued)

Bonds payable at June 30, 2002, is comprised of the following individuals issues:

General Obligation Bonds (secured by proceeds of a 2.2% sales and use tax):

Public Improvements Bonds, Series ST-1978 refunded as Series St-1992, dated 1/1/78, original issue of \$3,000,000, reitred annually invarious installment amounts, bearing interest at 5.6% to 6.0% per annum, final maturity at 1/1/03	\$ 245,000
Public Improvements Bonds, Series ST-1992, dated 9/1/92, original issue of \$2,190,000, retired annually in various installment amounts, bearing interest at 4.75% to 6% per annum, final maturity at 1/1/03	<u>325,000</u>
Total Public Improvements Bonds, Series, ST-1992	<u>570,000</u>
Public Improvements Bonds, Series ST-1997, dated 5/1/97, original issue of \$810,000, retired annually in various installment amounts, bearing interest at 4.10% to 5.40% per annum, final maturity at 7/1/08	<u>530,000</u>
	<u><u>\$ 1,100,000</u></u>
Capital lease:	
Purchase of equipment under capital lease in the amount of \$152,909 payable with a downpayment of \$2,197 and 60 monthly installments of \$2,841, including interest, payable from the Sales Tax Fund	\$ 53,156
Purchase of vehicles under capital lease in the amount of \$127,022 payable in three annual installments of \$42,341, including interest, payable from the Sales Tax Fund	<u>78,230</u>
	<u><u>\$ 131,386</u></u>

CITY OF EUNICE, LOUISIANA

Notes to Financial Statements

NOTE 6 LONG-TERM DEBT (Continued)

The annual requirements to amortize all debt outstanding at June 30, 2002, including interest payments of \$126,147 are as follows:

Year Ending June 30,	General Obligation	Capital Leases	Other	Total
2003	\$ 689,495	\$ 76,433	\$ 30,000	\$ 795,928
2004	103,720	61,405	-	165,125
2005	104,720	-	-	104,720
2006	105,385	-	-	105,385
2007	105,705	-	-	105,705
Thereafter	<u>110,670</u>	<u>-</u>	<u>-</u>	<u>110,670</u>
	<u>\$ 1,219,695</u>	<u>\$ 137,838</u>	<u>\$ 30,000</u>	<u>\$ 1,387,533</u>

The Debt Service Fund has \$713,798 available as of June 30, 2002 to service these debts.

NOTE 7 FLOW OF FUNDS - RESTRICTIONS ON USE - SALES TAX REVENUES

The City of Eunice levies a 2.2% sales and use tax dedicated as follows:

Proceeds of the 1% sales and use tax levied in 1978, are dedicated as follows:

Under the terms of the bond indentures, all monies collected are deposited into a separate account.

After payment of collection expenses, monies must be transferred to a sinking fund established for retirement of these bonds.

A reserve fund is established by monthly transfers from the sales tax fund until such time as the reserve fund has accumulated sufficient funds to equal the highest combined interest and bond payments due for any succeeding fiscal year.

Monies remaining in the sales tax fund may be used for providing additional general fund revenues and for the construction, operations and maintenance of capital improvements.

This is a 25 year sales and use tax set to expire December 31, 2002. It has been renewed.

Proceeds of the 1% sales and use levied in 1962 are dedicated as follows:

Under the terms of the bond indentures, all monies collected are deposited into a separate account.

CITY OF EUNICE, LOUISIANA

Notes to Financial Statements

NOTE 7 FLOW OF FUNDS - RESTRICTIONS ON USE - SALES TAX REVENUES (Continued)

After payment of collection expenses, monies must be transferred to a sinking fund established for retirement of these bonds.

A reserve fund is established by monthly transfers from the sales tax fund until such time as the reserve fund has accumulated sufficient funds to equal the highest combined interest and bond payments due for any succeeding fiscal year.

Monies remaining in the sales tax fund may be used for:

Opening, constructing, paving, resurfacing and improving streets, sidewalks and bridges; constructing and purchasing street lighting facilities; constructing and improving drains, drainage canals and subsurface drainage; constructing and purchasing fire department stations and equipment; constructing and purchasing police department stations and equipment; constructing and purchasing garbage disposal and health and sanitation equipment; constructing public buildings; purchasing, constructing and improving public parks and recreational facilities and acquiring the necessary equipment and furnishings therefore; purchasing equipment for civil defense; constructing, acquiring or improving any work of permanent public improvement; and purchasing and acquiring all equipment and furnishing for the public works, buildings, improvements and facilities.

Providing funds, not to exceed ten percent (10%) of the proceeds of said tax for such year, to defray costs of operating and maintaining a public library.

Providing funds, not to exceed ten percent (10%) of the proceeds of said tax for such year, for the payment of salaries of municipal employees.

Proceeds of the .2% sales and use tax levied in 1988 are dedicated as follows:

Under the terms of the Bond Indenture for the Public Improvement Bond, ST-1988, all monies collected are deposited into a sales tax fund account.

After payment of collection expenses, monies must be transferred to a sinking fund established for retirement of these bonds, in amounts equal to one-sixth of the interest and one-twelfth of the bonds becoming due in the next maturity.

A reserve fund is established by monthly transfers from the sales tax fund of \$1,000 until such time as the reserve fund has accumulated sufficient funds to equal the highest combined interest and bond payments due for any succeeding fiscal year.

Monies remaining in the sales tax fund may be used for constructing, acquiring, extending, improving, operating and maintaining sewers and sewerage disposal facilities.

CITY OF EUNICE, LOUISIANA

Notes to Financial Statements

NOTE 8 PENSION COST

Municipal Employees' Retirement System

Membership in the retirement system is mandatory for all employees who are employed on a permanent basis working at least 35 hours per week. However, new employees over 60 years of age and employees covered by another retirement system are not eligible. Employees are eligible to retire at any age with thirty or more years of creditable service or age 55 with twenty-five years of creditable service. Creditable service means all periods of time for which credit is allowed towards any benefits. Upon retirement, members are entitled to a retirement benefit, payable monthly in an amount equal to three percent of the member's final compensation multiplied by years of creditable service, provided however, that: (1) any member who has held an elective office in a municipality which is a participating employer shall be paid an additional annuity equal to one-half of one percent for each year of such elected service, (2) for any employee who was a member only of the supplemental plan prior to the revision date, the benefit earned for service credited prior to the revision date shall be determined on the basis of one percent of final compensation plus two dollars per month for each year of service credited prior to the revision date, and three percent of final compensation of each year of service credited after the revision date; and (3) the benefit of the Section shall not exceed one hundred percent of a member's final salary.

Final compensation means the average monthly earnings during the highest thirty-six months or joined months if service has interrupted. Final salary means the average monthly earnings of a member during the twelve month period immediately preceding his death or the establishment of Plan A. The System also provides death and disability benefits which require five years of creditable service for eligibility.

The City has several pension plans covering substantially all of its employees, as follows:

- Municipal Employees' Retirement System of Louisiana
- State of Louisiana - Municipal Police Employees' Retirement System
- State of Louisiana - Firefighters' Retirement System
- Louisiana State Employees' Retirement System

Substantially all employees are covered under the Municipal Employees' Retirement System of Louisiana except for firemen, policemen, and judges which are covered under the Firefighters' Retirement System, Municipal Police Employees' Retirement System, and Louisiana State Employees' Retirement System, respectively. Details concerning these plans follow:

Municipal Employees' Retirement System of Louisiana

Plan description:

The Municipal Employees' Retirement System of Louisiana (the System) is a cost-sharing multiple-employer public employee retirement system (PERS) as established and provided for by R.S. 11:1731 of the Louisiana Revised Statutes (LRS). The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. Employees of the City are members of Plan A.

CITY OF EUNICE, LOUISIANA

Notes to Financial Statements

NOTE 8 PENSION COST (Continued)

The Municipal Employees' Retirement System of Louisiana issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing to Municipal Employees' Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, LA 70809.

Funding policy:

Plan members are required to contribute 9.25% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 7.00% of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by the System's Board of Trustees. The City's contributions to the System for the year ended June 30, 2002 was \$95,937, equal to the required contributions for the year.

State of Louisiana - Municipal Police Employees' Retirement System

Plan description:

The Municipal Police Employees' Retirement System (the System) is a cost-sharing multiple-employer public employee retirement system (PERS).

Membership is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrest, providing they do not have to pay social security and providing they meet the statutory criteria. Employees who retire at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit payable monthly for life, equal to 3-1/3 percent of their average final compensation multiplied by the employee's years of credited service. Final compensation is the employee's monthly earnings during the 36 consecutive or joined months that produce the highest average. The System also provides death and disability benefits. Benefits are established by state statute.

The Municipal Police Employee's Retirement System issues a publicly available report that includes financial statements and required supplemental information. That report may be obtained by writing to Municipal Police Employee's Retirement System, P.O. Box 94095, Capital Station, Baton Rouge, LA 70809-9095.

Funding policy:

Plan members are required to contribute 7.5% of their annual covered salary and the City is required to contribute 9.0% as established by the state statute. The City's contributions to the System for the year ended June 30, 2002 was \$82,579, equal to the required contributions for the year.

State of Louisiana - Firefighters' Retirement System

CITY OF EUNICE, LOUISIANA

Notes to Financial Statements

NOTE 8 PENSION COST (Continued)

Plan description:

The Firefighters' Retirement System (the System) is a cost-sharing multiple-employer public employee retirement system (PERS), as established and provided for by R.S. 11:2251 through 2269 of the Louisiana Revised Statutes (LRS).

Membership is mandatory as a condition of employment beginning on date employed if the employee is on a permanent basis as a firefighter, not participating in another public funded retirement system and under age fifty (50) at date of employment. Employees who retire at or after age 50 with at least 20 years of credit service, or at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit payable monthly for life, equal to 3-1/3 percent of their average final compensation multiplied by the employee's years of credited service. Final compensation is the employee's monthly earnings during the 36 consecutive or joined months that produce the highest average. The System also provides death and disability benefits. Benefits are established by state statute.

The Firefighter's Retirement System issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing to Firefighter's Retirement System, P.O. Box 94095, Capitol Station, Baton Rouge, LA 70804-9095.

Funding policy:

Plan members are required to contribute 8.0% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 9.0% of annual covered payroll. The contribution requirements of Plan members are established and may be amended by the System's Board of Trustees. The City's contributions to the System for the year ended June 30, 2002 was \$37,846, equal to the required contributions for each year.

Louisiana State Employees' Retirement System

The City Judge is a member of the Louisiana State Employees' Retirement System. Under the plan, the Judge contributes 11.5% and the City contributes 13% of the Judge's compensation. The City's contribution for the current year amounted to \$2,224.

CITY OF EUNICE, LOUISIANA

Notes to Financial Statements

NOTE 9 INTERFUND RECEIVABLES, PAYABLES

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 2,022	\$ 133,645
Special Revenue Funds -		
Sales Tax Fund	156,760	-
St.Landry & Acadia Parish Fire District	838	-
Enterprise Fund -		
Utility Fund	824	6,265
Fiduciary Fund -		
Payroll Fund	62,309	-
Debt Service -		
Public Improvement Bonds (ST-1978) Fund	-	82,843
	<u>\$ 222,753</u>	<u>\$ 222,753</u>

NOTE 10 RESTRICTED ASSETS - PROPRIETARY FUND TYPE

Restricted assets applicable to customers' deposits at June 30, 2002 and 2001 are as follows:

	<u>2002</u>	<u>2001</u>
Customers' deposits:		
Cash	\$ 48,881	\$ 46,783
Investments, at cost	<u>151,119</u>	<u>198,581</u>
	<u>\$ 200,000</u>	<u>\$ 245,364</u>

NOTE 11 OPERATING LEASE

The City is committed under various two year and three year leases for vehicles and longer leases for heavy equipment. The leases are considered for accounting purposes to be operating leases. Total lease expenditures for the year ended June 30, 2002 and 2001, amounted to \$46,841 and \$36,922, respectively.

Future minimum lease payments under these leases are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2003	\$ 41,817
2004	21,578
2005	8,952
2006	<u>6,714</u>
	<u>\$ 79,061</u>

CITY OF EUNICE, LOUISIANA

Notes to Financial Statements

NOTE 12 ENTERPRISE FUND OPERATIONS

Operations of the City of Eunice Utility System consist of a gas distribution system and sewer utility system. Operating results of the individual utilities for the years ended June 30, 2002 and 2001 were as follows:

	Gas Department		Sewer Department	
	2002	2001	2002	2001
Operating Revenues	\$ 1,856,277	\$ 2,993,942	\$ 1,155,592	\$ 1,164,237
Operating Expenses	<u>1,608,897</u>	<u>2,570,935</u>	<u>710,904</u>	<u>733,914</u>
Operating Income	<u>\$ 247,380</u>	<u>\$ 423,007</u>	<u>\$ 444,688</u>	<u>\$ 430,323</u>

Operating expenses above include costs which cannot be directly associated with a single department; thus these expenses have been allocated on the basis of gross utility sales. For the fiscal year ended June 30, 2002, the Gas and Sewer Utilities provided services to 3,880 and 4,507 customers, respectively.

NOTE 13 SELF INSURANCE FUND

The City has established a risk management program for its group health and life insurance coverage and accounts for its in the Group Insurance Fund, an Internal Service Fund. This program provides employees and their dependents health benefits up to \$2,500,000 in a lifetime maximum. The City purchases commercial insurance for claims in excess of \$10,000 per individual per year of coverage provided by the program.

The City adopted the provisions of GASB Statement Number 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues." Funds of the City participate in the program and make payments to the Group Insurance Fund based on premiums needed to pay prior and current year claims, administrative cost, and commercial insurance premiums. GASB Statement Number 10 requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The net claims liability at June 30, 2002 is \$-0-.

SCHEDULES OF INDIVIDUAL FUNDS AND ACCOUNT GROUPS

GENERAL FUND

The General Fund is used to account for resources traditionally associated with governments which are not required legally or by sound financial management to be accounted for in another fund.

CITY OF EUNICE, LOUISIANA
General Fund

Comparative Balance Sheets
June 30, 2002 and 2001

ASSETS

	<u>2002</u>	<u>2001</u>
Cash	\$ 256,900	\$ 199,089
Ad valorem taxes receivable (net of allowance for uncollectible taxes of \$264 at 2002 and \$750 at 2001)	1,055	3,002
Other receivables	5,406	3,603
Due from other funds	2,022	2,023
Due from other governmental units	91,495	90,950
Prepaid insurance	<u>210,219</u>	<u>72,457</u>
Total assets	<u>\$ 567,097</u>	<u>\$ 371,124</u>

LIABILITIES AND FUND BALANCES

Liabilities:		
Accounts payable	\$ 79,523	\$ 73,745
Accrued liabilities	38,774	71,513
Due to other funds	<u>133,645</u>	<u>108,536</u>
Total liabilities	<u>251,942</u>	<u>253,794</u>
Fund balances:		
Reserved for prepaid items	210,219	72,457
Unreserved, undesignated	<u>104,936</u>	<u>44,873</u>
	<u>315,155</u>	<u>117,330</u>
Total liabilities and fund balances	<u>\$ 567,097</u>	<u>\$ 371,124</u>

CITY OF EUNICE, LOUISIANA
General Fund

Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (GAAP Basis) and Actual
Year Ended June 30, 2002
With Comparative Actual Amounts for the Year Ended June 30, 2001

	2002			
	Budget	Actual	Variance - Favorable (Unfavorable)	2001
Revenues:				
Taxes	\$ 976,204	\$ 984,321	\$ 8,117	\$ 994,096
Licenses and permits	393,420	430,508	37,088	384,002
Intergovernmental revenues	247,263	291,038	43,775	273,459
Fines and forfeitures	13,500	14,294	794	10,668
Liberty Cajun Music Show	100,632	59,196	(41,436)	63,096
Miscellaneous	<u>283,980</u>	<u>428,529</u>	<u>144,549</u>	<u>196,307</u>
Total revenues	<u>2,014,999</u>	<u>2,207,886</u>	<u>192,887</u>	<u>1,921,628</u>
Expenditures:				
Current -				
General government	1,019,825	1,028,248	(8,423)	983,749
Public safety	2,217,209	2,227,212	(10,003)	2,231,546
Public works	725,343	746,497	(21,154)	731,495
Health and welfare	18,400	18,007	393	23,454
Culture and recreation	432,148	437,708	(5,560)	445,436
Other	28,650	30,590	(1,940)	28,654
Capital outlay	<u>-</u>	<u>17,735</u>	<u>(17,735)</u>	<u>7,604</u>
Total expenditures	<u>4,441,575</u>	<u>4,505,997</u>	<u>(64,422)</u>	<u>4,451,938</u>
Deficiency of revenues over expenditures	<u>(2,426,576)</u>	<u>(2,298,111)</u>	<u>128,465</u>	<u>(2,530,310)</u>
Other financing sources (uses):				
Operating transfers in	2,412,486	2,384,826	(27,660)	2,185,644
Operating transfers out	<u>-</u>	<u>(9,474)</u>	<u>(9,474)</u>	<u>-</u>
Total other financing sources	<u>2,412,486</u>	<u>2,375,352</u>	<u>(37,134)</u>	<u>2,185,644</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(14,090)	77,241	91,331	(344,666)
Fund balance, beginning	<u>237,914</u>	<u>237,914</u>	<u>-</u>	<u>461,996</u>
Fund balance, ending	<u>\$ 223,824</u>	<u>\$ 315,155</u>	<u>\$ 91,331</u>	<u>\$ 117,330</u>

CITY OF EUNICE, LOUISIANA
General Fund

Statement of Revenues and Other Sources
Compared to Budget (GAAP Basis)
Year Ended June 30, 2002
With Comparative Actual Amounts for the Year Ended June 30, 2001

	2002		Variance -	
	Budget	Actual	Favorable (Unfavorable)	2001
Revenues:				
Taxes -				
Property taxes	\$ 438,018	\$ 441,202	\$ 3,184	\$ 432,826
Interest and penalty	5,600	10,342	4,742	12,985
Franchise fees	532,586	532,777	191	548,285
Licenses and permits -				
Occupational licenses	350,000	380,927	30,927	349,830
Liquor licenses	20,420	20,420	-	18,371
Building permit fees	23,000	29,161	6,161	15,801
Intergovernmental revenues -				
Grant revenue	31,763	34,105	2,342	23,003
Video poker	105,000	141,060	36,060	117,425
Tobacco tax	-	-	-	13,603
Beer tax	21,000	24,539	3,539	22,193
Correction receipts	37,000	38,287	1,287	47,973
Housing authority payment in lieu of tax	32,500	27,753	(4,747)	27,094
Fire insurance tax	20,000	25,294	5,294	22,168
Fines and forfeits -				
Court fines	13,500	14,294	794	10,668
Liberty Cajun Music Show	100,632	59,196	(41,436)	63,096
Miscellaneous	275,480	419,789	144,309	187,807
Fireworks donations	8,500	8,740	240	8,500
Total revenues	<u>2,014,999</u>	<u>2,207,886</u>	<u>192,887</u>	<u>1,921,628</u>
Other financing sources:				
Transfers from -				
Operating transfer in	<u>2,412,486</u>	<u>2,384,826</u>	<u>(27,660)</u>	<u>2,185,644</u>
Total revenues and other sources	<u>\$ 4,427,485</u>	<u>\$ 4,592,712</u>	<u>\$ 165,227</u>	<u>\$ 4,107,272</u>

CITY OF EUNICE, LOUISIANA
General Fund

Statement of Expenditures and Other Uses
Compared to Budget (GAAP Basis)
Year Ended June 30, 2002
With Comparative Actual Amounts for the Year Ended June 30, 2001

	2002		Variance -	
	Budget	Actual	Favorable (Unfavorable)	2001
General government:				
Advertising	\$ 17,000	\$ 21,073	\$ (4,073)	\$ 13,542
City Court	95,200	94,965	235	79,202
City Hall maintenance	20,000	22,854	(2,854)	38,266
Civil Service Board	1,800	1,806	(6)	1,436
Coroner	14,000	13,600	400	9,881
Drug testing	315	315	-	377
Dues	10,088	10,088	-	6,761
General insurance	38,757	35,190	3,567	27,926
Group insurance	102,900	105,229	(2,329)	103,738
Industrial inducement	4,358	4,958	(600)	3,600
Main Street Program expense	8,000	3,331	4,669	3,572
Materials and supplies	29,100	34,058	(4,958)	28,211
Office expenses	11,900	10,659	1,241	9,081
Other	103,364	87,457	15,907	84,984
Payroll taxes	35,755	40,047	(4,292)	32,655
Professional fees	31,300	37,189	(5,889)	39,184
Salaries	303,500	309,847	(6,347)	306,388
Street lighting	105,000	106,702	(1,702)	121,060
Tax roll preparation	7,488	7,488	-	7,239
Travel and meetings	11,000	11,149	(149)	12,834
Utilities and telephone	68,000	69,455	(1,455)	81,235
Zoning Board	1,000	788	212	755
Total government	<u>1,019,825</u>	<u>1,028,248</u>	<u>(8,423)</u>	<u>1,011,927</u>
Public safety:				
Police -				
Drug testing	1,000	890	110	799
General insurance	124,384	141,962	(17,578)	123,256
Group insurance	117,050	103,224	13,826	114,516
Jail expense	68,800	75,343	(6,543)	61,718
Other	45,314	59,415	(14,101)	41,625
Payroll taxes	13,050	14,349	(1,299)	12,674
Retirement and pension	153,283	153,943	(660)	141,759
Salaries	899,002	887,550	11,452	933,014
Supplies and materials	54,894	60,948	(6,054)	47,294
Telephone and utilities	11,600	12,293	(693)	9,726
Training	7,000	9,126	(2,126)	8,139
Transportation	83,600	87,320	(3,720)	115,146
Total police	<u>1,578,977</u>	<u>1,606,363</u>	<u>(27,386)</u>	<u>1,609,666</u>

(Continued)

CITY OF EUNICE, LOUISIANA
General Fund

Statement of Expenditures and Other Uses
Compared to Budget (GAAP Basis) (Continued)
Year Ended June 30, 2002
With Comparative Actual Amounts for the Year Ended June 30, 2001

	2002		Variance -	
	Budget	Actual	Favorable (Unfavorable)	2001
Fire -				
General insurance	\$ 66,675	\$ 65,265	\$ 1,410	\$ 58,749
Group insurance	48,025	46,575	1,450	48,484
Other	4,970	1,861	3,109	2,466
Payroll taxes	34,200	33,249	951	33,951
Repairs and maintenance	26,000	21,990	4,010	22,227
Salaries	404,500	403,902	598	372,437
Supplies and materials	16,600	14,318	2,282	15,447
Telephone and utilities	15,500	13,682	1,818	16,015
Transportation	5,100	5,417	(317)	7,216
Travel and meetings	1,162	868	294	696
Volunteer firemen	15,500	13,722	1,778	16,014
Total fire	<u>638,232</u>	<u>620,849</u>	<u>17,383</u>	<u>593,702</u>
Total public safety	<u>2,217,209</u>	<u>2,227,212</u>	<u>(10,003)</u>	<u>2,203,368</u>
Public works:				
Streets -				
Drug testing	810	855	(45)	717
General insurance	77,149	81,655	(4,506)	91,980
Group insurance	52,800	48,629	4,171	44,993
Other	17,384	17,658	(274)	19,438
Payroll taxes	32,500	7,070	25,430	5,914
Repairs and maintenance	70,500	79,260	(8,760)	87,582
Salaries	415,500	451,670	(36,170)	402,026
Signs and materials	<u>45,200</u>	<u>41,834</u>	<u>3,366</u>	<u>63,633</u>
Total streets	<u>711,843</u>	<u>728,631</u>	<u>(16,788)</u>	<u>716,283</u>
Sanitation -				
Vehicles and equipment maintenance	11,700	14,486	(2,786)	11,411
Other	<u>1,800</u>	<u>3,380</u>	<u>(1,580)</u>	<u>3,801</u>
Total sanitation	<u>13,500</u>	<u>17,866</u>	<u>(4,366)</u>	<u>15,212</u>
Total public works	<u>725,343</u>	<u>746,497</u>	<u>(21,154)</u>	<u>731,495</u>
Health and welfare:				
Animal control	<u>18,400</u>	<u>18,007</u>	<u>393</u>	<u>23,454</u>

(Continued)

CITY OF EUNICE, LOUISIANA
General Fund

Statement of Expenditures and Other Uses
Compared to Budget (GAAP Basis) (Continued)
Year Ended June 30, 2002

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

	2002		Variance -	
	Budget	Actual	Favorable (Unfavorable)	2001
Culture and recreation:				
Contract labor	\$ 46,500	\$ 43,820	\$ 2,680	\$ 50,249
Festival expenses	10,360	2,228	8,132	1,183
General and group insurance	6,413	6,752	(339)	9,641
July 4th fireworks	8,500	8,500	-	8,500
Liberty Cajun Music Show and Liberty Cultural Association	114,290	117,845	(3,555)	119,506
Library maintenance	20,950	21,728	(778)	16,899
Maintenance	30,300	24,432	5,868	18,872
Museum	38,951	31,712	7,239	34,326
Neighborhood centers	113,500	113,494	6	117,524
Other	1,904	10,272	(8,368)	13,279
Salaries and payroll taxes	16,480	17,134	(654)	19,785
Supplies	8,000	6,462	1,538	8,105
Telephone and utilities	16,000	17,867	(1,867)	21,225
Threshold of Hope	-	15,462	(15,462)	6,342
Total culture and recreation	<u>432,148</u>	<u>437,708</u>	<u>(5,560)</u>	<u>445,436</u>
Other:				
Airport expenditures	<u>28,650</u>	<u>30,590</u>	<u>(1,940)</u>	<u>28,654</u>
Capital outlay	<u>-</u>	<u>17,735</u>	<u>(17,735)</u>	<u>7,604</u>
Total expenditures	4,441,575	4,505,997	(64,422)	4,451,938
Other financing uses:				
Operating transfers out	<u>-</u>	<u>9,474</u>	<u>(9,474)</u>	<u>-</u>
Total expenditures and other uses	<u>\$ 4,441,575</u>	<u>\$ 4,515,471</u>	<u>\$ (73,896)</u>	<u>\$ 4,451,938</u>

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

SALES TAX FUND

To account for the receipt and use of proceeds of the City's 2.2% sales and use tax.

SEWER MAINTENANCE FUND

To account for the receipt and use of proceeds of a 2.26 mill ad valorem tax.

ST. LANDRY & ACADIA PARISH FIRE DISTRICT

To account for receipt and expenditures associated with the joint fire fighting effort.

PUBLIC SAFETY TESTING FUND

To account for the receipt and expenditures associated with court fees collected in connection with drug and alcohol related driving offenses.

COURT APPEARANCE BOND FUND

To account for the receipt and expenditures associated with the receipt of appearance bonds collected on arrests and traffic citations.

WITNESS FEES FUND

To account for the receipt and expenditures associated with witness fees collected by City Court.

CRIMINAL TASK FORCE GRANT

To account for the receipts and expenditures associated with funds received from the United States Department of Justice for the purchase of police equipment and payment of overtime for police officers.

LAW ENFORCEMENT BLOCK GRANT

To account for the receipt and expenditures associated with funds received from the Bureau of Justice for the hiring of non-administrative law enforcement officers and support personnel.

CITY OF EUNICE, LOUISIANA
All Special Revenue Funds

Combining Balance Sheet
June 30, 2002
With Comparative Actual Totals as of June 30, 2001

	Sales Tax Fund	Sewer Maintenance Fund	St. Landry & Acadia Parish Fire District	Public Safety Testing Fund
ASSETS				
Cash	\$ 1,059,984	\$ 73,487	\$ 14,011	\$ 5,612
Investments, at cost	362,752	-	-	-
Ad valorem taxes receivable (net of allowance for uncollectible taxes of \$50)	-	199	-	-
Due from other funds	156,760	-	838	-
Prepaid items	<u>10,324</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 1,589,820</u>	<u>\$ 73,686</u>	<u>\$ 14,849</u>	<u>\$ 5,612</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 828	\$ -	\$ 335	\$ -
Accrued liabilities	69,234	-	-	-
Due to other funds	-	-	-	-
Deferred revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>70,062</u>	<u>-</u>	<u>335</u>	<u>-</u>
Fund balances:				
Reserved for prepaid items	10,324	-	-	-
Unreserved, undesignated	<u>1,509,434</u>	<u>73,686</u>	<u>14,514</u>	<u>5,612</u>
Total fund balances	<u>1,519,758</u>	<u>73,686</u>	<u>14,514</u>	<u>5,612</u>
Total liabilities and fund balances	<u>\$ 1,589,820</u>	<u>\$ 73,686</u>	<u>\$ 14,849</u>	<u>\$ 5,612</u>

Court Appearance Bond Fund	Witness Fees Fund	Criminal Task Force Grant	Law Enforcement Block Grant	Totals	
				2002	2001
\$ 8,638	\$ 1,891	\$ -	\$ 36	\$ 1,163,659	\$ 923,009
-	-	-	-	362,752	353,617
-	-	-	-	199	566
-	-	-	-	157,598	171,243
-	-	-	-	10,324	19,423
<u>\$ 8,638</u>	<u>\$ 1,891</u>	<u>\$ -</u>	<u>\$ 36</u>	<u>\$ 1,694,532</u>	<u>\$ 1,467,858</u>
\$ 352	\$ -	\$ -	\$ -	1,515	\$ 20,037
-	-	-	-	69,234	73,549
-	-	-	-	-	15,610
-	-	-	-	-	29,747
<u>352</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,749</u>	<u>138,943</u>
-	-	-	-	10,324	19,423
<u>8,286</u>	<u>1,891</u>	<u>-</u>	<u>36</u>	<u>1,613,459</u>	<u>1,309,492</u>
<u>8,286</u>	<u>1,891</u>	<u>-</u>	<u>36</u>	<u>1,623,783</u>	<u>1,328,915</u>
<u>\$ 8,638</u>	<u>\$ 1,891</u>	<u>\$ -</u>	<u>\$ 36</u>	<u>\$ 1,694,532</u>	<u>\$ 1,467,858</u>

CITY OF EUNICE, LOUISIANA
All Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2002
With Comparative Actual Totals for the Year Ended June 30, 2001

	Sales Tax Fund	Sewer Maintenance Fund	St. Landry & Acadia Parish Fire District	Public Safety Testing Fund
Revenues:				
Taxes	\$ 3,184,306	\$ 82,372	\$ -	\$ -
Intergovernmental revenues	87,960	-	99,228	4,950
Fines, forfeitures and bonds	-	-	-	-
Interest	<u>26,762</u>	<u>1,470</u>	<u>491</u>	<u>71</u>
Total revenues	<u>3,299,028</u>	<u>83,842</u>	<u>99,719</u>	<u>5,021</u>
Expenditures:				
Current -				
General government	97,267	-	-	-
Public safety	-	-	107,986	3,772
Public works	-	66,791	-	-
Culture and recreation	108,861	-	-	-
Capital outlay	636,246	-	-	-
Debt service -				
Principal retirement	30,568	-	-	-
Interest charges	<u>3,524</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>876,466</u>	<u>66,791</u>	<u>107,986</u>	<u>3,772</u>
Excess (deficiency) of revenues over expenditures	<u>2,422,562</u>	<u>17,051</u>	<u>(8,267)</u>	<u>1,249</u>
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers out	<u>(2,165,106)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing uses	<u>(2,165,106)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	257,456	17,051	(8,267)	1,249
Fund balances (deficits), beginning	<u>1,262,302</u>	<u>56,635</u>	<u>22,781</u>	<u>4,363</u>
Fund balances, ending	<u>\$ 1,519,758</u>	<u>\$ 73,686</u>	<u>\$ 14,514</u>	<u>\$ 5,612</u>

Court Appearance Bond Fund	Witness Fees Fund	Criminal Task Force Grant	Law Enforcement Block Grant	Totals	
				2002	2001
\$ -	\$ -	\$ -	\$ -	\$ 3,266,678	\$ 3,147,283
-	6,251	29,747	32,203	260,339	203,711
7,501	-	-	-	7,501	5,056
-	26	157	165	29,142	54,892
<u>7,501</u>	<u>6,277</u>	<u>29,904</u>	<u>32,368</u>	<u>3,563,660</u>	<u>3,410,942</u>
-	6,199	-	-	103,466	105,031
2,296	-	28,631	35,277	177,962	152,276
-	-	-	-	66,791	73,856
-	-	-	-	108,861	111,491
-	-	-	-	636,246	730,063
-	-	-	-	30,568	61,391
-	-	-	-	3,524	5,972
<u>2,296</u>	<u>6,199</u>	<u>28,631</u>	<u>35,277</u>	<u>1,127,418</u>	<u>1,240,080</u>
<u>5,205</u>	<u>78</u>	<u>1,273</u>	<u>(2,909)</u>	<u>2,436,242</u>	<u>2,170,862</u>
-	-	19,434	4,931	24,365	-
-	-	-	(633)	(2,165,739)	(2,166,669)
-	-	19,434	4,298	(2,141,374)	(2,166,669)
5,205	78	20,707	1,389	294,868	4,193
<u>3,081</u>	<u>1,813</u>	<u>(20,707)</u>	<u>(1,353)</u>	<u>1,328,915</u>	<u>1,324,722</u>
<u>\$ 8,286</u>	<u>\$ 1,891</u>	<u>\$ -</u>	<u>\$ 36</u>	<u>\$ 1,623,783</u>	<u>\$ 1,328,915</u>

CITY OF EUNICE, LOUISIANA
Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
Year Ended June 30, 2002
With Comparative Actual Totals for the Year Ended June 30, 2001

	2002		Variance -	
	Budget	Actual	Favorable (Unfavorable)	2001
Revenues:				
Taxes	\$ 3,296,563	\$ 3,266,678	\$ (29,885)	\$ 3,147,283
Intergovernmental revenues	179,574	260,339	80,765	203,711
Fines and bonds	10,200	7,501	(2,699)	5,056
Interest	27,160	29,142	1,982	54,892
Miscellaneous	<u>1,700</u>	<u>-</u>	<u>(1,700)</u>	<u>-</u>
Total revenues	<u>3,515,197</u>	<u>3,563,660</u>	<u>48,463</u>	<u>3,410,942</u>
Expenditures:				
Current -				
General government	96,024	103,466	(7,442)	105,031
Public safety	116,358	177,962	(61,604)	152,276
Public works	93,700	66,791	26,909	73,856
Culture and recreation	108,000	108,861	(861)	111,491
Capital outlay	787,718	636,246	151,472	730,063
Debt service -				
Principal retirement	30,568	30,568	-	61,391
Interest charges	<u>3,524</u>	<u>3,524</u>	<u>-</u>	<u>5,972</u>
Total expenditures	<u>1,235,892</u>	<u>1,127,418</u>	<u>108,474</u>	<u>1,240,080</u>
Excess of revenues over expenditures	<u>2,279,305</u>	<u>2,436,242</u>	<u>156,937</u>	<u>2,170,862</u>
Other financing sources (uses):				
Operating transfers in	-	24,365	24,365	-
Operating transfers out	<u>(2,349,676)</u>	<u>(2,165,739)</u>	<u>183,937</u>	<u>(2,166,669)</u>
Total other financing uses	<u>(2,349,676)</u>	<u>(2,141,374)</u>	<u>208,302</u>	<u>(2,166,669)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(70,371)	294,868	365,239	4,193
Fund balances, beginning	<u>1,328,915</u>	<u>1,328,915</u>	<u>-</u>	<u>1,324,722</u>
Fund balances, ending	<u>\$ 1,258,544</u>	<u>\$ 1,623,783</u>	<u>\$ 365,239</u>	<u>\$ 1,328,915</u>

DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources and payment of principal and interest on general obligation bonds.

PUBLIC IMPROVEMENT BONDS

To accumulate monies for the retirement of \$5,485,000 of bonds due in various installments and interest rates for various public improvements and financed by proceeds of sales and use taxes.

CITY OF EUNICE, LOUISIANA
Debt Service Funds

Combining Balance Sheet
June 30, 2002
With Comparative Actual Totals as of June 30, 2001

	Public Improvement Bonds		Totals	
	Series ST-1997	Series ST-1992	2002	2001
ASSETS				
Bond and interest redemption funds:				
Cash and cash equivalents	\$ 18,397	\$ 357,233	\$ 375,630	\$ 394,118
Bond reserve funds:				
Investments, at cost	125,401	720,012	845,413	886,483
Other receivables	<u>-</u>	<u>-</u>	<u>-</u>	<u>622</u>
Total assets	<u>\$ 143,798</u>	<u>\$ 1,077,245</u>	<u>\$ 1,221,043</u>	<u>\$ 1,281,223</u>
LIABILITIES AND FUND BALANCES				
Due to other funds	\$ 82,843	\$ -	\$ 82,843	\$ 82,843
Fund balances:				
Reserved for debt service	<u>60,955</u>	<u>1,077,245</u>	<u>1,138,200</u>	<u>1,198,380</u>
Total liabilities and fund balances	<u>\$ 143,798</u>	<u>\$ 1,077,245</u>	<u>\$ 1,221,043</u>	<u>\$ 1,281,223</u>

CITY OF EUNICE, LOUISIANA
Debt Service Funds

Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances
Year Ended June 30, 2002
With Comparative Actual Totals for the Year Ended June 30, 2001

	Public Improvement Bonds		Totals	
	Series ST-1977	Series ST-1992	2002	2001
Revenues:				
Interest	\$ 5,479	\$ 36,216	\$ 41,695	\$ 74,708
Miscellaneous -				
Industrial lease payments	-	-	-	44,000
Total revenues	<u>5,479</u>	<u>36,216</u>	<u>41,695</u>	<u>118,708</u>
Expenditures -				
Debt service:				
Principal retirement	75,000	535,000	610,000	688,086
Interest paid	30,958	50,098	81,056	116,202
Paying agent fees	-	410	410	430
Total expenditures	<u>105,958</u>	<u>585,508</u>	<u>691,466</u>	<u>804,718</u>
Deficiency of revenues over expenditures	<u>(100,479)</u>	<u>(549,292)</u>	<u>(649,771)</u>	<u>(686,010)</u>
Other financing sources:				
Operating transfers in	104,172	606,000	710,172	710,172
Operating transfers out	-	-	-	-
Total other financing sources	<u>104,172</u>	<u>606,000</u>	<u>710,172</u>	<u>710,172</u>
Excess of revenues and other sources over expenditures and other uses	3,693	56,708	60,401	24,162
Fund balances, beginning	<u>57,262</u>	<u>1,020,537</u>	<u>1,077,799</u>	<u>1,174,218</u>
Fund balances, ending	<u>\$ 60,955</u>	<u>\$ 1,077,245</u>	<u>\$ 1,138,200</u>	<u>\$ 1,198,380</u>

CAPITAL PROJECT FUND

Capital Project Fund is used to account for the acquisition and construction of major facilities other than those financed by proprietary funds and trust funds.

CITY HALL CONSTRUCTION FUND

This fund is used to account for expenditures associated with the maintenance of the Eunice Municipal Complex.

CITY OF EUNICE, LOUISIANA
Capital Project Fund
City Hall Construction Fund

Comparative Balance Sheets
as of June 30, 2002 and 2001

	<u>2002</u>	<u>2001</u>
ASSETS		
Cash	\$ 21,167	\$ 48,177
Investments, at cost	<u>-</u>	<u>52,608</u>
Total assets	<u>\$ 21,167</u>	<u>\$ 100,785</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ -	\$ 2,471
Fund balance:		
Unreserved, undesignated	<u>21,167</u>	<u>98,314</u>
Total liabilities and fund balance	<u>\$ 21,167</u>	<u>\$ 100,785</u>

CITY OF EUNICE, LOUISIANA
Capital Project Fund
City Hall Construction Fund

Comparative Schedules of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2002 and 2001

	<u>2002</u>	<u>2001</u>
Revenues:		
Interest	\$ 1,689	\$ 6,147
Expenditures:		
Current -		
Other	<u>78,836</u>	<u>53,039</u>
Deficiency of revenues over expenditures	(77,147)	(46,892)
Other financing soources:		
Operating transfers in	<u>-</u>	<u>832</u>
Deficiency of revenue and other sources over expenditures	(77,147)	(46,060)
Fund balance, beginning	<u>98,314</u>	<u>144,374</u>
Fund balance, ending	<u>\$ 21,167</u>	<u>\$ 98,314</u>

ENTERPRISE FUND

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to provide business enterprises - where the intent of the government's council is that the cost of providing goods or service to the general public on a continuing basis be financed or recovered primarily through user charges; or where the government's council has decided that periodic determination of net income is appropriate for accountability purposes.

UTILITY FUND

To account for the provision of gas and sewer services to residents of the City of Eunice.

CITY OF EUNICE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Balance Sheets
June 30, 2002 and 2001

	<u>2002</u>	<u>2001</u>
ASSETS		
Current assets:		
Cash	\$ 195,335	\$ 209,675
Accounts receivable, (net of allowance for uncollectible accounts of \$77,000 for 2002 and \$67,000 for 2001)	243,993	263,571
Other receivables	588	1,354
Due from other funds	824	824
Prepaid expenses	<u>47,943</u>	<u>18,683</u>
Total current assets	<u>488,683</u>	<u>494,107</u>
Restricted assets - customers' deposits:		
Cash	48,881	46,783
Investments, at cost	<u>151,119</u>	<u>198,582</u>
Total restricted assets	<u>200,000</u>	<u>245,365</u>
Plant and equipment, at cost (net of accumulated depreciation 2002 -\$5,860,691; 2001 -\$5,564,171)	<u>8,092,210</u>	<u>8,300,119</u>
Total assets	<u>\$ 8,780,893</u>	<u>\$ 9,039,591</u>
LIABILITIES AND FUND EQUITY		
Current liabilities (payable from current assets)		
Accounts payable	\$ 28,082	\$ 27,642
Compensated absences payable	1,329	1,579
Other payables	3,309	4,193
Accrued liabilities	42,477	49,472
Due to other funds	6,265	3,188
Capital lease payable	<u>19,688</u>	<u>18,591</u>
Total current liabilities	<u>101,150</u>	<u>104,665</u>
Current liabilities (payable from restricted assets)		
Customers' deposits	<u>199,695</u>	<u>203,530</u>
Noncurrent liabilities		
Capital lease payable	<u>-</u>	<u>19,687</u>
Total liabilities	<u>300,845</u>	<u>327,882</u>
Fund equity:		
Contributed equity -		
Contributions from municipality	4,691,860	4,691,860
Contributions from grants	<u>235,664</u>	<u>235,664</u>
Total contributed equity	<u>4,927,524</u>	<u>4,927,524</u>
Retained earnings	<u>3,552,524</u>	<u>3,784,185</u>
Total fund equity	<u>8,480,048</u>	<u>8,711,709</u>
Total liabilities and fund equity	<u>\$ 8,780,893</u>	<u>\$ 9,039,591</u>

CITY OF EUNICE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Schedules of Revenues, Expenses and
Changes in Retained Earnings
Years Ended June 30, 2002 and 2001

	<u>2002</u>	<u>2001</u>
Operating revenues:		
Charges for services	\$ 2,964,896	\$ 4,083,821
Other billings to customers	<u>46,973</u>	<u>74,358</u>
Total operating revenues	<u>3,011,869</u>	<u>4,158,179</u>
Operating expenses:		
Payroll and related benefits	410,295	395,893
Gas purchases	1,049,251	2,019,105
Supplies and materials	109,313	52,993
Repairs and maintenance	76,414	82,309
Office expenses	32,978	30,769
Professional fees	14,502	16,410
Interest	2,258	3,294
Insurance - general	63,493	66,861
Depreciation	330,837	354,822
Group insurance	41,394	48,293
Bad debts	19,173	51,762
Permits	8,208	9,883
Utilities and telephone	139,518	165,794
Miscellaneous	<u>22,167</u>	<u>6,661</u>
Total operating expenses	<u>2,319,801</u>	<u>3,304,849</u>
Operating income	<u>692,068</u>	<u>853,330</u>
Nonoperating income:		
Interest earned on investments	11,344	24,497
Gain on sale of investments	-	540
Other revenue	<u>9,074</u>	<u>134,646</u>
Total nonoperating income	<u>20,418</u>	<u>159,683</u>
Income before operating transfers	<u>712,486</u>	<u>1,013,013</u>
Operating transfers:		
Operating transfers in	20,849	20,849
Operating transfers out	<u>(964,996)</u>	<u>(749,996)</u>
Total operating transfers	<u>(944,147)</u>	<u>(729,147)</u>
Net income (loss)	(231,661)	283,866
Retained earnings, beginning	<u>3,784,185</u>	<u>3,500,319</u>
Retained earnings, ending	<u>\$ 3,552,524</u>	<u>\$ 3,784,185</u>

Gas Department		Sewer Department	
2002	2001	2002	2001
\$ 1,815,161	\$ 2,929,042	\$ 1,149,735	\$ 1,154,779
<u>41,116</u>	<u>64,900</u>	<u>5,857</u>	<u>9,458</u>
<u>1,856,277</u>	<u>2,993,942</u>	<u>1,155,592</u>	<u>1,164,237</u>
261,431	226,624	148,864	169,269
1,049,251	2,019,105	-	-
54,686	52,993	54,627	-
49,733	43,874	26,681	38,435
25,803	24,246	7,175	6,523
13,800	12,964	702	3,446
-	-	2,258	3,294
26,146	23,045	37,347	43,816
77,293	77,974	253,544	276,848
23,588	29,395	17,806	18,898
19,173	51,762	-	-
-	-	8,208	9,883
1,117	2,807	138,401	162,987
<u>6,876</u>	<u>6,146</u>	<u>15,291</u>	<u>515</u>
<u>1,608,897</u>	<u>2,570,935</u>	<u>710,904</u>	<u>733,914</u>
<u>\$ 247,380</u>	<u>\$ 423,007</u>	<u>\$ 444,688</u>	<u>\$ 430,323</u>

INTERNAL SERVICE FUND

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

GROUP INSURANCE FUND

To account for the accumulation of funds for the City's self-insurance against health care claims.

CITY OF EUNICE, LOUISIANA
Internal Service Fund
Group Insurance Fund

Comparative Balance Sheets
June 30, 2002 and 2001

	<u>2002</u>	<u>2001</u>
ASSETS		
Current assets:		
Cash	\$ 5,000	\$ 5,000
Investments	<u>99,981</u>	<u>162,820</u>
Total assets	<u>\$ 104,981</u>	<u>\$ 167,820</u>
LIABILITIES AND FUND EQUITY		
Retained earnings	<u>\$ 104,981</u>	<u>\$ 167,820</u>
Total liabilities and fund equity	<u>\$ 104,981</u>	<u>\$ 167,820</u>

CITY OF EUNICE, LOUISIANA
Internal Service Fund
Group Insurance Fund

Comparative Schedules of Revenues, Expenses and
Changes in Retained Earnings
Years Ended June 30, 2002 and 2001

	<u>2002</u>	<u>2001</u>
Operating revenues:		
Charge for services -		
Group insurance	<u>\$ 513,687</u>	<u>\$ 365,609</u>
Operating expenses:		
Insurance premiums	235,709	202,917
Claims (net)	<u>343,992</u>	<u>100,413</u>
Total operating expenses	<u>579,701</u>	<u>303,330</u>
Operating income (loss)	(66,014)	62,279
Nonoperating income:		
Interest income	<u>3,175</u>	<u>4,362</u>
Net income (loss)	(62,839)	66,641
Retained earnings, beginning	<u>167,820</u>	<u>101,179</u>
Retained earnings, ending	<u>\$ 104,981</u>	<u>\$ 167,820</u>

FIDUCIARY FUND

Fiduciary Fund Types are used to account for assets held by governments in a fiduciary capacity.

PAYROLL FUND

This fund is used to account for the payroll of the City employees.

CITY OF EUNICE, LOUISIANA
Fiduciary Fund
Payroll Fund

Comparative Balance Sheets
June 30, 2002 and 2001

	<u>2002</u>	<u>2001</u>
ASSETS		
Cash	\$ 108,320	\$ 21,894
Due from other funds	<u>62,309</u>	<u>36,087</u>
Total assets	<u>\$ 170,629</u>	<u>\$ 57,981</u>
LIABILITIES		
Accrued liabilities	\$ 170,629	\$ 57,981
Due to other funds	<u>-</u>	<u>-</u>
Total liabilities	<u>\$ 170,629</u>	<u>\$ 57,981</u>

Schedule of Changes in Assets and Liabilities

	<u>Balance 7/1/01</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/02</u>
ASSETS				
Cash	\$ 21,894	\$ 3,625,826	\$ 3,539,400	\$ 108,320
Due from other funds	<u>36,087</u>	<u>3,636,891</u>	<u>3,610,669</u>	<u>62,309</u>
	<u>\$ 57,981</u>	<u>\$ 7,262,717</u>	<u>\$ 7,150,069</u>	<u>\$ 170,629</u>
LIABILITIES				
Accrued liabilities	<u>\$ 57,981</u>	<u>\$ 1,260,562</u>	<u>\$ 1,147,914</u>	<u>\$ 170,629</u>
	<u>\$ 57,981</u>	<u>\$ 1,260,562</u>	<u>\$ 1,147,914</u>	<u>\$ 170,629</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

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

CITY OF EUNICE, LOUISIANA
General Fixed Assets Account Group

Schedule of Changes in General Fixed Assets
Year Ended June 30, 2002

	Balance 7/1/01	Additions	Deletions	Balance 6/30/02
Land and buildings	\$ 5,911,905	\$ 10,000	\$ -	\$ 5,921,905
Industrial facilities	1,159,648	45,000	-	1,204,648
Autos, equipment, furniture and fixtures	<u>2,186,799</u>	<u>246,528</u>	<u>14,572</u>	<u>2,418,755</u>
Total	<u>\$ 9,258,352</u>	<u>\$ 301,528</u>	<u>\$ 14,572</u>	<u>\$ 9,545,308</u>

GENERAL LONG-TERM DEBT ACCOUNT GROUP

To account for unmatured principal amounts on general long-term debt expected to be financed from governmental type funds.

CITY OF EUNICE, LOUISIANA
General Long-Term Debt Account Group

Combining Schedule of General Long-Term Debt
June 30, 2002
With Comparative Totals as of June 30, 2001

	Public Improvement Bonds		Sales Tax Fund Installment Purchase Contract	Litigation Claims Payable	Totals	
	Series ST-1997	Series ST-1992			2002	2001
Amount Available and to be Provided for the Payment of General Long-Term Debt						
Amount available in Debt Service Funds for debt retirement	\$ 143,798	\$ 570,000	\$ -	\$ -	\$ 713,798	\$ 1,160,642
Amount to be provided from -						
Sale and use taxes	386,202	-	-	-	386,202	549,358
Excess annual revenue	<u>-</u>	<u>-</u>	<u>131,386</u>	<u>30,000</u>	<u>161,386</u>	<u>91,071</u>
	<u>\$ 530,000</u>	<u>\$ 570,000</u>	<u>\$ 131,386</u>	<u>\$ 30,000</u>	<u>\$ 1,261,386</u>	<u>\$ 1,801,071</u>
<u>General Long-Term Debt Payable</u>						
Bonds payable	\$ 530,000	\$ 570,000	\$ -	\$ -	\$ 1,100,000	\$ 1,710,000
Estimated liability for claims and judgments	-	-	-	30,000	30,000	3,000
General long-term debt	<u>-</u>	<u>-</u>	<u>131,386</u>	<u>-</u>	<u>131,386</u>	<u>88,071</u>
Total general long-term debt payable	<u>\$ 530,000</u>	<u>\$ 570,000</u>	<u>\$ 131,386</u>	<u>\$ 30,000</u>	<u>\$ 1,261,386</u>	<u>\$ 1,801,071</u>

INTERNAL CONTROL, COMPLIANCE



(A Corporation of Certified Public Accountants)

Independent Auditor's Report on Compliance and
on Internal Control over Financial
Reporting Based on an Audit of General
Purpose Financial Statements Performed in
Accordance with *Government Auditing Standards*

The Honorable Mayor Kenneth J. Peart
and Members of the Council
City of Eunice, Louisiana

We have audited the general purpose financial statements of the City of Eunice, Louisiana, as of and for the year ended June 30, 2002, and have issued our report thereon dated September 5, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City of Eunice, Louisiana's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Eunice, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City of Eunice, Louisiana's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 02-1.

Eugene H. Darnall, CPA, Retired 1990
Paula D. Bihm, CPA, Deceased 2002

E. Larry Sikes, CPA, CVA, CFP™
Danny P. Frederick, CPA
Clayton E. Darnall, CPA, CVA
Eugene H. Darnall, III, CPA
Stephanie M. HigginBotham, CPA
John P. Armato, CPA

Jennifer S. Ziegler, CPA, CFP™
Chris A. Miller, CPA, CVA
Stephen R. Dischler, MBA, CPA
Steven G. Moosa, CPA
Erich G. Loewer, Jr. CPA

Kathleen T. Darnall, CPA
Erich G. Loewer, III, MTX, CPA
Tamera T. Landry, CPA
Raegan D. Stelly, CPA
Julie T. Templet, CPA
Barbara A. Clark, CPA
Monica F. Laverne, CPA
Lauren F. Verrett, CPA
Michelle B. Borrello, CPA
Jeremy C. Meaux, CPA
Kevin S. Young, CPA

Member of:
American Institute of
Certified Public Accountants

Society of Louisiana
Certified Public Accountants

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 general purpose 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 item 02-1 described in the schedule of findings and questioned cost is a material weakness.

This report is intended solely for the information and use of the City Council, management and Legislative Auditor and is not intended to be and should not be used by anyone other than those specified parties. Under Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Dannall, Sikes & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana
September 5, 2002

CITY OF EUNICE, LOUISIANA

Summary Schedule of Prior Year Findings
Year Ended June 30, 2002

01-1	Finding:	<u>Inadequate Segregation of Accounting Functions</u>
	Status:	This finding is unresolved. See current year finding 02-1.
01-2	Finding:	<u>Police Payroll</u>
	Status:	Investigation on this finding was completed by the Louisiana State Police, Bureau of Investigation, West District Detectives. The final report was filed with the Legislative Auditor. There is no intention to pursue this matter further. This finding is considered resolved.
01-3	Finding	<u>Police Records</u>
	Status	Authorized approval and review of time logs by payroll personnel has been implemented. This finding is resolved.
01-4	Finding	<u>Police Records</u>
	Status	Time logs have been redesigned. This finding is resolved.
01-5	Finding:	<u>Police Records</u>
	Status	This finding is resolved.

CITY OF EUNICE, LOUISIANA

Schedule of Findings and Questioned Costs
Year Ended June 30, 2002

Part 1: Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report – Financial Statements

An unqualified opinion has been issued the City of Eunice, Louisiana's financial statements as of and for the year ended June 30, 2002.

Reportable Condition – Financial Reporting

One reportable condition in internal control over financial reporting was disclosed during the audit of the financial statements and is shown as item 02-1 in Part 2 and is considered a material weakness.

Material Noncompliance – Financial Reporting

There were no material instances of noncompliance noted during the audit.

FEDERAL AWARDS

This section is not applicable for the fiscal year ended June 30, 2002.

Part 2: Findings Relating to an Audit in Accordance with *Government Auditing Standards*

Individual Segregation of Accounting Functions

02-1 Finding:

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

Recommendation:

Based on the size of the operation and the cost-benefit of additional accounting personnel, it may not be feasible to achieve complete segregation of duties.

Response:

A complete segregation of duties is not feasible due to the cost-benefit of hiring additional personnel and the size of the City.

Part 3: Findings and Questioned Costs Relating to Federal Programs

At June 30, 2002, the City of Eunice, Louisiana did not meet the requirements to have single audit in accordance with OMB Circular A-133; therefore this section is not applicable.

OTHER SUPPLEMENTARY INFORMATION

CITY OF EUNICE, LOUISIANA

Schedule of Per Diem Paid to Members of the Council
Year Ended June 30, 2002

Kenneth J. Peart, Mayor	\$ 31,410
Nolton Anderson	7,120
Louis Pavur	7,120
I. Jackson Burson	13,700
Chawana Fontenot	7,120
Charles Atchison	<u>7,120</u>
	<u>\$ 73,590</u>