

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

The Honorable Charles J. Benoit, Mayor,
and the Board of Aldermen
Village of Mermentau, Louisiana

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Village of Mermentau, Louisiana. Such information, except for the Schedule of Insurance in Force marked "unaudited," on which we express no opinion, 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.

In accordance with Government Auditing Standards, we have also issued a report dated August 20, 1996 on our consideration of the Village's internal control structure and a report dated August 20, 1996 on its compliance with laws and regulations.

The financial information for the preceding fiscal year which is included for comparative purposes was taken from the financial report for that year in which we expressed an unqualified opinion on the general purpose financial statements of the Village of Mermentau, Louisiana, as of and for the year ended June 30, 1995.

BROUSSARD, POCHE, LEWIS & BREUX

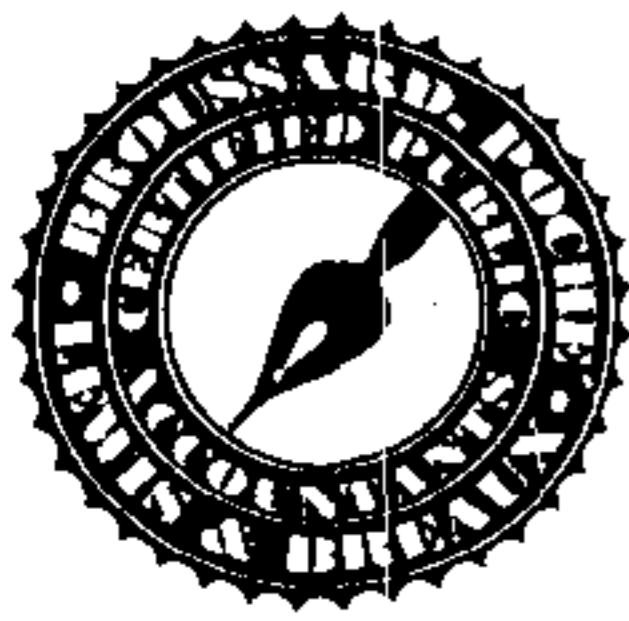
Crowley, Louisiana
August 20, 1996

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VILLAGE OF MERMENTAU, LOUISIANA
FINANCIAL REPORT
JUNE 30, 1996

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

Release Date MAR 26 1997



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INDEPENDENT AUDITOR'S REPORT

The Honorable Charles J. Benoit, Mayor,
and the Board of Aldermen
Village of Mermentau, Louisiana

We have audited the accompanying general purpose financial statements of the Village of Mermentau, Louisiana, as of June 30, 1996, and for the year then ended. These general purpose financial statements are the responsibility of the Village'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 generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 Village of Mermentau, Louisiana, as of June 30, 1996, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

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The Honorable Charles J. Benoit, Mayor,
and the Board of Aldermen
Village of Mermentau, Louisiana

The results of our tests disclosed the following instance of noncompliance that is required to be reported herein under Government Auditing Standards:

Budget

Finding: The budget was not adopted prior to the commencement of the fiscal year.

Cause: The budget was not finalized and available for adoption until after the beginning of the year.

Recommendation and response: The Village will adopt budgets for future fiscal years prior to the commencement of the year.

We considered this instance of noncompliance in forming our opinion on whether the financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our report dated August 20, 1996 on those financial statements.

This report is intended for the information of management and the Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

BROUSSARD, POCHÉ, LEWIS & BREAUX

Crowley, Louisiana
August 20, 1996



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

The Honorable Charles J. Benoit, Mayor,
and the Board of Aldermen
Village of Mermentau, Louisiana

We have audited the general purpose financial statements of Village of Mermentau, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated August 20, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Village of Mermentau, Louisiana, is the responsibility of the Village's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the Village's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

Material instances of noncompliance are failures to follow requirements, or violations of prohibitions, contained in statutes, regulations, contracts, or grants, that cause us to conclude that the aggregation of the misstatements resulting from those failures or violations is material to the financial statements. The results of our tests of compliance disclosed the following material instance of noncompliance.

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The Honorable Charles J. Benoit, Mayor,
and the Board of Aldermen
Village of Mermentau, Louisiana

Subsidiary Ledger

Finding: The subsidiary ledger maintained for the enterprise fund does not agree with the general ledger.

Cause: The client was reconciling the posting of every billing cycle but was not reconciling the ending balance of accounts receivable.

Recommendation and response: The client currently understands the need to reconcile the ending balance of accounts receivable on a monthly basis and is currently performing such a reconciliation.

This report is intended for the information of management and the Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

BROUSSARD, POCHÉ, LEWIS & BREUX

Crowley, Louisiana
August 20, 1996

The Honorable Charles J. Benoit, Mayor,
and the Board of Aldermen
Village of Mermentau, Louisiana

In planning and performing our audit of the general purpose financial statements of Village of Mermentau, Louisiana for the year ended June 30, 1996, we considered its internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities 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 structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we noted the following reportable conditions that we believe to be material weaknesses.

Inadequate Segregation of Duties

Finding: There is a lack of segregation of duties in all areas of the financial cycle.

Cause: Due to the small number of employees and the lack of resources, the Village is unable to implement a segregated system of internal control.

Recommendation and response: The mayor and aldermen are aware of this problem and we are in agreement with them that it would not be cost beneficial or possible with the limited resources available to create a segregated accounting environment.



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

The Honorable Charles J. Benoit, Mayor,
and the Board of Aldermen
Village of Mermentau, Louisiana

We have audited the general purpose financial statements of the Village of Mermentau, Louisiana as of and for the year ended June 30, 1996, and have issued our report thereon dated August 20, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of Village of Mermentau, Louisiana is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

* A Professional Accounting Corporation.

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VILLAGE OF MERMENTAU, LOUISIANA

SCHEDULE OF COMPENSATION PAID TO ELECTED OFFICIALS
Year Ended June 30, 1996

<u>Name</u>	<u>Amount</u>
Charles J. Benoit	\$ 720
Troy Cormier	360
Willis Broussard	360
David Fruge'	360
	<u>\$ 1,800</u>

The schedule of compensation paid to elected officials was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Legislature.

The aldermen receive compensation of \$30 per month, and the mayor receives \$60 per month.

VILLAGE OF MERMENTAU, LOUISIANA
UTILITY FUND

SCHEDULE OF UTILITY RATES

The rates in effect for the year ended June 30, 1996 were:

Water

First 3,000 gallons per month	\$ 9.00
Over 3,000 gallons	\$ 1.50 per 1,000 gallons or each part thereof

Sewerage

Based on water used:

First 3,000 gallons per month	\$ 7.00
Over 3,000 gallons	\$ 3.15 per 1,000 gallons or each part thereof

Schedule 1

<u>Risks Covered</u>	<u>Limits</u>	<u>Expiration Date</u>
Fire, lightning and extended coverage, 80% co-insurance	\$500,000 \$ 50,000	10-06-96
Fire, lightning and extended coverage, 90% co-insurance	\$812,250	09-12-96
Workmen's compensation Employer's liability	Statutory \$500,000	02-14-97
Official's bond	\$ 45,000	10-31-96
Official's bond	\$ 3,000	10-31-96
Official's bond	\$ 25,000	10-31-96
Bodily injury	\$50M/\$100M	10-03-96
Property damage	\$10,000	
Uninsured motorist	\$250M/\$100M	

VILLAGE OF MERMENTAU, LOUISIANA

SCHEDULE OF INSURANCE IN FORCE

June 30, 1996

Unaudited

<u>Insurer</u>	<u>Assets Covered</u>
Louisiana Municipal Risk Management	City Hall building contents
Audubon Insurance Company	All property of Village, except underground drainage, roads, bridges, trees, currency notes, historical records, vehicles including tractors and buildings in course of construction
Louisiana Municipal Risk Management	Employees
Western Surety	Sewer District 1-A clerk Village clerk Tax collector Waterworks clerk Assistant village clerk
Audubon Insurance Company	1989 Chevrolet S-10 pickup 1990 Ford Ltd.

OTHER SUPPLEMENTARY DATA

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VILLAGE OF MERMENEAU, LOUISIANA

STATEMENT OF CHANGES IN GENERAL LONG-TERM DEBT
Year Ended June 30, 1996

	Balance July 1, <u>1995</u>	General Obligation Notes <u>Retired</u>	Debt Service Fund <u>Operations</u>	Balance June 30, <u>1996</u>
Amount available in debt service fund	\$ 13,521	\$ -	\$ 2,181	\$ 15,702
Amount to be provided for retirement of long-term debt	<u>31,173</u>	<u>(3,602)</u>	<u>(2,181)</u>	<u>25,390</u>
Total available and to be provided	<u>\$ 44,694</u>	<u>\$ (3,602)</u>	<u>\$ -</u>	<u>\$ 41,092</u>
General long-term debt payable	<u>\$ 44,694</u>	<u>\$ (3,602)</u>	<u>\$ -</u>	<u>\$ 41,092</u>

VILLAGE OF MERMENTAU, LOUISIANA

COMPARATIVE STATEMENT OF GENERAL LONG-TERM DEBT
June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE PAYMENT OF GENERAL LONG-TERM DEBT		
Amount available in debt service fund	\$ 15,702	\$ 13,521
Amount to be provided from ad valorem taxes	<u>25,390</u>	<u>31,173</u>
Total available and to be provided	<u>\$ 41,092</u>	<u>\$ 44,694</u>
GENERAL LONG-TERM DEBT PAYABLE		
Notes payable:		
Due within one year	\$ 3,709	\$ 3,562
Due after one year	<u>37,383</u>	<u>41,132</u>
Total notes payable	<u>\$ 41,092</u>	<u>\$ 44,694</u>

GENERAL LONG-TERM DEBT GROUP OF ACCOUNTS

To account for general long-term liabilities of governmental funds.

VILLAGE OF MERMENTAU, LOUISIANA
GENERAL FIXED ASSETS GROUP OF ACCOUNTS

STATEMENT OF CHANGES IN FIXED ASSETS
Year Ended June 30, 1996

	Balance July 1, <u>1995</u>	<u>Additions</u>	<u>Reductions</u>	Balance June 30, <u>1996</u>
General fixed assets:				
Land	\$ 18,515	\$ -	\$ -	\$ 18,515
Buildings	46,325	-	-	46,325
Improvements other than buildings	20,384	-	-	20,384
Equipment	67,664	3,096	-	70,760
	<u>\$152,888</u>	<u>\$ 3,096</u>	<u>\$ -</u>	<u>\$155,984</u>
Investment in general fixed assets from:				
General fund revenues	\$146,286	\$ 3,096	\$ -	\$149,382
Federal revenue sharing fund	6,602	-	-	6,602
	<u>\$152,888</u>	<u>\$ 3,096</u>	<u>\$ -</u>	<u>\$155,984</u>

GENERAL FIXED ASSETS GROUP OF ACCOUNTS

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

VILLAGE OF MERMENTAU, LOUISIANA
UTILITY FUND

STATEMENT OF CASH FLOWS
Year Ended June 30, 1996

	<u>1996</u>	<u>1995</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income	\$ 14,352	\$ 25,837
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	20,709	13,321
Changes in assets and liabilities:		
Increase in accounts receivable	(217)	(584)
Decrease in due from other funds	4,240	(4,314)
Decrease in prepaid expenses	67	(73)
Decrease in accounts payable	(102,949)	103,132
Increase in other payable and liabilities	<u>634</u>	<u>967</u>
Net cash provided (used) by operating activities	<u>\$ (63,164)</u>	<u>\$ 138,286</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	\$ (12,755)	\$ (98,742)
Principal paid on revenue notes payable	(10,166)	(9,655)
Proceeds from issuance of certificate of indebtedness	135,000	-
Interest paid	<u>(9,577)</u>	<u>(5,884)</u>
Net cash provided (used) by capital and related financing activities	<u>\$ 102,502</u>	<u>\$ (114,281)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of certificates of deposit	\$(100,937)	\$ (95,548)
Proceeds from maturities of certificates of deposit	97,481	94,212
Interest received	<u>3,458</u>	<u>2,233</u>
Net cash provided by investing activities	<u>\$ 2</u>	<u>\$ 897</u>
Net increase in cash and cash equivalents	\$ 39,340	\$ 24,902
Cash and cash equivalents, beginning	<u>112,190</u>	<u>87,288</u>
Cash and cash equivalents, ending	<u>\$ 151,530</u>	<u>\$ 112,190</u>

Noncash investing activity:

Contributed capital and plant and equipment were increased for the year ended June 30, 1996 and 1995 by capital outlays made in the Capital Projects - Community Development Block Grant Fund of \$14,584 and \$356,668, respectively, for the construction of the wastewater treatment facility.

VILLAGE OF MERMENTAU, LOUISIANA
UTILITY FUNDCOMPARATIVE STATEMENT OF CHANGES IN RETAINED EARNINGS
Years Ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Retained earnings, beginning	\$ 84,367	\$ 61,875
Add:		
Net income	<u>4,590</u>	<u>22,492</u>
Retained earnings, ending	<u>\$ 88,957</u>	<u>\$ 84,367</u>

VILLAGE OF MERMENTAU, LOUISIANA
UTILITY FUND

STATEMENT OF REVENUES AND EXPENSES -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 1996

With Comparative Actual Amounts for Year Ended June 30, 1995

	<u>1996</u>		Variance-	<u>1995</u>
	<u>Budget</u>	<u>Actual</u>	Favorable (Unfavorable)	<u>Actual</u>
Operating revenues:				
Charges for services:				
Water revenue	\$ 43,000	\$ 46,027	\$ 3,027	\$ 43,794
Sewer revenue	49,000	52,287	3,287	48,568
Miscellaneous:				
Connection fees	1,000	685	(315)	885
Penalties	1,500	1,690	190	1,395
Other	900	2,796	1,896	829
	<u>\$ 95,400</u>	<u>\$103,485</u>	<u>\$ 8,085</u>	<u>\$ 95,471</u>
Operating expenses:				
Personal services:				
Labor	\$ 18,000	\$ 21,635	\$ (3,635)	\$ 20,581
Payroll taxes	450	339	111	306
Retirement expense	500	492	8	371
Supplies and materials:				
Office supplies	4,600	3,308	1,292	4,271
Chemicals	5,500	4,593	907	5,405
Depreciation	-	20,709	(20,709)	13,321
Heat, light and power	6,500	7,535	(1,035)	7,685
Bad debts	-	2,814	(2,814)	231
Other services and charges:				
Repairs and maintenance	9,000	9,164	(164)	6,922
Insurance	4,500	4,680	(180)	4,637
Legal and accounting	4,000	11,292	(7,292)	4,785
Engineering fees	1,000	204	796	-
Other	3,500	2,368	1,132	1,119
	<u>\$ 57,550</u>	<u>\$ 89,133</u>	<u>\$(31,583)</u>	<u>\$ 69,634</u>
Operating income	<u>\$ 37,850</u>	<u>\$ 14,352</u>	<u>\$(23,498)</u>	<u>\$ 25,837</u>
Non-operating revenues (expense):				
Interest revenue	\$ 2,000	\$ 3,524	\$ 1,524	\$ 2,522
Interest expense	<u>(24,238)</u>	<u>(13,286)</u>	<u>10,952</u>	<u>(5,867)</u>
	<u>\$(22,238)</u>	<u>\$ (9,762)</u>	<u>\$ 12,476)</u>	<u>\$ (3,345)</u>
Net income	<u>\$ 15,612</u>	<u>\$ 4,590</u>	<u>\$(11,022)</u>	<u>\$ 22,492</u>

LIABILITIES AND FUND EQUITY	<u>1996</u>	<u>1995</u>
LIABILITIES		
Current liabilities (payable from current assets):		
Accounts payable	\$ 183	\$103,132
Other payables	<u>878</u>	<u>829</u>
	<u>\$ 1,061</u>	<u>\$103,961</u>
Current liabilities (payable from restricted assets):		
Customers' deposits	\$ 6,845	\$ 6,260
Accrued interest	3,945	236
Water revenue notes payable (due in one year)	6,364	6,105
Sewer revenue notes payable (due in one year)	4,125	3,957
Certificate of indebtedness notes payable (due in one year)	<u>9,000</u>	<u>-</u>
	<u>\$ 30,279</u>	<u>\$ 16,558</u>
Total current liabilities	<u>\$ 31,340</u>	<u>\$120,519</u>
LONG-TERM LIABILITIES (due after one year):		
Water revenue notes payable	\$ 70,611	\$ 77,038
Sewer revenue notes payable	46,117	50,283
Certificate of indebtedness notes payable	<u>126,000</u>	<u>-</u>
	<u>\$242,728</u>	<u>\$127,321</u>
FUND EQUITY		
Contributed capital	\$583,936	\$569,352
Retained earnings (deficit):		
Reserved for revenue note retirement and customers' deposits	41,659	31,587
Unreserved	<u>47,298</u>	<u>52,780</u>
	<u>\$672,893</u>	<u>\$653,719</u>
	<u>\$946,961</u>	<u>\$901,559</u>

VILLAGE OF MERMENTAU, LOUISIANA
UTILITY FUND

COMPARATIVE BALANCE SHEET
June 30, 1996 and 1995

ASSETS	<u>1996</u>	<u>1995</u>
CURRENT ASSETS		
Cash and cash equivalents	\$131,193	\$112,190
Accounts receivable, net of allowance for doubtful accounts of \$2,184 in 1996 and \$2,147 in 1995	13,848	13,631
Accrued interest receivable	648	582
Prepaid expenses	1,369	1,436
Due from other funds	<u>2,274</u>	<u>6,514</u>
Total current assets	<u>\$149,332</u>	<u>\$134,353</u>
RESTRICTED ASSETS		
Cash and cash equivalents:		
Certificate of indebtedness sinking fund	\$ 20,337	\$ -
Certificates of deposit:		
Sewerage reserve	2,600	2,600
Sewerage depreciation	12,960	12,480
Waterworks reserve	4,600	4,600
Waterworks depreciation	24,103	22,443
Customers' meter deposits	<u>7,338</u>	<u>6,022</u>
	<u>\$ 71,938</u>	<u>\$ 48,145</u>
PLANT AND EQUIPMENT, at cost, net of accumulated depreciation 1996 \$310,164; 1995 \$289,456	<u>\$725,691</u>	<u>\$719,061</u>
	<u>\$946,961</u>	<u>\$901,559</u>

ENTERPRISE FUND

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

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VILLAGE OF MERMENTAU, LOUISIANA
CAPITAL PROJECTS FUND
COMMUNITY DEVELOPMENT BLOCK GRANT

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGE IN FUND BALANCE
Years Ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Revenues:		
Intergovernmental:		
Grant	\$ <u>14,574</u>	\$ <u>356,810</u>
Expenditures:		
Current:		
General government:		
Publications	\$ -	\$ 100
Capital outlays	<u>14,584</u>	<u>356,668</u>
	<u>\$ 14,584</u>	<u>\$ 356,768</u>
Excess (deficiency) of revenues over expenditures	\$ (10)	\$ 42
Fund balance (deficit) - beginning	<u>10</u>	<u>(32)</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 10</u>

VILLAGE OF MERMENTAU, LOUISIANA
 CAPITAL PROJECTS FUND
 COMMUNITY DEVELOPMENT BLOCK GRANT

COMPARATIVE BALANCE SHEET
 June 30, 1996 and 1995

ASSETS	<u>1996</u>	<u>1995</u>
Cash	<u>\$ -</u>	<u>\$ 4,401</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Due to other funds	<u>\$ -</u>	<u>\$ 4,391</u>
FUND BALANCE		
Unreserved	<u>-</u>	<u>10</u>
	<u>\$ -</u>	<u>\$ 4,401</u>

CAPITAL PROJECTS FUND

Community Development Block Grant -

To account for the collection and disbursement of grants from another governmental unit for the construction of the wastewater treatment facility.

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VILLAGE OF MERMENTAU, LOUISIANA
DEBT SERVICE FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
Years Ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Revenues:		
Ad valorem taxes	\$ 7,956	\$ 7,617
Interest on investments	<u>207</u>	<u>83</u>
	<u>\$ 8,163</u>	<u>\$ 7,700</u>
Expenditures:		
Current:		
General government:		
Tax collection costs	\$ -	\$ 60
Accounting	650	750
Debt service:		
Principal retirement	3,602	357
Interest coupons	<u>1,730</u>	<u>1,957</u>
	<u>\$ 5,982</u>	<u>\$ 3,124</u>
Excess of revenues over expenditures	\$ 2,181	\$ 4,576
Fund balance, beginning	<u>13,521</u>	<u>8,945</u>
Fund balance, ending	<u>\$ 15,702</u>	<u>\$ 13,521</u>

VILLAGE OF MERMENTAU, LOUISIANA
DEBT SERVICE FUND

COMPARATIVE BALANCE SHEET
June 30, 1996 and 1995

ASSETS	<u>1996</u>	<u>1995</u>
Cash and cash equivalents	\$ 6,497	\$ 14,443
Certificate of deposit	10,000	-
Accrued interest receivable	<u>54</u>	<u>-</u>
	<u>\$ 16,551</u>	<u>\$ 14,443</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accrued interest	\$ 849	\$ 922
FUND BALANCE		
Designated for debt retirement	<u>15,702</u>	<u>13,521</u>
	<u>\$ 16,551</u>	<u>\$ 14,443</u>

DEBT SERVICE FUND

Debt Service Fund - To accumulate monies for payment of \$105,000 of 4-1/8% water and sewer system improvement notes and Sewer District 1-A notes dated March 20, 1968. Property tax of 12 mills is levied to finance repayment of this debt.

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VILLAGE OF MERMENTAU, LOUISIANA
SPECIAL REVENUE FUND
SALES TAX FUND

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 1996
With Comparative Actual Amounts for Year Ended June 30, 1995

	<u>1996</u>			<u>1995</u>
	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)	<u>Actual</u>
Revenues:				
Taxes:				
Sales taxes	\$ 15,000	\$ 20,179	\$ 5,179	\$ 15,566
Interest	-	11	11	17
	<u>\$ 15,000</u>	<u>\$ 20,190</u>	<u>\$ 5,190</u>	<u>\$ 15,583</u>
Expenditures:				
Current:				
General government:				
Collection fee	\$ 500	\$ 303	\$ 197	\$ 234
Legal and accounting	1,000	900	100	800
Capital outlays	-	-	-	810
	<u>\$ 1,500</u>	<u>\$ 1,203</u>	<u>\$ 297</u>	<u>\$ 1,844</u>
Excess of revenues over expenditures	\$ 13,500	\$ 18,987	\$ 5,487	\$ 13,739
Other uses:				
Operating transfers out	<u>(13,500)</u>	<u>-</u>	<u>13,500</u>	<u>-</u>
Excess of revenues over expenditures and other uses	\$ -	\$ 18,987	\$ 18,987	\$ 13,739
Fund balance, beginning	<u>51,550</u>	<u>51,550</u>	<u>-</u>	<u>37,811</u>
Fund balance, ending	<u>\$ 51,550</u>	<u>\$ 70,537</u>	<u>\$ 18,987</u>	<u>\$ 51,550</u>

VILLAGE OF MERMENAU, LOUISIANA
 SPECIAL REVENUE FUND
 SALES TAX FUND

COMPARATIVE BALANCE SHEET
 June 30, 1996 and 1995

ASSETS	<u>1996</u>	<u>1995</u>
Cash and cash equivalents	\$ 66,983	\$ 49,067
Due from other governments	<u>3,554</u>	<u>2,483</u>
	<u>\$ 70,537</u>	<u>\$ 51,550</u>
FUND BALANCE		
Unreserved	<u>\$ 70,537</u>	<u>\$ 51,550</u>

SPECIAL REVENUE FUND

Sales Tax Fund - to account for the proceeds from the Village's one (1) percent sales and use tax.

VILLAGE OF MERMENTAU, LOUISIANA
GENERAL FUND

STATEMENT OF EXPENDITURES, COMPARED TO BUDGET (GAAP BASIS) (CONTINUED)
Year Ended June 30, 1996
With Comparative Actual Amounts for Year Ended June 30, 1995

	1996		Variance- Favorable (Unfavorable)	1995
	Budget	Actual		Actual
Totals forwarded	\$ 51,145	\$ 27,406	\$ 23,739	\$ 30,239
Current:				
Public works:				
Labor	\$ 12,000	\$ 9,515	\$ 2,485	\$ 9,273
Payroll taxes	550	178	372	133
Street lights	7,500	7,847	(347)	7,281
Repairs and maintenance	3,500	1,874	1,626	1,233
Materials	8,000	1,937	6,063	2,694
Retirement	500	308	192	433
Gas and oil	1,200	685	515	822
Insurance	7,500	6,282	1,218	5,808
Other	4,000	223	3,777	1,631
Chemicals for weed control	400	655	(255)	366
	<u>\$ 45,150</u>	<u>\$ 29,504</u>	<u>\$ 15,646</u>	<u>\$ 29,674</u>
Culture and recreation:				
Utilities	\$ 1,400	\$ 2,082	\$ (682)	\$ 997
Repairs and maintenance	1,900	1,207	693	1,646
Other	100	-	100	120
	<u>\$ 3,400</u>	<u>\$ 3,289</u>	<u>\$ 111</u>	<u>\$ 2,763</u>
Capital outlays	\$ 8,500	\$ 3,215	\$ 5,285	\$ 20,421
Total expenditures	<u>\$108,195</u>	<u>\$ 63,414</u>	<u>\$ 44,781</u>	<u>\$ 83,097</u>

VILLAGE OF MERMENTAU, LOUISIANA
GENERAL FUND

STATEMENT OF EXPENDITURES, COMPARED TO BUDGET (GAAP BASIS)
Year Ended June 30, 1996
With Comparative Actual Amounts for Year Ended June 30, 1995

	1996		Variance-	1995
	Budget	Actual	Favorable (Unfavorable)	Actual
Current:				
General government:				
Utilities	\$ 2,500	\$ 2,279	\$ 221	\$ 2,005
Office supplies	1,500	633	867	1,301
Officials' salaries	1,820	1,800	20	1,800
Payroll taxes	300	50	250	128
Insurance	200	333	(133)	183
Repairs and maintenance	500	427	73	525
Retirement	250	226	24	-
Publications	1,400	134	1,266	-
Tax roll preparation	-	106	(106)	-
Tax collector	1,000	125	875	133
Legal and accounting	5,500	3,590	1,910	3,550
City clerk and assistants	6,000	6,024	(24)	6,004
Conventions and seminars	2,500	1,471	1,029	2,086
Other	2,000	1,782	218	2,981
	<u>\$ 25,470</u>	<u>\$ 18,980</u>	<u>\$ 6,490</u>	<u>\$ 20,696</u>
Public safety:				
Police:				
Salaries	\$ 5,000	\$ 3,840	\$ 1,160	\$ 4,020
Payroll taxes	150	61	89	56
Insurance	-	871	(871)	980
Gas and oil	1,500	504	996	606
Supplies	1,000	984	16	1,285
Repairs and maintenance	3,600	411	3,189	158
Other	1,000	205	795	232
Flood control:				
Utilities	2,000	703	1,297	1,933
Salaries	500	131	369	248
Payroll taxes	25	-	25	-
Repairs and maintenance	10,500	329	10,171	-
Legal and accounting	-	372	(372)	-
Other	400	15	385	25
	<u>\$ 25,675</u>	<u>\$ 8,426</u>	<u>\$ 17,249</u>	<u>\$ 9,543</u>
Totals forward	<u>\$ 51,145</u>	<u>\$ 27,406</u>	<u>\$ 23,739</u>	<u>\$ 30,239</u>

VILLAGE OF MERMENTAU, LOUISIANA
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 1996
With Comparative Actual Amounts for Year Ended June 30, 1995

	<u>1996</u>		<u>Variance- Favorable (Unfavorable)</u>	<u>1995</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Excess (deficiency) of revenues over expenditures	\$ (42,545)	\$ 17,279	\$ 59,824	\$ (20,218)
Other financing sources:				
Operating transfers in	<u>16,000</u>	<u>-</u>	<u>(16,000)</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures	\$ (26,545)	\$ 17,279	\$ 43,824	\$ (20,218)
Fund balance, beginning	<u>83,480</u>	<u>83,480</u>	<u>-</u>	<u>103,698</u>
Fund balance, ending	<u>\$ 56,935</u>	<u>\$100,759</u>	<u>\$ 43,824</u>	<u>\$ 83,480</u>

VILLAGE OF MERMENTAU, LOUISIANA
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 1996

With Comparative Actual Amounts for the Year Ended June 30, 1995

	<u>1996</u>		Variance-	<u>1995</u>
	<u>Budget</u>	<u>Actual</u>	Favorable	<u>Actual</u>
			(Unfavorable)	
Revenues:				
Taxes:				
Ad valorem tax	\$ 4,000	\$ 4,642	\$ 642	\$ 4,483
Licenses and permits:				
Occupational licenses	8,500	23,791	15,291	11,027
Trailer permits	100	100	-	160
Utility franchise	32,500	27,621	(4,879)	25,307
Gas franchise	3,000	2,817	(183)	3,038
Cable franchise	1,100	1,988	888	-
Telephone franchise	2,200	2,066	(134)	2,282
Intergovernmental:				
Tobacco tax	4,000	4,109	109	4,116
Beer tax	1,200	1,446	246	1,061
Video poker tax	1,000	137	(863)	81
Housing authority payment in lieu of taxes	1,100	879	(221)	1,065
Maintenance agreement	1,100	1,133	33	1,133
Fines:				
Fines and court cost	2,000	3,668	1,668	3,725
Culture and recreation:				
Hall rentals	500	970	470	1,015
Interest income	2,100	3,122	1,022	2,756
Other	<u>1,250</u>	<u>2,204</u>	<u>954</u>	<u>1,630</u>
	<u>\$ 65,650</u>	<u>\$ 80,693</u>	<u>\$ 15,043</u>	<u>\$ 62,879</u>
Expenditures:				
Current:				
General government	\$ 25,470	\$ 18,980	\$ 6,490	\$ 20,696
Public safety	25,675	8,426	17,249	9,543
Public works	45,150	29,504	15,646	29,674
Culture and recreation	3,400	3,289	111	2,763
Capital outlay	<u>8,500</u>	<u>3,215</u>	<u>5,285</u>	<u>20,421</u>
	<u>\$108,195</u>	<u>\$ 63,414</u>	<u>\$ 44,781</u>	<u>\$ 83,097</u>

(Continued)

VILLAGE OF MERMENTAU, LOUISIANA
GENERAL FUND

COMPARATIVE BALANCE SHEET
June 30, 1996 and 1995

ASSETS	<u>1996</u>	<u>1995</u>
Cash and cash equivalents	\$ 67,819	\$ 49,423
Certificates of deposit	36,334	34,522
Accounts receivable	-	1,906
Due from other governmental units	-	232
Accrued interest receivable	<u>567</u>	<u>566</u>
	<u>\$104,720</u>	<u>\$ 86,649</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable	\$ 1,242	\$ 621
Other payables	445	425
Due to other fund	<u>2,274</u>	<u>2,123</u>
	<u>\$ 3,961</u>	<u>\$ 3,169</u>
FUND BALANCE		
Reserved for drainage improvements	\$ 242	\$ 1,050
Unreserved	<u>100,517</u>	<u>82,430</u>
	<u>\$100,759</u>	<u>\$ 83,480</u>
	<u>\$104,720</u>	<u>\$ 86,649</u>

GENERAL FUND

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

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FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS
AND ACCOUNT GROUPS

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NOTES TO FINANCIAL STATEMENTS

Note 9. Allowance for Doubtful Accounts

The receivable recorded in the enterprise fund is net of the allowance for doubtful accounts of \$2,184 and \$2,147 as of June 30, 1996 and 1995, respectively.

Note 10. Contingencies

The Village of Mermentau operates a Sanitary Wastewater Disposal System under an NPEDS permit. The NPEDS permit and the state permit under which the discharge is regulated has been the subject of scrutiny by the Environmental Protection Agency and the Department of Environmental Quality. The Village is under an order to upgrade its facility in order to comply with the permit and the expected more stringent permit discharges. The Village has been cited for past violations and a compliance order was issued. The Village has completed the building and rehabilitation of the sewer pond and the addition of a marsh/rockweed filter to achieve those limits. The Village continues to make efforts to comply with the permit limitations for discharge and to maintain the plant in accordance with those standards.

Note 11. Contributed Capital

Contributed capital was increased in the current year by \$14,584 for the construction of the wastewater treatment facility by the Capital Projects - Community Development Block Grant Fund.

NOTES TO FINANCIAL STATEMENTS

Although contributions are determined by state statute rather than actuarial calculations, actuarially required contributions are determined for the System. The following provides certain disclosures for the Village of the retirement system that are required by GASB Codification Section P20.127:

Village payroll:	
Total eligible payroll	\$ 43,130
Covered payroll	27,458
Actuarially required contribution for the entire System:	
Dollar amount	\$ 2,931,072
Percent of payroll	8.34%
Actuarially required contribution for the Village:	
Dollar amount	\$ 2,290
Percent of total actuarially required contribution	.078%
Statutorily required contribution for the Village:	
Employer	\$ 1,029
Employee	<u>1,373</u>
Total	<u>\$ 2,402</u>
Actual contribution for the Village:	
Employer	\$ 1,026
Employee	<u>1,373</u>
Total	<u>\$ 2,399</u>
Pension benefit obligation	\$70,206,923
Assets	<u>61,623,243</u>
Unfunded pension benefit obligations	<u>\$ 8,583,680</u>

The pension benefit obligation is a standardized measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rated benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERS and employers. The System does not make separate measurements of assets and pension benefit obligations for individual employers.

Historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's June 30, 1995 actuarial valuation report. The Village does not guarantee the benefits granted by the System.

NOTES TO FINANCIAL STATEMENTS

Note 7. Cash and Cash Equivalents

For reporting purposes, cash and cash equivalents include cash and certificates of deposit. The Village may invest in United States bonds, treasury notes or certificates, time certificates of deposit of state banks having their principle office in the State of Louisiana, or any other federally insured investment. The Village may also invest in shares of any homestead and building and loan association in any amount not exceeding the federally insured amount. The deposits at June 30, 1996 were secured fully by federal deposit insurance and securities pledged in the name of the Village by their fiscal agent.

Note 8. Pension Plan

Municipal Employees' Retirement System of Louisiana:

The Municipal Employees' Retirement System of Louisiana (the System) is a cost-sharing multiple-employer public employee retirement system (PERS). The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. Employees of the Village are members of Plan B.

Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least thirty-five hours per week, not participating in another public funded retirement system and under age sixty (60) at date of employment. Those individuals paid jointly by a participating employer and the parish are not eligible for membership in the System. Under Plan B, employees who retire at or after age 60 with at least 10 years of credited service or at or after age 55 with 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 2 percent of their 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.

Contributions to the System are based on a percentage of gross compensation. State statute requires employees covered by Plan B to contribute 5.0 percent of their salaries to the System; the Village must contribute 3.75 percent of the salary of each employee covered by Plan B as an employer match.

NOTES TO FINANCIAL STATEMENTS

Under the terms of the outstanding certificate of indebtedness, the proceeds of the debt are restricted for construction purposes and will be repaid with the pledge of the excess of annual revenues over the subsequent years above statutory, necessary and usual charges to the payment of the cost of public improvements provided all such dedications do not exceed the estimated excess of revenues above statutory, necessary and usual charges for the year. In addition, the Village is to establish a sinking fund and provide sufficient funds equal to one-sixth (1/6) of the interest falling due on the next interest payment date and one-twelfth (1/12) of the principal falling due on the next principal payment date. As of June 30, 1996, the Village has sufficient funds in the certificate of indebtedness sinking fund.

Note 5. Interfund Receivables, Payables

Interfund receivable and payable balances at June 30, 1996 were:

Fund	Interfund Receivables	Interfund Payables
General fund	\$ -	\$ 2,274
Enterprise-water and sewer utility fund	<u>2,274</u>	<u>-</u>
	<u>\$ 2,274</u>	<u>\$ 2,274</u>

Note 6. Dedication of Sales Tax Proceeds

Proceeds of the 1% sales and use tax are dedicated to the following purposes:

1. Defraying the cost of improving, maintaining and operating the fire protection of the Village;
2. Defraying the cost of improving and maintaining the streets and thoroughfares of the Village;
3. Defraying the cost of improving, maintaining and operating the drainage system of the Village;
4. Defraying the cost of improving, operating and maintaining the water system of the Village; and
5. Defraying the cost of improving, maintaining and operating the sewerage system of the Village.

NOTES TO FINANCIAL STATEMENTS

Under the terms of the note indentures on the outstanding utility revenue notes, the notes are secured by the facilities constructed with the note proceeds. In addition, revenues are to be deposited in funds as indicated below.

All revenues must be deposited into the revenue fund. On the first day of each month, there must be transferred from this fund into the operation and maintenance fund an amount sufficient to pay all operating expenses for that month and to make a reasonable provision for the repair and maintenance of the system.

After the transfer to the operation and maintenance fund each month, the balance of funds remaining in the revenue fund must be sufficient to meet the following requirements:

1. Revenue note fund - Provide sufficient funds to equal one-twelfth of the amount of principal and interest becoming due on next payment date.
2. Reserve funds - Contribute \$75 monthly until \$4,600 is accumulated in the waterworks reserve fund and \$40 monthly until \$2,600 is accumulated in the sewerage reserve fund.
3. Depreciation fund - Contribute \$75 monthly to the waterworks depreciation fund and \$40 monthly to the sewerage depreciation fund as long as the respective revenue notes remain outstanding. Such funds shall be used to defray the cost of major repairs of damage caused by unforeseen catastrophe and replacements made necessary by depreciation of the system. These funds may be transferred to a revenue note fund, but only to the extent that the remaining balance not be reduced below an amount sufficient to cover the aforementioned costs for the current and next ensuing year.

In lieu of establishing a revenue note fund, the Village is paying one-twelfth of the next amount of principal and interest due directly to the lender, thereby meeting the requirement of the revenue note fund. The required and actual balances in the reserve and depreciation funds at June 30, 1996 are as follows:

	Required <u>Balance</u>	Actual <u>Balance</u>	Actual Amount Over (Under) <u>Requirement</u>
Waterworks reserve	\$ 4,600	\$ 4,600	\$ -
Waterworks depreciation	24,300	24,103	(197)
Sewerage reserve	2,600	2,600	-
Sewerage depreciation	<u>12,960</u>	<u>12,960</u>	-
	<u>\$ 44,460</u>	<u>\$ 44,263</u>	<u>\$ (197)</u>

NOTES TO FINANCIAL STATEMENTS

Notes payable at June 30, 1996 are comprised of the following individual notes:

General obligation notes:

\$35,000 1968 Water system notes due in annual installments of \$1,802 through 2006, including interest at 4-1/8%	\$ 13,698
\$35,000 1968 Sewer system notes due in annual installments of \$1,802 through 2006, including interest at 4-1/8%	13,697
\$35,000 1968 Sewer District 1-A notes due in annual installments of \$1,802 through 2006, including interest at 4-1/8%	<u>13,697</u>
	<u>\$ 41,092</u>

Revenue notes and certificate of indebtedness:

\$175,000 1968 Water revenue notes due in annual installments of \$9,420 through 2007, including interest at 4-1/8%	\$ 76,975
\$110,600 1968 Sewer revenue notes due in annual installments of \$6,120 through 2007, including interest at 4-1/8%	50,242
\$135,000 Certificate of indebtedness, Series 1995A, due in two varying installments per year through 2005, including interest at 6.75%	<u>135,000</u>
	<u>\$262,217</u>

The annual requirements to amortize all debt outstanding as of June 30, 1996, including interest payments of \$87,143 follows:

<u>Year Ending</u> <u>June 30</u>	<u>General</u> <u>Obligation</u>	Revenue and Certificate of <u>Indebtedness</u>	<u>Total</u>
1997	\$ 5,406	\$ 33,349	\$ 38,755
1998	5,406	33,708	39,114
1999	5,406	33,999	39,405
2000	5,406	34,223	39,629
2001	5,406	34,379	39,785
Thereafter	<u>23,370</u>	<u>170,394</u>	<u>193,764</u>
	<u>\$ 50,400</u>	<u>\$340,052</u>	<u>\$390,452</u>

\$15,702 is available in the debt service fund to service the general obligation notes.

NOTES TO FINANCIAL STATEMENTS

Note 3. Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	Balance June 30, <u>1995</u>	<u>Additions</u>	<u>(Deletions)</u>	Balance June 30, <u>1996</u>
General fixed assets, at cost:				
Land	\$ 18,515	\$ -	\$ -	\$ 18,515
Buildings	46,325	-	-	46,325
Improvements other than buildings	20,384	-	-	20,384
Equipment	<u>67,664</u>	<u>3,096</u>	<u>-</u>	<u>70,760</u>
	<u>\$152,888</u>	<u>\$ 3,096</u>	<u>\$ -</u>	<u>\$155,984</u>

A summary of proprietary fund type property, plant, and equipment at June 30, 1996 and 1995 follows:

	<u>1996</u>	<u>1995</u>
Land	\$ 22,082	\$ 13,142
Water plant	172,110	172,110
Water lines	94,834	94,834
Sewer plant	64,304	64,304
Sewer lines	161,625	161,625
Equipment	15,428	13,528
Construction in progress	-	488,974
Wastewater treatment pond	<u>505,472</u>	<u>-</u>
	\$1,035,855	\$1,008,517
Less accumulated depreciation	<u>310,164</u>	<u>289,456</u>
Net	<u>\$ 725,691</u>	<u>\$ 719,061</u>

Note 4. Changes in Long-Term Debt

The following is a summary of transactions relating to long-term debt of the Village for the year ended June 30, 1996.

	<u>General Obligation</u>	<u>Revenue and Certificate of Indebtedness</u>	<u>Total</u>
Notes payable at June 30, 1995	\$ 44,694	\$137,383	\$182,077
Notes paid	(3,602)	(10,166)	(13,768)
Issuance of certificate of indebtedness	<u>-</u>	<u>135,000</u>	<u>135,000</u>
Notes payable at June 30, 1996	<u>\$ 41,092</u>	<u>\$262,217</u>	<u>\$303,309</u>

NOTES TO FINANCIAL STATEMENTS

Investments:

Investments are stated at cost.

Bad debts:

Uncollectible amounts due from customers' utility receivables are recognized as bad debts by the use of the allowance method of accounting for bad debts.

Cash and cash equivalents:

For purposes of reporting cash flows, the Village considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Total columns on Combined Statements - Overview:

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

Note 2. Property Taxes

The Village levies a tax of 19 mills on all property within its corporate limits. Taxes are levied in October and are payable by December 31. For the year ended June 30, 1996, taxable property within the Village was assessed at \$663,360.

Tax millage is dedicated as follows:

General corporate purposes	7 mills
Retirement of bonds	12 mills

NOTES TO FINANCIAL STATEMENTS

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) accumulated unpaid vacation, sick pay, and other employee amounts which are not accrued; and (2) principal and interest on general long-term debt which is recognized when due.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. Unbilled utility service receivables are recorded at year end.

Budgets and budgetary accounting:

The Village follows these procedures in establishing the budgetary data reflected in the financial statements.

1. The Mayor submits to the Aldermen a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is then legally enacted through passage of an ordinance. Budgetary control is maintained at the individual fund level.
4. The Mayor is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Aldermen. All appropriations lapse at the end of the fiscal year.
5. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Budgeted amounts are as originally adopted, or as amended by the Aldermen in open meeting. The budget for the year ended June 30, 1996 was not adopted until December 11, 1995.

NOTES TO FINANCIAL STATEMENTS

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in governmental funds. Public domain general fixed assets consisting of certain improvements other than buildings, including drainage systems, are not capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost.

Long-term liabilities expected to be financed from governmental funds are accounted for in the general long-term debt account group, not in the governmental funds.

The two account groups are not "funds." They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the general long-term debt account group.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

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

Plant	30-40 years
Lines	50 years
Equipment	5-15 years

Basis of accounting:

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

NOTES TO FINANCIAL STATEMENTS

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.

Proprietary Funds

Enterprise funds:

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

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, APB 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 Village have elected not to apply FASB Statements and Interpretations issued after November 30, 1989, unless they are adopted by GASB.

Fixed assets and long-term liabilities:

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

VILLAGE OF MERMENTAU, LOUISIANA

STATEMENT OF CASH FLOWS
Year Ended June 30, 1996

	<u>1996</u>	<u>1995</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income	\$ 14,352	\$ 25,837
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	20,709	13,321
Changes in assets and liabilities:		
(Increase) in accounts receivable	(217)	(584)
(Increase) decrease in due from other funds	4,240	(4,314)
(Increase) decrease in prepaid expenses	67	(73)
Increase (decrease) in accounts payable	(102,949)	103,132
Increase in other payable and liabilities	<u>634</u>	<u>967</u>
Net cash provided (used) by operating activities	<u>\$ (63,164)</u>	<u>\$ 138,286</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	\$ (12,755)	\$ (98,742)
Principal paid on revenue notes payable	(10,166)	(9,655)
Proceeds from issuance of certificate of indebtedness	135,000	-
Interest paid	<u>(9,577)</u>	<u>(5,884)</u>
Net cash provided (used) by capital and related financing activities	<u>\$ 102,502</u>	<u>\$ (114,281)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of certificates of deposit	\$ (100,937)	\$ (95,548)
Proceeds from maturities of certificates of deposit	97,481	94,212
Interest received	<u>3,458</u>	<u>2,233</u>
Net cash provided by investing activities	<u>\$ 2</u>	<u>\$ 897</u>
Net increase in cash and cash equivalents	\$ 39,340	\$ 24,902
Cash and cash equivalents, beginning	<u>112,190</u>	<u>87,288</u>
Cash and cash equivalents, ending	<u>\$ 151,530</u>	<u>\$ 112,190</u>

Noncash investing activity:

Contributed capital and plant and equipment were increased for the year ended June 30, 1996 and 1995 capital outlays made in the Capital Projects - Community Development Block Grant Fund of \$14,584 and \$356,668, respectively, for the construction of the wastewater treatment facility.

See Notes to Financial Statements.

VILLAGE OF MERMENTAU, LOUISIANA
 STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN RETAINED EARNINGS -
 PROPRIETARY FUND TYPE
 Year Ended June 30, 1996

	<u>Utility Fund</u>	
	<u>1996</u>	<u>1995</u>
Operating revenues:		
Charges for services	\$ 98,314	\$ 92,362
Miscellaneous revenues	<u>5,171</u>	<u>3,109</u>
	<u>\$103,485</u>	<u>\$ 95,471</u>
Operating expenses:		
Personal services	\$ 22,466	\$ 21,258
Supplies and materials	7,901	9,676
Depreciation	20,709	13,321
Heat, light and power	7,535	7,685
Bad debts	2,814	231
Other services and charges	<u>27,708</u>	<u>17,463</u>
	<u>\$ 89,133</u>	<u>\$ 69,634</u>
Operating income	<u>\$ 14,352</u>	<u>\$ 25,837</u>
Non-operating revenues (expenses):		
Interest revenue	\$ 3,524	\$ 2,522
Interest expense	<u>(13,286)</u>	<u>(5,867)</u>
	<u>\$ (9,762)</u>	<u>\$ (3,345)</u>
Net income	\$ 4,590	\$ 22,492
Retained earnings, beginning	<u>84,367</u>	<u>61,875</u>
Retained earnings, ending	<u>\$ 88,957</u>	<u>\$ 84,367</u>

See Notes to Financial Statements.

<u>Special Revenue Fund</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
\$ 15,000	\$ 20,179	\$ 5,179
-	-	-
-	-	-
-	-	-
-	11	11
-	-	-
<u>\$ 15,000</u>	<u>\$ 20,190</u>	<u>\$ 5,190</u>
\$ 1,500	\$ 1,203	\$ 297
-	-	-
-	-	-
-	-	-
<u>\$ 1,500</u>	<u>\$ 1,203</u>	<u>\$ 297</u>
<u>\$ 13,500</u>	<u>\$ 18,987</u>	<u>\$ 5,487</u>
\$ -	\$ -	\$ -
(13,500)	-	13,500
<u>\$(13,500)</u>	<u>\$ -</u>	<u>\$ 13,500</u>
\$ -	\$ 18,987	\$ 18,987
<u>51,550</u>	<u>51,550</u>	<u>-</u>
<u>\$ 51,550</u>	<u>\$ 70,537</u>	<u>\$ 18,987</u>

VILLAGE OF MERMENTAU, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL -
GENERAL AND SPECIAL REVENUE FUND TYPES
Year Ended June 30, 1996

	<u>General Fund</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues:			
Taxes	\$ 4,000	\$ 4,642	\$ 642
Licenses	47,400	58,383	10,983
Intergovernmental	8,400	7,704	(696)
Fines and forfeits	2,000	3,668	1,668
Culture and recreation	500	970	470
Interest	2,100	3,122	1,022
Other	1,250	2,204	954
	<u>\$ 65,650</u>	<u>\$ 80,693</u>	<u>\$ 15,043</u>
Expenditures:			
Current:			
General government	\$ 25,470	\$ 18,980	\$ 6,490
Public safety	25,675	8,426	17,249
Public works	45,150	29,504	15,646
Culture and recreation	3,400	3,289	111
Capital outlay	8,500	3,215	5,285
	<u>\$108,195</u>	<u>\$ 63,414</u>	<u>\$ 44,781</u>
Excess (deficiency) of revenues over expenditures	<u>\$(42,545)</u>	<u>\$ 17,279</u>	<u>\$ 59,824</u>
Other financing sources (uses):			
Operating transfers in	\$ 16,000	\$ -	\$(16,000)
Operating transfers out	-	-	-
	<u>\$ 16,000</u>	<u>\$ -</u>	<u>\$(16,000)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$(26,545)</u>	<u>\$ 17,279</u>	<u>\$ 43,824</u>
Fund balances - beginning	<u>83,480</u>	<u>83,480</u>	<u>-</u>
Fund balances - ending	<u>\$ 56,935</u>	<u>\$100,759</u>	<u>\$ 43,824</u>

See Notes to Financial Statements.

Exhibit B

<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>	
			<u>1996</u>	<u>1995</u>
\$ 20,179	\$ 7,956	\$ -	\$ 32,777	\$ 27,666
-	-	-	58,383	41,814
-	-	14,574	22,278	364,266
-	-	-	3,668	3,725
-	-	-	970	1,015
11	207	-	3,340	2,856
-	-	-	2,204	1,630
<u>\$ 20,190</u>	<u>\$ 8,163</u>	<u>\$ 14,574</u>	<u>\$ 123,620</u>	<u>\$442,972</u>
\$ 1,203	\$ 650	\$ -	\$ 20,833	\$ 22,640
-	-	-	8,426	9,543
-	-	-	29,504	29,674
-	-	-	3,289	2,763
-	-	14,584	17,799	377,899
-	3,602	-	3,602	357
-	1,730	-	1,730	1,957
<u>\$ 1,203</u>	<u>\$ 5,982</u>	<u>\$ 14,584</u>	<u>\$ 85,183</u>	<u>\$444,833</u>
\$ 18,987	\$ 2,181	\$ (10)	\$ 38,437	\$ (1,861)
<u>51,550</u>	<u>13,521</u>	<u>10</u>	<u>148,561</u>	<u>150,422</u>
<u>\$ 70,537</u>	<u>\$ 15,702</u>	<u>\$ -</u>	<u>\$ 186,998</u>	<u>\$148,561</u>

VILLAGE OF MERMENTAU, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL FUND TYPES
Year Ended June 30, 1996

	<u>General</u>
Revenues:	
Taxes	\$ 4,642
Licenses and permits	58,383
Intergovernmental	7,704
Fines and forfeits	3,668
Culture and recreation	970
Interest	3,122
Other	2,204
	<u>\$ 80,693</u>
Expenditures:	
Current:	
General government	\$ 18,980
Public safety	8,426
Public works	29,504
Culture and recreation	3,289
Capital outlay	3,215
Debt service:	
Principal retirement	-
Interest and fiscal charges	-
	<u>\$ 63,414</u>
Excess (deficiency) of revenues over expenditures	\$ 17,279
Fund balances, beginning	<u>83,480</u>
Fund balances, ending	<u>\$100,759</u>

See Notes to Financial Statements.

Exhibit A
(Continued)

Proprietary Fund Type	Account Groups		Totals (Memorandum Only)	
	General Fixed Assets	General Long-Term Debt	1996	1995
<u>Enterprise</u>				
\$ 183	\$ -	\$ -	\$ 1,425	\$ 103,753
878	-	-	1,323	1,254
-	-	-	849	922
6,845	-	-	6,845	6,260
3,945	-	-	3,945	236
19,489	-	3,709	23,198	13,624
-	-	-	2,274	6,514
<u>242,728</u>	<u>-</u>	<u>37,383</u>	<u>280,111</u>	<u>168,453</u>
<u>\$ 274,068</u>	<u>\$ -</u>	<u>\$ 41,092</u>	<u>\$ 319,970</u>	<u>\$ 301,016</u>
\$ 583,936	\$ -	\$ -	\$ 583,936	\$ 569,352
-	155,984	-	155,984	152,888
41,659	-	-	41,659	31,587
47,298	-	-	47,298	52,780
-	-	-	242	1,050
-	-	-	15,702	13,521
-	-	-	171,054	133,990
<u>\$ 672,893</u>	<u>\$ 155,984</u>	<u>\$ -</u>	<u>\$1,015,875</u>	<u>\$ 955,168</u>
<u>\$ 946,961</u>	<u>\$ 155,984</u>	<u>\$ 41,092</u>	<u>\$1,335,845</u>	<u>\$1,256,184</u>

VILLAGE OF MERMENTAU, LOUISIANA

COMBINED BALANCE SHEETS -
ALL FUND TYPES AND ACCOUNT GROUPS (CONTINUED)
June 30, 1996

LIABILITIES AND FUND EQUITY	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
LIABILITIES				
Accounts payable	\$ 1,242	\$ -	\$ -	\$ -
Other payables	445	-	-	-
Accrued interest	-	-	849	-
Payable from restricted assets:				
Customers' deposits	-	-	-	-
Accrued interest	-	-	-	-
Notes payable (current portion)	-	-	-	-
Due to other funds	2,274	-	-	-
Notes payable (long-term portion)	-	-	-	-
Total liabilities	<u>\$ 3,961</u>	<u>\$ -</u>	<u>\$ 849</u>	<u>\$ -</u>
FUND EQUITY				
Contributed capital	\$ -	\$ -	\$ -	\$ -
Investment in general fixed assets	-	-	-	-
Retained earnings:				
Reserved for revenue note retirement and customers' deposits	-	-	-	-
Unreserved	-	-	-	-
Fund balances:				
Reserved for drainage improvements	242	-	-	-
Reserved for debt service	-	-	15,702	-
Unreserved:				
Undesignated (deficit)	<u>100,517</u>	<u>70,537</u>	<u>-</u>	<u>-</u>
Total equity	<u>\$100,759</u>	<u>\$ 70,537</u>	<u>\$ 15,702</u>	<u>\$ -</u>
	<u>\$104,720</u>	<u>\$ 70,537</u>	<u>\$ 16,551</u>	<u>\$ -</u>

See Notes to Financial Statements.

Proprietary Fund Type	Account Groups		Totals (Memorandum Only)	
	General Fixed Assets	General Long-Term Debt	1996	1995
Enterprise				
\$131,193	\$ -	\$ -	\$ 272,492	\$ 229,524
-	-	-	46,334	34,522
13,848	-	-	13,848	15,537
648	-	-	1,269	1,148
2,274	-	-	2,274	6,514
-	-	-	3,554	2,715
1,369	-	-	1,369	1,436
20,337	-	-	20,337	-
51,601	-	-	51,601	48,145
725,691	155,984	-	881,675	871,949
-	-	15,702	15,702	13,521
-	-	25,390	25,390	31,173
<u>\$946,961</u>	<u>\$155,984</u>	<u>\$ 41,092</u>	<u>\$1,335,845</u>	<u>\$1,256,184</u>

VILLAGE OF MERMENAU, LOUISIANA

COMBINED BALANCE SHEETS -
ALL FUND TYPES AND ACCOUNT GROUPS
June 30, 1996

ASSETS AND OTHER DEBITS	<u>Governmental Fund Types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Cash and cash equivalents	\$ 67,819	\$ 66,983	\$ 6,497	\$ -
Investments, at cost	36,334	-	10,000	-
Receivables (net of allowances for uncollectibles):				
Accounts	-	-	-	-
Accrued interest	567	-	54	-
Due from other funds	-	-	-	-
Due from other governments	-	3,554	-	-
Prepaid expenses	-	-	-	-
Restricted assets:				
Cash and cash equivalents	-	-	-	-
Investments, at cost	-	-	-	-
Fixed assets (net of accumulated depreciation)	-	-	-	-
Amount available in debt service funds	-	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-	-
	<u>\$104,720</u>	<u>\$ 70,537</u>	<u>\$ 16,551</u>	<u>\$ -</u>

See Notes to Financial Statements.