

OTHER SUPPLEMENTARY INFORMATION

Noncompliance with Cash Management Laws

Finding:

The Town failed to comply with LSA-R.S. 39:1225 of the cash management laws when deposits held in one financial institution exceeded the amount of federal deposit insurance and pledged securities at June 30, 1996.

Recommendation:

Procedures should be implemented to ensure bank deposits are adequately secured as required by LSA-R.S. 39:1225.

Response:

Additional securities were pledged by the financial institution in question subsequent to June 30, 1996. Efforts will be made to monitor bank balances closely to ensure full compliance with all cash management laws in the future.

We considered this instance of noncompliance in forming our opinion on whether the Town of Arnaudville, Louisiana's 1996 general purpose 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 13, 1996, on those general purpose financial statements.

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

Darnall, Sikes, Kolder, Frederick & Rainey

A Corporation of Certified Public Accountants

Lafayette, Louisiana
August 13, 1996

Sewerage		Sanitation		Administrative	
1996	1995	1996	1995	1996	1995
\$73,182	\$72,109	\$ 730	\$ 665	\$ -	\$ -
1,376	1,052	267	141	-	-
-	-	-	-	-	-
<u>74,558</u>	<u>73,161</u>	<u>997</u>	<u>806</u>	<u>-</u>	<u>-</u>
9,386	10,688	-	-	32,851	37,407
1,093	819	-	-	3,825	2,865
-	-	-	-	-	-
12,180	7,422	-	-	-	-
-	-	-	759	-	-
-	-	-	-	5,960	9,250
-	-	-	-	3,923	3,050
303	174	-	-	-	-
-	-	-	-	1,265	1,487
37,377	38,006	700	525	2,496	2,423
3,347	3,206	-	-	7,532	7,214
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	5,020	4,026
-	-	-	-	1,311	864
<u>8,986</u>	<u>9,602</u>	<u>642</u>	<u>686</u>	<u>(64,183)</u>	<u>(68,586)</u>
<u>72,672</u>	<u>69,917</u>	<u>1,342</u>	<u>1,970</u>	<u>-</u>	<u>-</u>
\$ 1,886	\$ 3,244	\$ (345)	\$ (1,164)	\$ -	\$ -
=====	=====	=====	=====	=====	=====

TOWN OF ARNAUDVILLE, LOUISIANA

Combined Schedule of Interest-Bearing Deposits
June 30, 1996

	<u>Financial Institution</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
Special Revenue Funds:				
1969 Sales Tax Fund -				
Certificate of deposit #159060	(F)	03/05/97	5.10%	\$ 62,184
1982 Sales Tax Fund -				
Certificate of deposit #72647	(F)	12/06/96	4.60%	15,346
Certificate of deposit #159061	(FNB)	03/05/97	5.10%	31,092
				<u>108,622</u>
Capital Projects Fund:				
Street Improvements Fund -				
Certificate of deposit #15266	(W)	12/01/96	5.80%	132,389
One Percent Budget Set-Aside Fund -				
Certificate of deposit #15333	(W)	02/25/97	5.00%	29,041
				<u>161,430</u>
Utility Fund:				
Money market investment accounts	(W)	-	various	38,117
Money market certificate #159057	(FNB)	10/26/96	4.45%	26,230
Money market certificate #153849	(FNB)	10/13/96	4.45%	61,724
Money market certificate #153804	(FNB)	07/30/96	4.35%	32,365
Money market certificate #153830	(FNB)	08/31/96	4.45%	9,038
Money market certificate #15089	(W)	07/13/96	5.50%	31,729
Money market certificate #153782	(FNB)	06/17/96	6.00%	27,959
Money market certificate #15087	(W)	07/13/96	6.05%	8,150
Money market certificate #72615	(F)	11/22/96	5.25%	115,657
Money market certificate #14865	(W)	11/16/96	5.25%	3,093
Money market certificate #11790	(W)	09/24/96	5.25%	3,529
Money market certificate #11789	(W)	09/24/96	7.25%	16,230
Money market certificate #16266	(W)	01/12/97	5.40%	55,000
Money market certificate #72672	(W)	12/27/97	5.00%	40,000
Money market certificate #16310	(W)	12/27/96	5.00%	50,000
				<u>518,821</u>
Total - all funds				\$788,873
				=====

Interest-bearing deposits with:
(W) Washington State Bank, Arnaudville, Louisiana
(F) Farmers - Merchants Bank, Breaux Bridge, Louisiana
(FNB) First National Bank, Opelousas, Louisiana

TOWN OF ARNAUDVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Departmental Analysis of Revenues and Expenses
Years Ended June 30, 1996 and 1995

	Totals		Gas		Water	
	1996	1995	1996	1995	1996	1995
Operating revenues:						
Charges for services -						
Billings to customers	\$ 516,636	\$ 482,776	\$300,115	\$273,317	\$142,609	\$136,685
Delinquent charges	8,883	7,016	4,538	3,929	2,702	1,894
Other fees	4,564	2,389	2,289	1,338	2,275	1,051
Total operating revenues	<u>530,083</u>	<u>492,181</u>	<u>306,942</u>	<u>278,584</u>	<u>147,586</u>	<u>139,630</u>
Operating expenses:						
Salaries	93,860	106,878	32,851	37,407	18,772	21,376
Payroll taxes and retirement	10,929	7,013	3,825	2,865	2,186	464
Gas purchases	90,215	70,300	90,215	70,300	-	-
Distribution system repairs and maintenance	57,928	37,988	32,893	18,980	12,855	11,586
Chemicals and supplies	-	759	-	-	-	-
Professional fees	5,960	9,250	-	-	-	-
Certification fees	3,923	3,050	-	-	-	-
Bad debts	1,677	1,157	970	694	404	289
Telephone	3,524	3,380	2,259	1,893	-	-
Depreciation	76,194	76,028	23,117	22,810	12,504	12,264
Insurance	27,895	27,891	12,274	11,756	4,742	5,715
Water plant lease	425	400	-	-	425	400
Utilities	23,814	24,194	-	-	23,814	24,194
Fire department expense	2,472	1,462	-	-	2,472	1,462
Office supplies	5,020	4,026	-	-	-	-
Miscellaneous	3,076	1,572	738	220	1,027	488
Allocation of administrative expense	-	-	36,584	39,094	17,971	19,204
Total operating expenses	<u>406,912</u>	<u>375,348</u>	<u>235,726</u>	<u>206,019</u>	<u>97,172</u>	<u>97,442</u>
Operating income (loss)	<u>123,171</u>	<u>116,833</u>	\$ 71,216	\$ 72,565	\$ 50,414	\$ 42,188
			=====	=====	=====	=====
Nonoperating revenues (expenses):						
Interest income	23,720	15,145				
Ad valorem taxes	24,218	23,423				
Interest expense	(22,892)	(24,476)				
Paying agent's fees	(673)	(1,586)				
Miscellaneous	932	-				
Total nonoperating revenues	<u>25,305</u>	<u>12,506</u>				
Income before operating transfers	<u>148,476</u>	<u>129,339</u>				
Operating transfers in (out):						
Operating transfers out	<u>(103,932)</u>	<u>(103,115)</u>				
Net income	44,544	26,224				
Add: Depreciation on fixed assets acquired with capital grants that reduces contributed capital from capital grants	<u>18,453</u>	<u>18,453</u>				
Net increase in retained earnings	62,997	44,677				
Retained earnings, beginning	<u>1,055,317</u>	<u>1,010,640</u>				
Retained earnings, ending	<u>\$1,118,314</u>	<u>\$1,055,317</u>				
	=====	=====				

TOWN OF ARNAUDVILLE

Schedule of Insurance in Force
(Unaudited)
June 30, 1996

<u>Description of Coverage</u>	<u>Coverage Amounts</u>
Workmen's compensation - Employer's liability	Statutory 100,000
Surety bonds - Public employees Town clerk	25,000 263,000
Commercial general liability	500,000
Law enforcement officers' liability	500,000
Public officials' errors and omissions liability	500,000
Business auto liability	500,000
Gas System	500,000
Fire, lightning and extended coverage, vandalism and malicious mischief - Blanket on all Town property	1,099,595
Equipment physical damage	49,995

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Financial Statements (Continued)

(10) Pension Plans

Eligible employees of the Town participate in two multiple-employer public employee retirement systems (PERS) which are controlled and administered by two separate boards of trustees. These retirement systems provide retirement, disability and death benefits to plan members and their beneficiaries. Benefits under each system are established and amended by state statutes. Pertinent information for each system follows:

A. Municipal Employee's Retirement System

Plan members are required to contribute 9.25% of their annual covered salary to the system while the Town is required to contribute at the statutory rate of 6.75% of the total annual covered salary. The Town's contributions to the system for the years ended June 30, 1996, 1995 and 1994 were \$12,613, \$15,674 and \$9,831, respectively, equal to the required contribution for each year.

A publicly available financial report that includes financial statements and required supplemental financial information may be obtained by writing to the Municipal Employee's Retirement System, 7937 Office Park Bldg., Baton Rouge, Louisiana 70809.

B. Municipal Police Employee's Retirement System

Plan members are required to contribute 7.5% of their annual covered salary to the system while the Town is required to contribute at the statutory rate of 9.0% of the total annual covered salary. The Town's contributions to the system for the years ended June 30, 1996, 1995 and 1994 were \$8,026, \$7,879 and \$7,689, respectively, equal to the required contribution for each year.

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

(11) Natural Gas Contracts

The Town is currently under a contract to purchase natural gas from the Louisiana Municipal Gas Purchasing and Distribution Authority (Authority). The Town purchased natural gas from the Authority during 1996 in the amount

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Financial Statements (Continued)

F. Statement of Cash Flows

For purposes of the statement of cash flows, the Enterprise Fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

G. Due to and Due from Other Funds

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

H. Restricted Assets

The Utility Fund, based on certain bond covenants, is required to establish and maintain prescribed amounts of resources (consisting of cash and temporary investments) that can be used to service outstanding debt.

I. Fixed Assets

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group and are recorded as expenditures in the governmental fund types when purchased. The Town has elected not to capitalize public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems. No depreciation has been provided on general fixed assets.

The cost of normal maintenance and repairs that do not add to the value of assets or materially extend asset lives are not included in the general fixed assets account group or capitalized in the proprietary fund.

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

Gas Utility:	
Lines	35 years
Equipment	10 years

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Financial Statements (Continued)

Water Utility:	
Lines	50 years
Equipment	5 years
Sewerage Utility:	
Lines	40 years
Pumps	10 years
Equipment	5 years
Sanitation equipment	3 years
Office equipment	7 years

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

J. Long-Term Debt

Long-term obligations of the Town are reported in the General Long-Term Debt Account Group. Long-term liabilities for certain general obligation bonds and revenue bonds are reported in the Utility Fund.

K. Bad Debts

Uncollectible amounts due for ad valorem taxes and utility accounts receivable are recognized as bad debts by direct write-off at the time information becomes available which would indicate the uncollectibility of the receivable. Although the direct charge-off method is not in conformity with generally accepted accounting principles (GAAP), no allowance for uncollectible taxes was made due to immateriality at June 30, 1996 and 1995.

L. Compensated Absences

Town employees are entitled to certain compensated absences based upon their length of service.

Vacation leave is earned at the rate of five days to twenty days per year. Vacation leave earned does not accumulate from year to year. However, all vacation leave accumulated at the time of separation is payable.

Sick leave is earned at the rate of one day per month not to exceed ten days in one year. Employees are allowed to accumulate and carryforward up to forty days of sick leave from year to year. Accumulated sick leave is not payable at time of separation.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Financial Statements (Continued)

At June 30, 1996, vested leave benefits have been accrued as required by GASB statement No. 16 "Accounting for Compensated Absences."

M. Capitalization of Interest Costs

It is the policy of the Town of Arnaudville to capitalize material amounts of interest resulting from borrowings in the course of the construction of fixed assets.

N. Amortization of Certificate of Indebtedness Expense

The costs of issuance of the certificates of indebtedness in the proprietary fund are being amortized, on the straight-line method, over the life of the certificates.

O. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Town as an extension of formal budgetary integration in the funds.

P. 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.

Q. Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Town's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Financial Statements (Continued)

Pledged securities in Category 3 include 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 Town'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 Town that the fiscal agent has failed to pay deposited funds upon demand.

(3) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Town in September or October and are actually billed to taxpayers in December. Billed taxes become delinquent on January 1 of the following year. The Town bills and collects its own property taxes using the assessed values determined by the tax assessors of St. Martin and St. Landry Parishes. Ad valorem tax revenues are budgeted in the year billed.

For the year ended June 30, 1996 taxes of 14.23 mills were levied on property with assessed valuations totaling \$3,085,797 and were dedicated as follows:

General corporate purposes	7.23 mills
Utility system	7.00 mills

Total taxes levied were \$43,911. Taxes receivable at June 30, 1996 was \$1,557, all of which was current.

(4) Interfund Receivables, Payables

A summary of interfund receivables and payables at June 30, 1996 follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ -	\$ 67
Special Revenue Funds:		
1969 Sales Tax Fund	-	58,093
1982 Sales Tax Fund	9,369	17,361
Capital Projects Fund:		
One Percent Budget Set-Aside Fund	9,800	-
Utility Fund	<u>66,152</u>	<u>9,800</u>
Totals	<u>\$85,321</u> =====	<u>\$85,321</u> =====

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Financial Statements (Continued)

(5) Restricted Assets - Proprietary Fund Type

Restricted assets were applicable to the following at June 30:

	<u>1996</u>	<u>1995</u>
Revenue bond sinking and interest redemption fund	\$ 62,092	\$ 46,393
Revenue bond reserve fund	9,930	9,178
Revenue bond capital additions and contingencies fund	24,510	22,434
Customers' deposits	<u>46,394</u>	<u>44,474</u>
Total restricted assets	<u>\$142,926</u>	<u>\$122,479</u>

(6) Changes in Fixed Assets

A summary of changes in general fixed assets follows:

	<u>Balance 7/01/95</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/96</u>
Land	\$ 25,498	\$ -	\$ -	\$ 25,498
Buildings	186,866	9,356	-	196,222
Equipment	<u>93,607</u>	<u>16,570</u>	<u>1,762</u>	<u>108,415</u>
Total general fixed assets	<u>\$305,971</u>	<u>\$25,926</u>	<u>\$1,762</u>	<u>\$330,135</u>

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

Gas department:	
System and extensions	\$ 509,481
Equipment	53,768
Water department:	
Land	25,000
System and extensions	607,219
Equipment	28,188
Sewerage department:	
Land	3,715
System and improvements	1,408,771
Equipment	24,118
Sanitation department:	
Equipment	3,500

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Financial Statements (Continued)

Administrative:	
Office equipment	<u>11,845</u>
	2,675,605
Less: Accumulated depreciation	<u>(1,046,605)</u>
Net Utility Fund property, plant and equipment	<u>\$ 1,629,000</u>

(7) Changes in Long-Term Debt

The following is a summary of general long-term obligation transactions of the Town for the year ended June 30, 1996:

	<u>Compensated Absences</u>	<u>General Obligation</u>	<u>Revenue</u>	<u>Total</u>
Compensated absences, bonds and certificates payable at June 30, 1995	\$4,933	\$230,000	\$375,000	\$609,933
Additions	1,904	-	-	1,904
Reductions	<u>-</u>	<u>25,000</u>	<u>34,000</u>	<u>59,000</u>
Compensated absences, bonds and certificates payable at June 30, 1996	<u>\$6,837</u>	<u>\$205,000</u>	<u>\$341,000</u>	<u>\$552,837</u>

Bonds and certificates of indebtedness payable at June 30, 1996 are comprised of the following individual issues:

General obligation bonds and certificates of indebtedness:

\$300,000 Certificates of Indebtedness dated 6/01/92; due in annual installments of \$30,000 to \$40,000 through 6/01/02; interest at 6.50 percent; payable from excess annual revenues	<u>\$205,000</u>
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TOWN OF ARNAUDVILLE, 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

	1996		Variance - Favorable (Unfavorable)	1995 Actual
	<u>Budget</u>	<u>Actual</u>		
Revenues:				
Taxes	\$ 79,100	\$ 80,972	\$ 1,872	\$ 73,566
Licenses and permits	44,000	55,884	11,884	55,178
Intergovernmental	39,600	38,643	(957)	38,763
Fines and forfeits	25,000	22,757	(2,243)	19,365
Miscellaneous	<u>13,085</u>	<u>14,982</u>	<u>1,897</u>	<u>12,372</u>
Total revenues	<u>200,785</u>	<u>213,238</u>	<u>12,453</u>	<u>199,244</u>
Expenditures:				
Current -				
General government	135,100	136,037	(937)	129,352
Public safety:				
Police	71,600	72,432	(832)	61,606
Highways and streets	40,200	42,245	(2,045)	27,435
Culture and recreation	4,800	6,386	(1,586)	7,977
Capital outlay	<u>21,000</u>	<u>20,485</u>	<u>515</u>	<u>58,649</u>
Total expenditures	<u>272,700</u>	<u>277,585</u>	<u>(4,885)</u>	<u>285,019</u>
Deficiency of revenues over expenditures	(71,915)	(64,347)	7,568	(85,775)
Other financing sources:				
Operating transfers in	<u>81,000</u>	<u>80,364</u>	<u>(636)</u>	<u>59,853</u>
Excess (deficiency) of revenues and other sources over expenditures	9,085	16,017	6,932	(25,922)
Fund balance, beginning	<u>58,686</u>	<u>58,686</u>	-	<u>84,608</u>
Fund balance, ending	<u>\$ 67,771</u>	<u>\$ 74,703</u>	<u>\$ 6,932</u>	<u>\$ 58,686</u>

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Financial Statements (Continued)

Each month there will be set aside into a "Bond and Interest Redemption Fund", also called the "Sinking Fund", an amount consisting of 1/12 of the next maturing installment of principal and interest on the outstanding certificates. Such transfers must be made on or before the 20th day of each month to assure the prompt payment of principal and interest installments as they become due and may be used only for such payments.

Relative to the 1982 bond issue, 5 percent of the amount to be paid into the Bond and Interest Redemption Fund each month must be deposited into a "Bond Reserve Fund" until there is on deposit an amount equal to \$15,050. Also, there will be set aside into a "Capital Additions and Contingencies Fund" \$119 per month for the 1982 issue. Monies in this account may be used for the making of extraordinary repairs or replacements to the system which are necessary to keep the system in operating condition and for which money is not available as a maintenance and operation expense.

All revenues received in any fiscal year and not required to be paid in such fiscal year into any of the above noted accounts shall be regarded as surplus and may be used for any lawful corporate purpose.

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

Proceeds of a 1969 1% sales and use tax levied by the Town of Arnaudville (1996 collections \$104,466; 1995 \$91,750) are dedicated to the following purposes:

Constructing, acquiring, improving and maintaining police department stations and equipment, garbage and waste disposal facilities, streets, drains and drainage facilities; compensating policemen; maintaining sewers and sewerage disposal works; and purchasing and acquiring the necessary equipment and furnishings for the aforesaid public works, improvements and facilities, title to which improvements shall be in the public name.

Proceeds of a 1982 1% sales and use tax levied by the Town of Arnaudville (1996 collections \$104,466; 1995 \$91,750) are dedicated to the following purposes:

Constructing, acquiring, extending, improving, operating and/or maintaining public streets, bridges, sidewalks, drainage facilities, recreational facilities and garbage and waste disposal facilities; and purchasing and acquiring the necessary land, equipment and furnishings for any of the aforesaid public works, improvements and facilities. The 1982 sales and use tax is currently dedicated to retiring the 6/1/92 Street Improvements Certificates of Indebtedness.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Financial Statements (Continued)

The Town has the following fund types and account groups:

Governmental Fund Types -

General Fund

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

Special revenue funds

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

Debt service fund

The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital projects funds

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

Proprietary Fund Type -

Enterprise fund

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

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Financial Statements (Continued)

of \$90,215 of which \$3,440 was owed for purchases for the month of June, 1996, and \$1,038 is being held in storage at June 30, 1996. The amount held in storage is recorded as a prepaid expense at June 30, 1996.

(12) Segment Information for the Enterprise Fund

The Town of Arnaudville maintains one enterprise fund with four departments which provide gas, water, sewerage and sanitation (on a limited basis) services. Segment information for the year ended June 30, 1996 was as follows:

	<u>Gas Dept.</u>	<u>Water Dept.</u>	<u>Sewerage Dept.</u>	<u>Sanitation Dept.</u>	<u>Total Enterprise Fund</u>
Operating revenues	\$306,942	\$147,586	\$74,558	\$ 997	\$530,083
Operating expenses	<u>235,726</u>	<u>97,172</u>	<u>72,672</u>	<u>1,342</u>	<u>406,912</u>
Operating income (loss)	<u>\$ 71,216</u>	<u>\$ 50,414</u>	<u>\$ 1,886</u>	<u>\$ (345)</u>	<u>\$123,171</u>

(13) Compensation of Town Officials

A detail of compensation paid to the Mayor and Board of Aldermen for the year ended June 30, 1996 follows:

Lanard Meche, Mayor	\$ 8,256
Aldermen:	
Gerald Guidry	2,915
Kathy Richard	2,915
Todd Meche	2,915
Levan Stelly	2,915
Louis Stelly, Jr.	<u>2,915</u>
Total	<u>\$22,831</u>

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Financial Statements (Continued)

(14) Contributed Capital

Amounts contributed to the Enterprise Fund for acquisition or construction of fixed assets is recognized as contributed capital. The sources of contributed capital used to acquire and construct facilities of the Enterprise Fund is as follows:

	<u>Municipality</u>	<u>Customers</u>	<u>State Grants</u>	<u>Federal Grants</u>	<u>Total</u>
Contributed capital at July 1, 1995	\$112,375	\$15,176	\$165,000	\$661,222	\$953,773
Add: Capital contributed	-	-	-	-	-
Less: Accumulated amortization	-	-	-	(18,453)	(18,453)
Contributed capital at June 30, 1996	<u>\$112,375</u>	<u>\$15,176</u>	<u>\$165,000</u>	<u>\$642,769</u>	<u>\$935,320</u>

(15) Litigation and Claims

At June 30, 1996, the Town is involved in one lawsuit claiming damages. In the opinion of the Town's legal counsel, resolution of this lawsuit will not create a liability to the Town which would be material to the financial statements. Therefore, no accrual for a potential liability is recorded in the financial statements at June 30, 1996.

(16) Violation of State Statues

A violation of LSA-R.S. 39:1225 of the Cash Management laws occurred when bank deposits in one financial institution exceeded the amount of federal deposit insurance and pledged securities at June 30, 1996.

SUPPLEMENTAL INFORMATION

SCHEDULES OF INDIVIDUAL FUNDS AND ACCOUNT GROUPS

GENERAL FUND

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

TOWN OF ARNAUDVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers
(Unaudited)
June 30, 1996 and 1995

Records maintained by the Town indicated the following number of customers were being served during the months of June, 1996 and 1995:

<u>Department</u>	<u>1996</u>	<u>1995</u>
Gas (metered)	783	797
Water	808	822
Sewerage	589	605
Sanitation	31	28

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Financial Statements (Continued)

Revenue bonds and certificates:

\$245,000 Utility bonds dated 3/24/82; due in annual installments of \$4,000 to \$13,000 through 3/24/22; interest at 5.00 percent	\$201,000
Certificates of indebtedness, Series 1989 due in annual installments of \$30,000 to \$40,000 through 8/01/99; interest at 7.65 to 7.75 percent	<u>140,000</u>
Total	341,000
Less: Unamortized discount	<u>(2,158)</u>
Net utility revenue bonds and certificates payable	<u>\$338,842</u>

The annual requirements to amortize all debt outstanding as of June 30, 1996 including interest payments of \$231,321 are as follows:

<u>Year ending</u> <u>June 30</u>	<u>General</u> <u>Obligation</u>	<u>Revenue</u>	<u>Total</u>
1997	\$ 43,325	\$ 53,705	\$ 97,030
1998	41,375	57,010	98,385
1999	44,425	54,056	98,481
2000	42,150	55,900	98,050
2001	39,875	14,100	53,975
2002-2006	42,600	70,450	113,050
2007-2011	-	68,700	68,700
2012-2016	-	68,100	68,100
2017-2021	-	67,900	67,900
2022-2026	-	<u>13,650</u>	<u>13,650</u>
	<u>\$253,750</u>	<u>\$523,571</u>	<u>\$777,321</u>

(8) Flow of Fund; Restrictions on Use - Utilities Revenues

Under the terms of the bond indenture on outstanding utility revenue bonds dated March 24, 1982 and the Certificates of Indebtedness, Series 1989, all income and revenues (hereinafter referred to as revenue) of every nature, earned or derived from operation of the Utility System are pledged and dedicated to the retirement of said bonds and certificates and are to be set aside into the following funds:

TOWN OF ARNAUDVILLE, LOUISIANA

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget (GAAP Basis) and Actual
All Governmental Fund Types
Year Ended June 30, 1996

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:						
Taxes	\$ 79,100	\$ 80,972	\$ 1,872	\$201,240	\$208,932	\$ 7,692
Licenses and permits	44,000	55,884	11,884	-	-	-
Intergovernmental	39,600	38,643	(957)	500	419	(81)
Fines and forfeits	25,000	22,757	(2,243)	-	-	-
Miscellaneous	13,085	14,982	1,897	7,107	7,496	389
Total revenues	<u>200,785</u>	<u>213,238</u>	<u>12,453</u>	<u>208,847</u>	<u>216,847</u>	<u>8,000</u>
Expenditures:						
Current -						
General government	135,100	136,037	(937)	6,600	5,535	1,065
Public safety:						
Police	71,600	72,432	(832)	105,000	98,900	6,100
Highways and streets	40,200	42,245	(2,045)	16,000	16,081	(81)
Culture and recreation	4,800	6,386	(1,586)	2,500	948	1,552
Capital outlay	21,000	20,485	515	5,000	5,441	(441)
Debt service -						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>272,700</u>	<u>277,585</u>	<u>(4,885)</u>	<u>135,100</u>	<u>126,905</u>	<u>8,195</u>
Excess (deficiency) of revenues over expenditures	<u>(71,915)</u>	<u>(64,347)</u>	<u>7,568</u>	<u>73,747</u>	<u>89,942</u>	<u>16,195</u>
Other financing sources (uses):						
Operating transfers in	81,000	80,364	(636)	14,000	13,768	(232)
Operating transfers out	-	-	-	(39,950)	(41,575)	(1,625)
Total other financing sources (uses)	<u>81,000</u>	<u>80,364</u>	<u>(636)</u>	<u>(25,950)</u>	<u>(27,807)</u>	<u>(1,857)</u>
Excess of revenues and other sources over expenditures and other uses	9,085	16,017	6,932	47,797	62,135	14,338
Fund balances, beginning	<u>58,686</u>	<u>58,686</u>	-	<u>156,705</u>	<u>156,705</u>	-
Fund balances, ending	<u>\$ 67,771</u>	<u>\$ 74,703</u>	<u>\$ 6,932</u>	<u>\$204,502</u>	<u>\$218,840</u>	<u>\$14,338</u>

The accompanying notes are an integral part of this statement.

DARNALL, SIKES, KOLDER, FREDERICK & RAINEY

(A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS)

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INDEPENDENT AUDITOR'S REPORT

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The Honorable Lanard Meche, Mayor,
and Members of the Board of Aldermen
Town of Arnaudville, Louisiana

We have audited the accompanying general purpose financial statements of the Town of Arnaudville, Louisiana, as of and for the year ended June 30, 1996, as listed in the table of contents. These general purpose financial statements are the responsibility of the Town'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 Town of Arnaudville, 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.

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, schedules and statistical data 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 Town of Arnaudville, Louisiana. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the 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.

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TOWN OF ARNAUDVILLE, LOUISIANA

Financial Report

Year Ended 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 OCT 16 1996

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

TOWN OF ARNAUDVILLE, LOUISIANA

Combined Balance Sheet - All Fund Types and Account Groups
June 30, 1996

	Governmental Fund Types			Proprietary Fund Type Enterprise	Account Groups		Totals (Memorandum Only)		
	General	Special Revenue	Debt Service		Capital Projects	General Fixed Assets	General Long- Term Debt	1996	1995
ASSETS AND OTHER DEBITS									
Cash	\$82,822	\$177,887	\$10,066	\$ 2,549	\$ 126,186	\$ -	\$ -	\$ 399,510	\$ 142,071
Interest-bearing deposits	-	108,622	-	161,430	423,478	-	-	693,530	782,208
Receivables, net of allowances for uncollectibles:									
Taxes	794	-	-	-	763	-	-	1,557	1,085
Accounts	-	-	-	-	53,649	-	-	53,649	53,419
Accrued interest	-	1,572	-	4,330	12,447	-	-	18,349	8,131
Due from other funds	-	9,369	-	9,800	66,152	-	-	85,321	30,691
Due from other governments	421	-	-	-	-	-	-	421	1,500
Other	-	-	-	-	19	-	-	19	466
Prepaid expenses	-	-	-	-	1,038	-	-	1,038	14,163
Restricted assets:									
Cash	-	-	-	-	47,583	-	-	47,583	30,298
Interest-bearing deposits	-	-	-	-	95,343	-	-	95,343	92,181
Land	-	-	-	-	-	-	-	-	25,498
Buildings	-	-	-	-	-	25,498	-	25,498	186,866
Equipment	-	-	-	-	-	196,222	-	196,222	93,607
Utility property, plant and equipment	-	-	-	-	-	108,415	-	108,415	2,674,504
Accumulated depreciation	-	-	-	-	2,675,605	-	-	2,675,605	(970,411)
Amount available in debt service fund	-	-	-	-	(1,046,605)	-	-	(1,046,605)	8,441
Amount to be provided for retirement of general long-term debt	-	-	-	-	-	10,066	-	10,066	-
	-	-	-	-	-	201,771	-	201,771	226,492
Total assets and other debits	\$84,037	\$297,450	\$10,066	\$178,109	\$ 2,455,658	\$330,135	\$211,837	\$ 3,567,292	\$3,401,210

(continued)

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Financial Statements (Continued)

D. Budgets and Budgetary Accounting

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

1. The Town Clerk prepares a proposed budget and submits it to the Mayor and Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of a resolution prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the 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 Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board of Aldermen. Such amendments were not material in relation to the original appropriations.

E. Interest-Bearing Deposits

Interest-bearing deposits are stated at cost, which approximates market.

TOWN OF ARNAUDVILLE, LOUISIANA

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -
All Governmental Fund Types
Year Ended June 30, 1996

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)	
					1996	1995
Revenues:						
Taxes	\$ 80,972	\$208,932	\$ -	\$ -	\$289,904	\$257,066
Licenses and permits	55,884	-	-	-	55,884	55,178
Intergovernmental	38,643	419	-	-	39,062	39,512
Fines and forfeits	22,757	-	-	-	22,757	19,365
Miscellaneous	14,982	7,496	-	8,603	31,081	20,253
Total revenues	<u>213,238</u>	<u>216,847</u>	<u>-</u>	<u>8,603</u>	<u>438,688</u>	<u>391,374</u>
Expenditures:						
Current -						
General government	136,037	5,535	-	-	141,572	135,008
Public safety:						
Police	72,432	98,900	-	-	171,332	169,553
Highways and streets	42,245	16,081	-	-	58,326	43,047
Culture and recreation	6,386	948	-	-	7,334	9,223
Capital outlay	20,485	5,441	-	-	25,926	59,219
Debt service -						
Principal retirement	-	-	25,000	-	25,000	25,000
Interest and fiscal charges	-	-	14,950	-	14,950	16,620
Total expenditures	<u>277,585</u>	<u>126,905</u>	<u>39,950</u>	<u>-</u>	<u>444,440</u>	<u>457,670</u>
Excess of revenues over expenditures	<u>(64,347)</u>	<u>89,942</u>	<u>(39,950)</u>	<u>8,603</u>	<u>(5,752)</u>	<u>(66,296)</u>
Other financing sources (uses):						
Operating transfers in	80,364	13,768	41,575	9,800	145,507	145,815
Operating transfers out	-	(41,575)	-	-	(41,575)	(42,700)
Total other financing sources (uses)	<u>80,364</u>	<u>(27,807)</u>	<u>41,575</u>	<u>9,800</u>	<u>103,932</u>	<u>103,115</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	16,017	62,135	1,625	18,403	98,180	36,819
Fund balances, beginning	<u>58,686</u>	<u>156,705</u>	<u>8,441</u>	<u>159,706</u>	<u>383,538</u>	<u>346,719</u>
Fund balances, ending	<u>\$ 74,703</u>	<u>\$218,840</u>	<u>\$ 10,066</u>	<u>\$178,109</u>	<u>\$481,718</u>	<u>\$383,538</u>
	=====	=====	=====	=====	=====	=====

The accompanying notes are an integral part of this statement.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Financial Statements (Continued)

Account Groups -

General Fixed Assets Account Group

This is not a fund but rather an account group that is used to account for general fixed assets acquired principally for general purposes and excludes fixed assets in the Enterprise Fund.

General Long-Term Debt Account Group

This is not a fund but rather an account group that is used to account for the outstanding principal balances of general obligation bonds and other long-term debt not reported in proprietary funds.

C. Basis of Accounting

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

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Sales taxes are considered "measurable" when in the hands of 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. Other major revenues that are considered susceptible to accrual include earned grant revenues and other intergovernmental revenues, charges for services and interest on interest-bearing deposits. Franchise fees, licenses and permits, and fines are recognized when received because they are not objectively measurable.

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

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

<u>Debt Service Fund</u>			<u>Capital Projects Funds</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	9,234	8,603	(631)
-	-	-	9,234	8,603	(631)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	20,000	-	20,000
25,000	25,000	-	-	-	-
14,950	14,950	-	-	-	-
39,950	39,950	-	20,000	-	20,000
(39,950)	(39,950)	-	(10,766)	8,603	19,369
39,950	41,575	1,625	9,800	9,800	-
39,950	41,575	1,625	9,800	9,800	-
-	1,625	1,625	(966)	18,403	19,369
8,441	8,441	-	159,706	159,706	-
\$ 8,441	\$ 10,066	\$1,625	\$158,740	\$178,109	\$19,369
=====	=====	=====	=====	=====	=====

TOWN OF ARNAUDVILLE, LOUISIANA

Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings
 Proprietary Fund Type
 Years Ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Operating revenues:		
Charges for services -		
Gas sales	\$ 300,115	\$ 273,317
Gas reconnection fees	2,289	1,338
Water sales	142,609	136,685
Water reconnection fees	2,275	1,051
Sewerage charges and connection fees	73,182	72,109
Garbage collections	730	665
Penalties	<u>8,883</u>	<u>7,016</u>
Total operating revenues	<u>530,083</u>	<u>492,181</u>
Operating expenses:		
Gas department	176,025	144,115
Water department	66,697	65,974
Sewerage department	26,309	22,309
Sanitation department	-	759
General and administrative	61,687	66,163
Depreciation	<u>76,194</u>	<u>76,028</u>
Total operating expenses	<u>406,912</u>	<u>375,348</u>
Operating income	<u>123,171</u>	<u>116,833</u>
Nonoperating revenues (expenses):		
Interest income	23,720	15,145
Ad valorem taxes	24,218	23,423
Interest expense	(22,892)	(24,476)
Paying agent's fees	(673)	(1,586)
Miscellaneous	<u>932</u>	<u>-</u>
Total nonoperating revenues	<u>25,305</u>	<u>12,506</u>
Income before operating transfers	148,476	129,339
Operating transfers in (out):		
Operating transfers out	<u>(103,932)</u>	<u>(103,115)</u>

(continued)

TOWN OF ARNAUDVILLE, LOUISIANA

Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings
 Proprietary Fund Type (Continued)
 Years Ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Net income	\$ 44,544	\$ 26,224
Add: Depreciation on fixed assets acquired with capital grants that reduces contributed capital from capital grants	<u>18,453</u>	<u>18,453</u>
Net increase in retained earnings	62,997	44,677
Retained earnings, beginning	<u>1,055,317</u>	<u>1,010,640</u>
Retained earnings, ending	<u>\$1,118,314</u>	<u>\$1,055,317</u>

The accompanying notes are an integral part of this statement.

TOWN OF ARNAUDVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Cash Flows
Years Ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Cash flows from operating activities:		
Operating income	\$ <u>123,171</u>	\$ <u>116,833</u>
Adjustments to reconcile operating income to net cash provided by operating activities -		
Depreciation	76,194	76,028
Amortization of discount on certificates of indebtedness	700	700
Changes in assets and liabilities:		
Decrease (increase) in accounts receivable	(230)	800
Decrease (increase) in due from other funds	(42,885)	73,082
Decrease (increase) in other receivables	447	(267)
Decrease in prepaid expenses	13,125	4,793
Increase (decrease) in accounts payable	2,176	(10,213)
Increase (decrease) in due to other funds	9,800	(21,967)
Increase (decrease) in accrued liabilities	894	(937)
Total adjustments	<u>60,221</u>	<u>122,019</u>
Net cash provided by operating activities	<u>183,392</u>	<u>238,852</u>
Cash flows from noncapital financing activities:		
Proceeds from ad valorem taxes	23,989	23,624
Operating transfers out to other funds	(103,932)	(103,115)
Net cash used by noncapital financing activities	<u>(79,943)</u>	<u>(79,491)</u>
Cash flows from capital and related financing activities:		
Interest paid on revenue bonds and certificates of indebtedness	(22,892)	(24,476)
Principal paid on revenue bonds	(34,000)	(29,000)
Paying agents' fees	(673)	(1,586)
Miscellaneous nonoperating revenues	932	-
Acquisition of property, plant and equipment	(1,101)	(11,100)
Net increase (decrease) in meter deposits	(576)	1,738
Net cash used by capital and related financing activities	<u>(58,310)</u>	<u>(64,424)</u>
Cash flows from investing activities:		
Interest received on interest-bearing deposits	17,463	12,122
Net increase in interest-bearing deposits	(78,596)	(140,676)
Net cash used by investing activities	<u>(61,133)</u>	<u>(128,554)</u>
Net decrease in cash and cash equivalents	(15,994)	(33,617)
Cash and cash equivalents, beginning of period	<u>227,880</u>	<u>261,497</u>
Cash and cash equivalents, end of period	\$ <u>211,886</u>	\$ <u>227,880</u>
	=====	=====

(continued)

TOWN OF ARNAUDVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Cash Flows (Continued)
Years Ended June 30, 1996 and 1995

	1996	1995
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents, beginning of period -		
Cash - unrestricted	\$ 60,915	\$ 98,240
Interest-bearing deposits - unrestricted	446,594	314,029
Cash - restricted	30,298	23,384
Interest-bearing deposits - restricted	92,181	87,276
Less: Interest-bearing deposits with a maturity over three months	<u>(402,108)</u>	<u>(261,432)</u>
Total cash and cash equivalents	<u>227,880</u>	<u>261,497</u>
Cash and cash equivalents, end of period -		
Cash - unrestricted	126,186	60,915
Interest-bearing deposits - unrestricted	423,478	446,594
Cash - restricted	47,583	30,298
Interest-bearing deposits - restricted	95,343	92,181
Less: Interest-bearing deposits with a maturity over three months	<u>(480,704)</u>	<u>(402,108)</u>
Total cash and cash equivalents	<u>211,886</u>	<u>227,880</u>
Net decrease	\$ (15,994)	\$ (33,617)
	=====	=====

The accompanying notes are an integral part of this statement.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

The Town of Arnaudville (Town) was incorporated in 1909 under the provisions of the Lawrason Act. The Town operates under a Mayor-Board of Aldermen form of government.

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

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

This report includes all funds and account groups which are controlled by or dependent on the Town executive and legislative branches (the Mayor and Board of Aldermen). Control by or dependence on the Town was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

Based on the foregoing criteria, a certain governmental organization is not part of the Town and is thus excluded from the accompanying financial statements. This organization is the volunteer fire department. Although the Town does provide facilities and some of its financing, no control is exercised over its operations.

B. Basis of Presentation - Fund Accounting

The accounts of the Town of Arnaudville are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in an individual fund based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Account groups are reporting devices used to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

TOWN OF ARNAUDVILLE, LOUISIANA
General Fund

Statement of Revenues Compared to Budget (GAAP Basis)
Year Ended June 30, 1996
With Comparative Actual Amounts for Year Ended June 30, 1995

	1996		Variance - Favorable	1995
	Budget	Actual	(Unfavorable)	Actual
Taxes:				
Ad valorem	\$ 25,100	\$ 25,187	\$ 87	\$ 24,234
Franchise - utility companies	<u>54,000</u>	<u>55,785</u>	<u>1,785</u>	<u>49,332</u>
	<u>79,100</u>	<u>80,972</u>	<u>1,872</u>	<u>73,566</u>
Licenses and permits:				
Occupational licenses	<u>44,000</u>	<u>55,884</u>	<u>11,884</u>	<u>55,178</u>
Intergovernmental:				
State of Louisiana -				
Tobacco tax	7,600	7,512	(88)	7,524
Beer tax	5,500	4,176	(1,324)	5,102
Video poker contributions	11,500	11,905	405	18,687
Sidewalk grant	10,000	10,000	-	-
USDA Forest Service grant	-	-	-	2,400
U. S. Post Office Rental	<u>5,000</u>	<u>5,050</u>	<u>50</u>	<u>5,050</u>
	<u>39,600</u>	<u>38,643</u>	<u>(957)</u>	<u>38,763</u>
Fines and forfeits	<u>25,000</u>	<u>22,757</u>	<u>(2,243)</u>	<u>19,365</u>
Miscellaneous:				
Sale of equipment	300	310	10	1,274
Interest	1,085	1,054	(31)	689
Recreation department fees	5,000	6,937	1,937	2,874
Donations - library/museum	4,200	4,726	526	5,181
Other	<u>2,500</u>	<u>1,955</u>	<u>(545)</u>	<u>2,354</u>
	<u>13,085</u>	<u>14,982</u>	<u>1,897</u>	<u>12,372</u>
Total revenues	<u>\$200,785</u>	<u>\$213,238</u>	<u>\$12,453</u>	<u>\$199,244</u>
	=====	=====	=====	=====

TOWN OF ARNAUDVILLE, LOUISIANA

Combined Balance Sheet - All fund Types and Account Groups (Continued)
June 30, 1996

	Governmental Fund Types			Proprietary Fund Type Enterprise	Account Groups		Totals (Memorandum Only) 1996 1995
	General	Special Revenue	Debt Service		Capital Projects	General Fixed Assets	
LIABILITIES, EQUITY AND OTHER CREDITS							
Liabilities:							
Accounts payable	\$ 5,583	\$ 2,790	\$ -	\$ -	\$ -	\$ -	\$ 20,409
Due to other funds	67	75,454	-	-	-	-	85,321
Other liabilities	3,684	366	-	-	-	-	9,918
Payable from restricted assets -							
Revenue bonds	-	-	-	-	-	-	-
Certificates of indebtedness	-	-	-	-	-	-	4,000
Customers' deposits	-	-	-	-	-	-	30,000
Compensated absences	-	-	-	-	-	-	35,478
Revenue bonds payable	-	-	-	-	-	6,837	6,837
Certificates of indebtedness payable	-	-	-	-	-	-	197,000
Total liabilities	<u>9,334</u>	<u>78,610</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>205,000</u>	<u>312,842</u>
							<u>701,805</u>
Equity and other credits:							
Contributed capital	-	-	-	-	-	-	935,320
Investment in general fixed assets	-	-	-	-	-	-	330,135
Retained earnings -							
Reserved for revenue bond retirement	-	-	-	-	-	-	62,532
Unreserved	-	-	-	-	-	-	1,055,782
Total retained earnings	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,118,314</u>
Fund balances -							
Reserved for debt service	-	-	10,066	-	-	-	10,066
Unreserved:							
Designated for subsequent years' expenditures	-	-	-	178,109	-	-	178,109
Undesignated	<u>74,703</u>	<u>218,840</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>293,543</u>
Total fund balances	<u>74,703</u>	<u>218,840</u>	<u>10,066</u>	<u>178,109</u>	<u>-</u>	<u>-</u>	<u>481,718</u>
Total equity and other credits	<u>74,703</u>	<u>218,840</u>	<u>10,066</u>	<u>178,109</u>	<u>2,053,634</u>	<u>-</u>	<u>2,865,487</u>
Total liabilities, equity and other credits	<u>\$84,037</u>	<u>\$297,450</u>	<u>\$10,066</u>	<u>\$178,109</u>	<u>\$2,455,658</u>	<u>\$211,837</u>	<u>\$3,567,292</u>

The accompanying notes are an integral part of this statement.

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. Payment of maturing obligations, including interest, are accounted for in the debt service funds.

TOWN OF ARNAUDVILLE, LOUISIANA
General Fund

Comparative Balance Sheet
June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
ASSETS		
Cash	\$82,822	\$57,952
Interest-bearing deposits	-	25,000
Receivables:		
Taxes	794	551
Due from other governments	<u>421</u>	<u>1,500</u>
 Total assets	 \$84,037	 \$85,003
	<u>=====</u>	<u>=====</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 5,583	\$ 6,817
Due to other funds	67	16,094
Other liabilities	<u>3,684</u>	<u>3,406</u>
Total liabilities	9,334	26,317
 Fund balance - unreserved and undesignated	 <u>74,703</u>	 <u>58,686</u>
 Total liabilities and fund balance	 \$84,037	 \$85,003
	<u>=====</u>	<u>=====</u>

TOWN OF ARNAUDVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Operating Expenses by Department (Continued)
Years Ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Sanitation department:		
Chemicals and supplies	\$ -	\$ 759
Depreciation	<u>700</u>	<u>525</u>
Total sanitation department	<u>700</u>	<u>1,284</u>
General and administrative:		
Salaries	32,851	37,407
Payroll taxes and retirement	3,825	2,865
Telephone	1,265	1,487
Professional fees	5,960	9,250
Certification fees	3,923	3,050
Insurance	7,532	7,214
Depreciation	2,496	2,423
Office supplies	5,020	4,026
Miscellaneous	<u>1,311</u>	<u>864</u>
Total general and administrative	<u>64,183</u>	<u>68,586</u>
Total operating expenses	<u>\$406,912</u>	<u>\$375,348</u>

TOWN OF ARNAUDVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Cash Flows
Years Ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Cash flows from operating activities:		
Operating income	\$ 123,171	\$ 116,833
Adjustments to reconcile operating income to net cash provided by operating activities -		
Depreciation	76,194	76,028
Amortization of discount on certificates of indebtedness	700	700
Changes in assets and liabilities:		
Decrease (increase) in accounts receivable	(230)	800
Decrease (increase) in due from other funds	(42,885)	73,082
Decrease (increase) in other receivables	447	(267)
Decrease in prepaid expenses	13,125	4,793
Increase (decrease) in accounts payable	2,176	(10,213)
Increase (decrease) in due to other funds	9,800	(21,967)
Increase (decrease) in accrued liabilities	894	(937)
Total adjustments	<u>60,221</u>	<u>122,019</u>
Net cash provided by operating activities	<u>183,392</u>	<u>238,852</u>
Cash flows from noncapital financing activities:		
Proceeds from ad valorem taxes	23,989	23,624
Operating transfer out to other funds	(103,932)	(103,115)
Net cash used by noncapital financing activities	<u>(79,943)</u>	<u>(79,491)</u>
Cash flows from capital and related financing activities:		
Interest paid on revenue bonds and certificates of indebtedness	(22,892)	(24,476)
Principal paid on revenue bonds	(34,000)	(29,000)
Paying agents' fees	(673)	(1,586)
Miscellaneous nonoperating revenues	932	-
Acquisition of property, plant and equipment	(1,101)	(11,100)
Net Increase (decrease) in meter deposits	(576)	1,738
Net cash used by capital and related financing activities	<u>(58,310)</u>	<u>(64,424)</u>
Cash flows from investing activities:		
Interest received on interest-bearing deposits	17,463	12,122
Net increase in interest-bearing deposits	(78,596)	(140,676)
Net cash used by investing activities	<u>(61,133)</u>	<u>(128,554)</u>
Net decrease in cash and cash equivalents	(15,994)	(33,617)
Cash and cash equivalents, beginning of period	<u>227,880</u>	<u>261,497</u>
Cash and cash equivalents, end of period	\$ 211,886 =====	\$ 227,880 =====

(continued)

TOWN OF ARNAUDVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Cash Flows (Continued)
Years Ended June 30, 1996 and 1995

	1996	1995
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents, beginning of period -		
Cash - unrestricted	\$ 60,915	\$ 98,240
Interest-bearing deposits - unrestricted	446,594	314,029
Cash - restricted	30,298	23,384
Interest-bearing deposits - restricted	92,181	87,276
Less: Interest-bearing deposits with a maturity over three months	(402,108)	(261,432)
Total cash and cash equivalents	227,880	261,497
 Cash and cash equivalents, end of period -		
Cash - unrestricted	126,186	60,915
Interest-bearing deposits - unrestricted	423,478	446,594
Cash - restricted	47,583	30,298
Interest-bearing deposits - restricted	95,343	92,181
Less: Interest-bearing deposits with a maturity over three months	(480,704)	(402,108)
Total cash and cash equivalents	211,886	227,880
 Net decrease	\$ (15,994)	\$ (33,617)
	=====	=====

TOWN OF ARNAUDVILLE LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Changes in Assets Restricted for Revenue Bond Debt Service
Year Ended June 30, 1996

	<u>Revenue Bond and Interest Redemption</u>	<u>Revenue Bond Reserve</u>	<u>Revenue Bond Capital Additions and Contingencies</u>	<u>Total</u>
Cash and interest-bearing deposits July 1, 1995	\$ 46,393	\$9,178	\$22,434	\$ 78,005
Cash receipts:				
Transfer from operating account	57,143	752	1,428	59,323
Interest on deposits	499	-	648	1,147
Total cash receipts	<u>57,642</u>	<u>752</u>	<u>2,076</u>	<u>60,470</u>
Total cash and interest-bearing deposits available	<u>104,035</u>	<u>9,930</u>	<u>24,510</u>	<u>138,475</u>
Cash disbursements:				
Principal payments	30,000	-	-	30,000
Interest payments	11,943	-	-	11,943
Total disbursements	<u>41,943</u>	<u>-</u>	<u>-</u>	<u>41,943</u>
Cash and interest-bearing deposits, June 30, 1996	<u>\$ 62,092</u>	<u>\$9,930</u>	<u>\$24,510</u>	<u>\$ 96,532</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

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

TOWN OF ARNAUDVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings
(Continued)
Years Ended June 30, 1996 and 1995

	1996	1995
Net income	\$ 44,544	\$ 26,224
Add: Depreciation on fixed assets acquired with capital grants that reduces contributed capital from capital grants	18,453	18,453
Net increase in retained earnings	62,997	44,677
Retained earnings, beginning	1,055,317	1,010,640
Retained earnings, ending	\$1,118,314	\$1,055,317

TOWN OF ARNAUDVILLE, LOUISIANA

Statement of Changes in General Fixed Assets
Year Ended June 30, 1996

	<u>Land</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Total</u>
General fixed assets, beginning of year	\$25,498	\$186,866	\$ 93,607	\$305,971
Additions	<u>-</u>	<u>9,356</u>	<u>16,570</u>	<u>25,926</u>
Total balances and additions	25,498	196,222	110,177	331,897
Deletions	<u>-</u>	<u>-</u>	<u>1,762</u>	<u>1,762</u>
General fixed assets, end of year	<u>\$25,498</u>	<u>\$196,222</u>	<u>\$108,415</u>	<u>\$330,135</u>

TOWN OF ARNAUDVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings
Years Ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Operating revenues:		
Charges for services -		
Gas sales	\$ 300,115	\$ 273,317
Gas reconnection fees	2,289	1,338
Water sales	142,609	136,685
Water reconnection fees	2,275	1,051
Sewerage charges and connection fees	73,182	72,109
Garbage collections	730	665
Penalties	<u>8,883</u>	<u>7,016</u>
Total operating revenues	<u>530,083</u>	<u>492,181</u>
Operating expenses:		
Gas department	199,142	166,925
Water department	79,201	78,238
Sewerage department	63,686	60,315
Sanitation department	700	1,284
General and administrative	<u>64,183</u>	<u>68,586</u>
Total operating expenses	<u>406,912</u>	<u>375,348</u>
Operating income	<u>123,171</u>	<u>116,833</u>
Nonoperating revenues (expenses):		
Interest income	23,720	15,145
Ad valorem taxes	24,218	23,423
Interest expense	(22,892)	(24,476)
Paying agent's fees	(673)	(1,586)
Miscellaneous	<u>932</u>	<u>-</u>
Total nonoperating revenues	<u>25,305</u>	<u>12,506</u>
Income before operating transfers	148,476	129,339
Operating transfers in (out):		
Operating transfers out	<u>(103,932)</u>	<u>(103,115)</u>

(continued)

TOWN OF ARNAUDVILLE, LOUISIANA

Statement of General Long-Term Debt
 June 30, 1996
 With Comparative Totals for June 30, 1995

	<u>Accrued Compensated Absences</u>	<u>Street Improvements Certificates of Indebtedness 06/01/92</u>	<u>Totals</u>	
			<u>1996</u>	<u>1995</u>
AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT				
Amount available in debt service fund for debt retirement	\$ -	\$ 10,066	\$ 10,066	\$ 8,441
Amount to be provided from - Excess annual revenues	<u>6,837</u>	<u>194,934</u>	<u>201,771</u>	<u>226,492</u>
Total available and to be provided	<u>\$6,837</u>	<u>\$205,000</u>	<u>\$211,837</u>	<u>\$234,933</u>
GENERAL LONG-TERM DEBT PAYABLE				
Accrued compensated absences	\$6,837	\$ -	\$ 6,837	\$ 4,933
Certificates of indebtedness payable	<u>-</u>	<u>205,000</u>	<u>205,000</u>	<u>230,000</u>
Total general long-term debt payable	<u>\$6,837</u>	<u>\$205,000</u>	<u>\$211,837</u>	<u>\$234,933</u>

INTERNAL CONTROL AND COMPLIANCE

DARNALL, SIKES, KOLDER, FREDERICK & RAINEY

(A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS)

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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

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The Honorable Lanard Meche, Mayor
and Members of the Board of Aldermen
Town of Arnaudville, Louisiana

We have audited the general purpose financial statements of the Town of Arnaudville, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated August 13, 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 elected officials of the Town of Arnaudville, Louisiana are 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 recorded properly to permit the preparation of financial statements in accordance 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.

In planning and performing our audit of the general purpose financial statements of the Town of Arnaudville, Louisiana, for the year ended June 30, 1996, we obtained an understanding of the 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 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 assurance on the internal control structure. Accordingly, we do not express such an opinion.

We noted a certain matter involving the internal control structure and its operation that we consider to be a reportable condition 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.

Inadequate Segregation of Accounting Functions

Finding:

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

Recommendation:

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

Response:

No response is considered necessary.

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 believe the reportable condition described above is a material weakness. This condition was considered in determining the nature, timing and extent of the procedures to be performed in our audit of the general purpose financial statements of the Town of Arnaudville for the year ended June 30, 1996.

We also noted other matters involving the internal control structure and its operation that we have reported to management of the Town of Arnaudville, Louisiana, in a separate letter dated August 13, 1996.

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

Darnall, Sikes, Kolder, Frederick & Rainey

A Corporation of Certified Public Accountants

Lafayette, Louisiana
August 13, 1996

DARNALL, SIKES, KOLDER, FREDERICK & RAINEY

(A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS)

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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 Lanard Meche, Mayor
and Members of the Board of Aldermen
Town of Arnaudville, Louisiana

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We have audited the general purpose financial statements of the Town of Arnaudville, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated August 13, 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 the Town of Arnaudville, Louisiana is the responsibility of the Town's elected officials. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the Town of Arnaudville, Louisiana'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.

The results of our tests of compliance disclosed the following instance of noncompliance that is required to be reported herein under Government Auditing Standards for which the ultimate resolution cannot presently be determined. Accordingly, no provision for any liability that may result has been recognized in the Town of Arnaudville Louisiana's 1996 financial statements.

TOWN OF ARNAUDVILLE, LOUISIANA

Comparative Statement of General Fixed Assets
June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
General fixed assets, at cost:		
Land	\$ 25,498	\$ 25,498
Buildings	196,222	186,866
Equipment	<u>108,415</u>	<u>93,607</u>
Total general fixed assets	\$330,135 =====	\$305,971 =====
Investment in general fixed assets:		
Property acquired from -		
General Fund revenues	\$170,258	\$151,535
Federal revenue sharing funds	39,837	39,837
Sales tax revenues	34,520	29,079
Public improvement bonds	65,000	65,000
Ad valorem taxes	<u>20,520</u>	<u>20,520</u>
Total investment in general fixed assets	\$330,135 =====	\$305,971 =====

TOWN OF ARNAUDVILLE, LOUISIANA
 Debt Service Fund
 Street Improvements Certificates of Indebtedness 6/1/92

Comparative Balance Sheet
 June 30, 1996 and 1995

		Totals	
		1996	1995
ASSETS			
Cash		\$10,066	\$ 8,441
FUND BALANCES			
Fund balances:			
Reserved for debt service		\$10,066	\$ 8,441

TOWN OF ARNAUDVILLE, 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 - Favorable (Unfavorable)	1995 Actual
	<u>Budget</u>	<u>Actual</u>		
General government:				
Council and clerk salaries	\$ 46,300	\$ 46,361	\$ (61)	\$ 38,315
Other salaries	17,200	17,128	72	11,731
Payroll taxes and retirement	5,250	5,353	(103)	5,352
Utilities	5,200	5,256	(56)	5,189
Telephone	4,500	4,236	264	4,192
Advertising and publications	700	741	(41)	419
Travel	1,300	2,003	(703)	650
Dues	1,000	911	89	1,119
Professional fees	7,500	7,095	405	10,929
Group insurance	1,000	986	14	3,052
Insurance	24,000	23,762	238	22,760
Meeting and convention	3,500	4,144	(644)	2,870
Economic development	2,700	2,539	161	2,831
Repairs and maintenance	-	-	-	192
Computer maintenance	1,000	720	280	2,311
Office supplies	4,800	4,789	11	6,550
City hall and post office building	3,450	4,961	(1,511)	2,909
Tax roll and assessor's fee	350	323	27	311
Coffee expense	1,700	1,688	12	1,929
Miscellaneous	<u>3,650</u>	<u>3,041</u>	<u>609</u>	<u>5,741</u>
Total general government	<u>135,100</u>	<u>136,037</u>	<u>(937)</u>	<u>129,352</u>
Public safety:				
Police -				
Salaries - dispatchers	51,300	50,347	953	48,332
Supplies	3,600	3,959	(359)	836
Uniforms	1,000	891	109	164
Meetings	800	702	98	470
Repairs and maintenance	4,500	4,232	268	-
Auto maintenance	8,200	9,819	(1,619)	10,389
Training	300	265	35	800
Prisoner housing	1,000	1,049	(49)	583
Miscellaneous	<u>900</u>	<u>1,168</u>	<u>(268)</u>	<u>32</u>
Total public safety	<u>71,600</u>	<u>72,432</u>	<u>(832)</u>	<u>61,606</u>

(continued)

TOWN OF ARNAUDVILLE, 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 Actual
	<u>Budget</u>	<u>Actual</u>		
Highways and streets:				
Salaries	\$ 32,500	\$ 34,470	\$(1,970)	\$ 23,591
Payroll taxes - streets	1,500	1,256	244	
Equipment and street maintenance	<u>6,200</u>	<u>6,519</u>	<u>(319)</u>	<u>3,844</u>
Total highways and streets	<u>40,200</u>	<u>42,245</u>	<u>(2,045)</u>	<u>27,435</u>
Culture and recreation:				
Salaries	3,000	3,000	-	2,700
Supplies	1,800	3,386	(1,586)	5,260
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>17</u>
Total culture and recreation	<u>4,800</u>	<u>6,386</u>	<u>(1,586)</u>	<u>7,977</u>
Capital outlay:				
General government -				
Building improvements	1,000	900	100	2,992
Equipment	-	-	-	3,674
Tree planting projects	-	-	-	2,400
Public safety -				
Automobile	-	-	-	1,854
Equipment	3,500	3,338	162	115
Highways and streets -				
Street equipment	14,000	13,233	767	
Drainage project	-	-	-	26,409
Culture and recreation -				
Building	<u>2,500</u>	<u>3,014</u>	<u>(514)</u>	<u>21,205</u>
Total capital outlay	<u>21,000</u>	<u>20,485</u>	<u>515</u>	<u>58,649</u>
 Total expenditures	 <u>\$272,700</u>	 <u>\$277,585</u>	 <u>\$(4,885)</u>	 <u>\$285,019</u>

SPECIAL REVENUE FUNDS

1969 Sales Tax Fund - To account for the receipt and use of proceeds of the Town's 1969 1% sales and use tax. These taxes are dedicated to constructing, acquiring, improving and maintaining police department stations and equipment, garbage and waste disposal facilities, streets, drains and drainage facilities; compensating policemen; maintaining sewers and sewerage disposal works; and purchasing and acquiring the necessary equipment and furnishings for the aforesaid public works, improvements and facilities.

1982 Sales Tax Fund - To account for the receipt and use of proceeds of the Town's 1982 1% sales and use tax. These taxes are dedicated to constructing, acquiring, extending, improving, operating, and/or maintaining public streets, bridges, sidewalks, drainage facilities, recreational facilities and garbage and waste disposal facilities; and purchasing and acquiring the necessary land, equipment and furnishings for any of the aforesaid public works, improvements and facilities.

TOWN OF ARNAUDVILLE, LOUISIANA
Special Revenue Funds

Combining Balance Sheet
June 30, 1996
With Comparative Totals For June 30, 1995

	<u>1969 Sales</u> <u>Tax Fund</u>	<u>1982 Sales</u> <u>Tax Fund</u>	<u>Totals</u>	
			<u>1996</u>	<u>1995</u>
ASSETS				
Cash	\$ 78,940	\$ 98,947	\$177,887	\$ 12,270
Interest-bearing deposits	62,184	46,438	108,622	155,303
Receivables:				
Accrued interest	1,017	555	1,572	39
Due from other funds	<u>-</u>	<u>9,369</u>	<u>9,369</u>	<u>7,424</u>
Total assets	<u>\$142,141</u>	<u>\$155,309</u>	<u>\$297,450</u>	<u>\$175,036</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,264	\$ 1,526	\$ 2,790	\$ 2,391
Due to other funds	58,093	17,361	75,454	14,597
Other liabilities	<u>326</u>	<u>40</u>	<u>366</u>	<u>1,343</u>
Total liabilities	59,683	18,927	78,610	18,331
Fund balances - unreserved and undesignated	<u>82,458</u>	<u>136,382</u>	<u>218,840</u>	<u>156,705</u>
Total liabilities and fund balances	<u>\$142,141</u>	<u>\$155,309</u>	<u>\$297,450</u>	<u>\$175,036</u>

TOWN OF ARNAUDVILLE, LOUISIANA
Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 1996
With Comparative Totals for Year Ended June 30, 1995

	<u>1969 Sales</u> <u>Tax Fund</u>	<u>1982 Sales</u> <u>Tax Fund</u>	<u>Totals</u>	
			<u>1996</u>	<u>1995</u>
Revenues:				
Taxes	\$104,466	\$104,466	\$208,932	\$183,500
Intergovernmental	419	-	419	749
Miscellaneous	<u>3,201</u>	<u>4,295</u>	<u>7,496</u>	<u>2,256</u>
Total revenues	<u>108,086</u>	<u>108,761</u>	<u>216,847</u>	<u>186,505</u>
Expenditures:				
Current -				
General government	2,360	3,175	5,535	5,656
Public safety:				
Police	98,900	-	98,900	107,947
Highways and streets	-	16,081	16,081	15,612
Culture and recreation	-	948	948	1,246
Capital outlay	<u>-</u>	<u>5,441</u>	<u>5,441</u>	<u>570</u>
Total expenditures	<u>101,260</u>	<u>25,645</u>	<u>126,905</u>	<u>131,031</u>
Excess of revenues over expenditures	<u>6,826</u>	<u>83,116</u>	<u>89,942</u>	<u>55,474</u>
Other financing sources (uses):				
Operating transfers in	13,768	-	13,768	35,287
Operating transfers out	<u>-</u>	<u>(41,575)</u>	<u>(41,575)</u>	<u>(42,700)</u>
Total other financing sources (uses)	<u>13,768</u>	<u>(41,575)</u>	<u>(27,807)</u>	<u>(7,413)</u>
Excess of revenues and other sources over expenditures and other uses	20,594	41,541	62,135	48,061
Fund balances, beginning	<u>61,864</u>	<u>94,841</u>	<u>156,705</u>	<u>108,644</u>
Fund balances, ending	<u>\$ 82,458</u>	<u>\$136,382</u>	<u>\$218,840</u>	<u>\$156,705</u>

TOWN OF ARNAUDVILLE, LOUISIANA
Special Revenue Fund
1969 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

	1996		Variance -	
	Budget	Actual	Favorable (Unfavorable)	1995 Actual
Revenues:				
Taxes	\$100,620	\$104,466	\$ 3,846	\$ 91,750
Intergovernmental	500	419	(81)	749
Interest	3,241	3,201	(40)	-
Total revenues	104,361	108,086	3,725	92,499
Expenditures:				
General government -				
Professional fees	2,200	1,315	885	1,910
Collection fees	1,000	1,045	(45)	918
Total general government	3,200	2,360	840	2,828
Public safety -				
Police:				
Salaries	95,000	88,697	6,303	97,878
Group insurance	-	-	-	516
Payroll taxes and retirement	9,500	10,149	(649)	9,553
Miscellaneous	500	54	446	-
Total public safety	105,000	98,900	6,100	107,947
Total expenditures	108,200	101,260	6,940	110,775
Excess (deficiency) of revenues over expenditures	(3,839)	6,826	10,665	(18,276)
Other financing sources:				
Operating transfers in	14,000	13,768	(232)	35,287
Excess of revenues and other sources over expenditures	10,161	20,594	10,433	17,011
Fund balance, beginning	61,864	61,864	-	44,853
Fund balance, ending	\$ 72,025	\$ 82,458	\$ 10,433	\$ 61,864

TOWN OF ARNAUDVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Operating Expenses by Department
Years Ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Gas department:		
Salaries	\$ 32,851	\$ 37,407
Payroll taxes and retirement	3,825	2,865
Gas purchases	90,215	70,300
Distribution system repairs and maintenance	32,893	18,980
Insurance	12,274	11,756
Telephone	2,259	1,893
Depreciation	23,117	22,810
Bad debts	970	694
Miscellaneous	738	220
Total gas department	<u>199,142</u>	<u>166,925</u>
Water department:		
Salaries	18,772	21,376
Payroll taxes and retirement	2,186	464
Distribution system repairs and maintenance	12,855	11,586
Insurance	4,742	5,715
Depreciation	12,504	12,264
Bad debts	404	289
Water plant lease and maintenance	425	400
Utilities	23,814	24,194
Fire department expense	2,472	1,462
Miscellaneous	1,027	488
Total water department	<u>79,201</u>	<u>78,238</u>
Sewerage department:		
Salaries	9,386	10,688
Payroll taxes and retirement	1,093	819
Distribution system repairs and maintenance	12,180	7,422
Insurance	3,347	3,206
Depreciation	37,377	38,006
Bad debts	303	174
Total sewerage department	<u>63,686</u>	<u>60,315</u>

(continued)

DEBT SERVICE FUND

Street Improvements Certificates of Indebtedness 6/1/92 - To accumulate monies for payment of the \$300,000 certificates of indebtedness issued for the purpose of street improvement. Debt service is financed by excess annual revenues of the Town.

In accordance with Government Auditing Standards, we have also issued a report dated August 13, 1996 on our consideration of the Town of Arnaudville's internal control structure and a report dated August 13, 1996 on its compliance with laws and regulations.

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

Darnall, Sikes, Kolder, Frederick & Rainey

A Corporation of Certified Public Accountants

Lafayette, Louisiana
August 13, 1996

TOWN OF ARNAUDVILLE, LOUISIANA
Debt Service Fund
Street Improvements Certificates of Indebtedness 06/01/92

Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget (GAAP Basis) and Actual
Year Ended June 30, 1996
with Comparative Actual Amounts for Year Ended June 30, 1995

	1996		Variance - Favorable (Unfavorable)	1995 Actual
	Budget	Actual		Actual
Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Debt service -				
Principal retirement	25,000	25,000	-	25,000
Interest coupons paid	14,950	14,950	-	16,575
Miscellaneous	-	-	-	45
Total expenditures	39,950	39,950	-	41,620
Deficiency of revenues over expenditures	(39,950)	(39,950)	-	(41,620)
Other financing sources:				
Operating transfers in	39,950	41,575	1,625	41,575
Excess (deficiency) of revenues and other sources over expenditures	-	1,625	1,625	(45)
Fund balances, beginning	8,441	8,441	-	8,486
Fund balances, ending	\$ 8,441	\$ 10,066	\$1,625	\$ 8,441

CAPITAL PROJECTS FUNDS

Street Improvements Fund - To account for the financing and improvement of certain streets within the Town. The proceeds of \$300,000 of certificates of indebtedness dated 06/01/92 are to be used to finance future street improvements projects as needed.

One Percent Budget Set-Aside Fund - To account for the financing of various capital improvement projects as designated by the Town Council. Capital projects are to be funded by excess annual revenues of the Town.

TOWN OF ARNAUDVILLE, LOUISIANA
Capital Projects Funds

Combining Balance Sheet
June 30, 1996
With Comparative Totals for June 30, 1995

	<u>Street Improvement Fund</u>	<u>One Percent Budget Set-Aside Fund</u>	<u>Totals</u>	
			<u>1996</u>	<u>1995</u>
ASSETS				
Cash	\$ 2,549	\$ -	\$ 2,549	\$ 2,493
Interest-bearing deposits	132,389	29,041	161,430	155,311
Receivables:				
Due from other funds	-	9,800	9,800	-
Accrued interest	<u>3,829</u>	<u>501</u>	<u>4,330</u>	<u>1,902</u>
Total assets	<u>\$138,767</u>	<u>\$39,342</u>	<u>\$178,109</u>	<u>\$159,706</u>
FUND BALANCES				
Fund balances - unreserved:				
Designated for subsequent years' expenditures	<u>\$138,767</u>	<u>\$39,342</u>	<u>\$178,109</u>	<u>\$159,706</u>

TOWN OF ARNAUDVILLE, LOUISIANA
Capital Projects Funds

Comparative 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

	Street Improvements Fund		Variance - Favorable (Unfavorable)	1995 Actual	One Percent Budget Set-Aside Fund		Variance - Favorable (Unfavorable)	1995 Actual
	Budget	Actual			Budget	Actual		
Revenues:								
Miscellaneous - interest	\$ 7,774	\$ 7,133	\$ (641)	\$ 5,006	\$ 1,460	\$ 1,470	\$ 10	\$ 619
Expenditures:								
Highways and streets - Capital outlay	<u>20,000</u>	-	<u>20,000</u>	-	-	-	-	-
Excess (deficiency) of revenues over expenditures	(12,226)	7,133	19,359	5,006	1,460	1,470	10	619
Other financing sources: Operating transfers in	-	-	-	-	9,800	9,800	-	9,100
Excess (deficiency) of revenues and other sources over expenditures	(12,226)	7,133	19,359	5,006	11,260	11,270	10	9,719
Fund balances, beginning	<u>131,634</u>	<u>131,634</u>	-	<u>126,628</u>	<u>28,072</u>	<u>28,072</u>	-	<u>18,353</u>
Fund balances, ending	<u>\$119,408</u>	<u>\$138,767</u>	<u>\$19,359</u>	<u>\$131,634</u>	<u>\$39,332</u>	<u>\$39,342</u>	<u>\$ 10</u>	<u>\$28,072</u>

ENTERPRISE FUND

Utility Fund - To account for the provision of gas, water, sewerage and sanitation services to residents of the Town. 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.

TOWN OF ARNAUDVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Balance Sheet
June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
ASSETS		
Current assets:		
Cash	\$ 126,186	\$ 60,915
Interest-bearing deposits	423,478	446,594
Receivables, net of allowances for uncollectibles -		
Accounts	53,649	53,419
Ad valorem taxes	763	534
Accrued interest	12,447	6,190
Due from other funds	66,152	23,267
Other	19	466
Prepaid expenses	1,038	14,163
Total current assets	<u>683,732</u>	<u>605,548</u>
Restricted assets:		
Revenue bond and interest redemption fund -		
Cash	23,975	9,726
Interest-bearing deposits	38,117	36,667
Revenue bond reserve fund -		
Cash	9,930	9,178
Revenue bond capital additions and contingencies fund -		
Cash	8,280	6,851
Interest-bearing deposits	16,230	15,583
Customers' deposits -		
Cash	5,398	4,543
Interest-bearing deposits	40,996	39,931
Total restricted assets	<u>142,926</u>	<u>122,479</u>
Property, plant and equipment, at cost, net of accumulated depreciation (1996 \$1,046,605; 1995 \$970,411)	<u>1,629,000</u>	<u>1,704,093</u>
 Total assets	 <u>\$2,455,658</u> =====	 <u>\$2,432,120</u> =====

	<u>1996</u>	<u>1995</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Current liabilities (payable from current assets) -		
Accounts payable	\$ 12,036	\$ 9,860
Due to other funds	9,800	-
Other liabilities	<u>5,868</u>	<u>4,974</u>
Total current liabilities (payable from current assets)	<u>27,704</u>	<u>14,834</u>
Current liabilities (payable from restricted assets) -		
Revenue bonds payable	4,000	4,000
Certificates of Indebtedness payable	30,000	30,000
Customers' deposits	<u>35,478</u>	<u>36,054</u>
Total current liabilities (payable from restricted assets)	<u>69,478</u>	<u>70,054</u>
Long-term liabilities -		
Revenue bonds payable	197,000	201,000
Certificates of Indebtedness payable	<u>107,842</u>	<u>137,142</u>
Total long-term liabilities	<u>304,842</u>	<u>338,142</u>
Total liabilities	<u>402,024</u>	<u>423,030</u>
Fund equity:		
Contributed capital -		
Municipality	112,375	112,375
Customers	15,176	15,176
State and federal grants	<u>807,769</u>	<u>826,222</u>
Total contributed capital	<u>935,320</u>	<u>953,773</u>
Retained earnings -		
Reserved for revenue bond retirement	62,532	44,005
Unreserved	<u>1,055,782</u>	<u>1,011,312</u>
Total retained earnings	<u>1,118,314</u>	<u>1,055,317</u>
Total fund equity	<u>2,053,634</u>	<u>2,009,090</u>
Total liabilities and fund equity	<u>\$2,455,658</u>	<u>\$2,432,120</u>

TOWN OF ARNAUDVILLE, LOUISIANA
Special Revenue Fund
1982 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

	1996		Variance - Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
Revenues:				
Taxes	\$100,620	\$104,466	\$ 3,846	\$ 91,750
Interest	<u>3,866</u>	<u>4,295</u>	<u>429</u>	<u>2,256</u>
Total revenues	<u>104,486</u>	<u>108,761</u>	<u>4,275</u>	<u>94,006</u>
Expenditures:				
General government -				
Professional fees	1,600	1,315	285	1,910
Collection fees	1,000	1,045	(45)	918
Miscellaneous	<u>800</u>	<u>815</u>	<u>(15)</u>	<u>-</u>
Total general government	<u>3,400</u>	<u>3,175</u>	<u>225</u>	<u>2,828</u>
Highways and streets -				
Utilities - street lighting	<u>16,000</u>	<u>16,081</u>	<u>(81)</u>	<u>15,612</u>
Culture and recreation -				
Supplies	<u>2,500</u>	<u>948</u>	<u>1,552</u>	<u>1,246</u>
Capital outlay -				
Recreation	<u>5,000</u>	<u>5,441</u>	<u>(441)</u>	<u>570</u>
Total expenditures	<u>26,900</u>	<u>25,645</u>	<u>1,255</u>	<u>20,256</u>
Excess of revenues over expenditures	77,586	83,116	5,530	73,750
Other financing uses:				
Operating transfers out	<u>(39,950)</u>	<u>(41,575)</u>	<u>(1,625)</u>	<u>(42,700)</u>
Excess of revenues over expenditures and other uses	37,636	41,541	3,905	31,050
Fund balances, beginning	<u>94,841</u>	<u>94,841</u>	<u>-</u>	<u>63,791</u>
Fund balances, ending	<u>\$132,477</u>	<u>\$136,382</u>	<u>\$ 3,905</u>	<u>\$ 94,841</u>