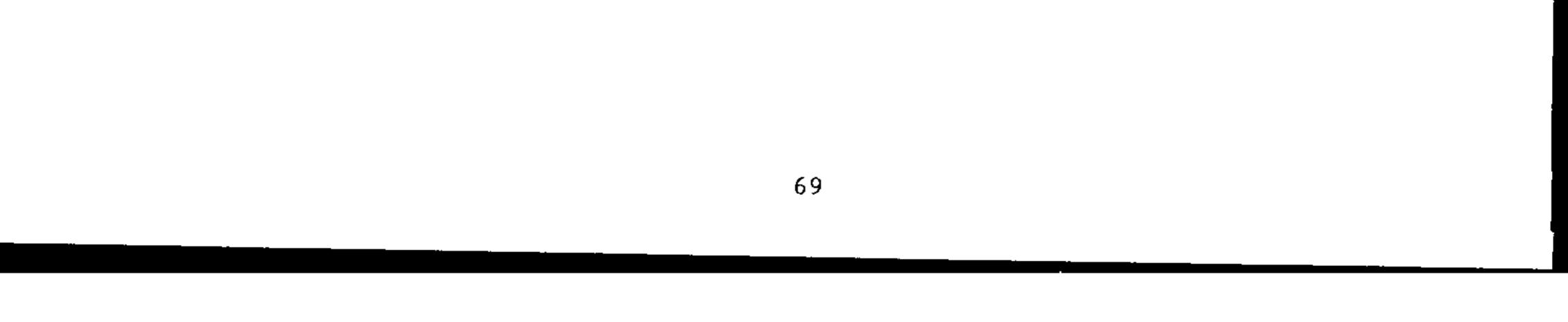
OTHER SUPPLEMENTARY INFORMATION

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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.

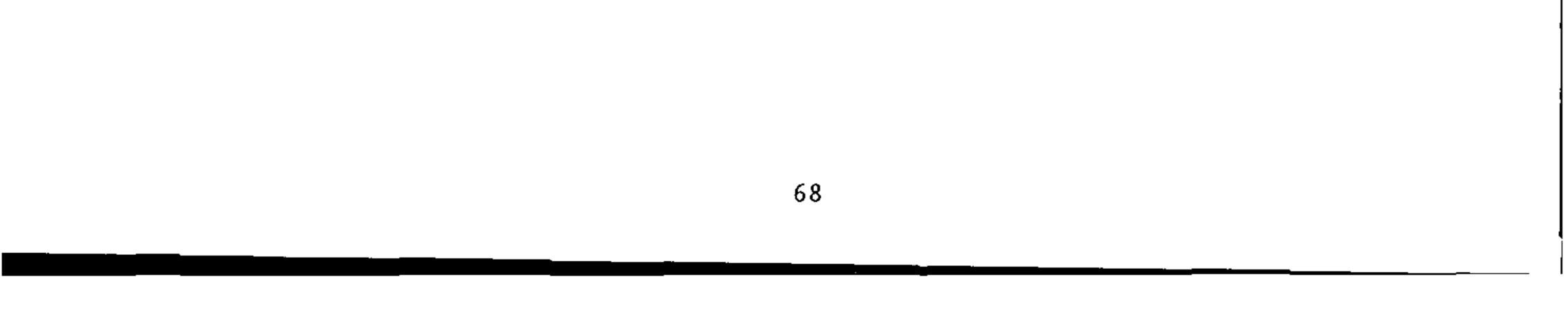
We considered this instance of noncompliance in forming our opinion on whether the Town of Arnaudville, Louisiana's 1996 general purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our 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

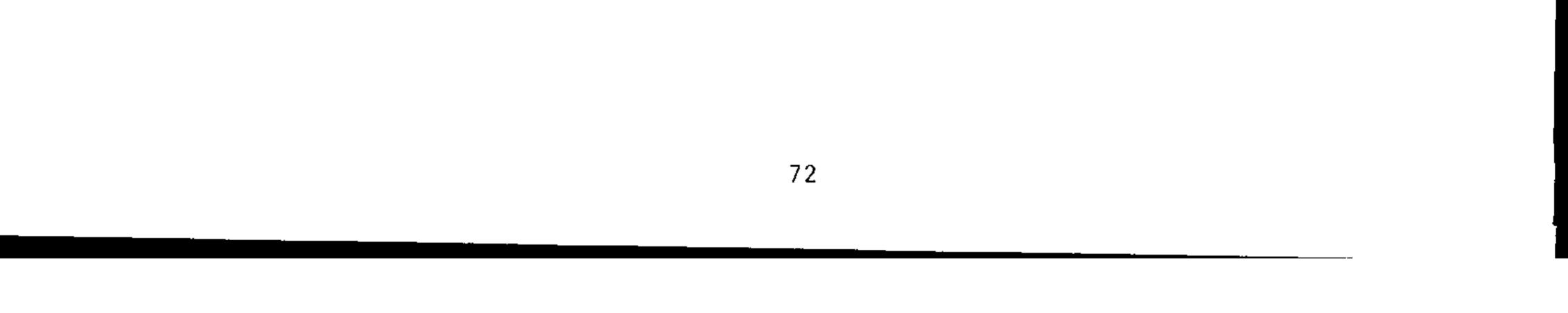
Lafayette, Louisiana August 13, 1996



Sewerage		<u>Sanitation</u>		<u>Administrative</u>		
1996	1995	1996	1995	1996	1995	
\$73,182	\$72,109	\$ 730	\$ 665	\$-	\$-	
1,376	1,052	267	141	-	-	
74,558	73,161	- 997	806			
			000			
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	-	-	-	•	
- 77 777	-	-	-	1,265	1,487	
37,377	38,006	700	525	2,496	2,423	
3,347	3,206	-	-	7,532	7,214	

.

	20,000	100	225	2,490	2,423
3,347	3,206	-	-	7,532	7,214
-	-	-	-	-	•
-	-	-	-	-	-
-	-	-	-	•	-
-	-	-	-	5,020	4,026
-	-	-	-	1,311	864
8,986	9,602	642	686	(64, 183)	(68,586)
72,672	69,917	<u>1,342</u>	<u> 1,970 </u>		
\$ 1,886 ======	\$ 3,244 =====	\$ (345) ======	\$(1,164) ======	\$ - =====	\$ - ======

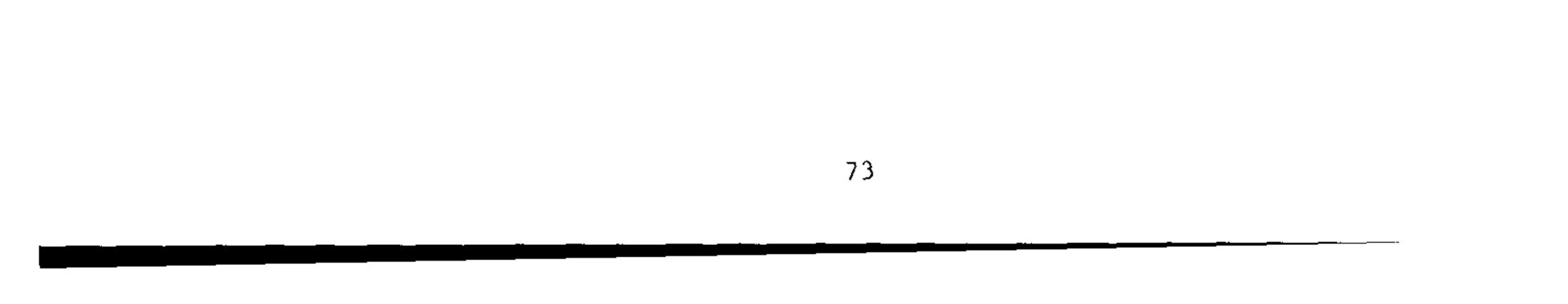


Combined Schedule of Interest-Bearing Deposits June 30, 1996

	Financial <u>Institution</u>	Maturity Date	Interest <u>Rate</u>	Amount
Special Revenue Funds:				
1969 Sales Tax Fund -		07 105 107	E 10%	e (3 19/
Certificate of deposit #159060	(F)	03/05/97	5.10%	\$ 62,184
1982 Sales Tax Fund -	(42/06/06	1 60%	15 3/4
Certificate of deposit #72647	(F)	12/06/96 03/05/97	4.60% 5.10%	15,346 <u>31,092</u>
Certificate of deposit #159061	(FNB)	03/03/9/	5.10%	108,622
Capital Projects Fund:				
Street Improvements Fund -				470 300
Certificate of deposit #15266	(W)	12/01/96	5.80%	132,389
One Percent Budget Set-Aside Fund -				20.044
Certificate of deposit #15333	(W)	02/25/97	5.00%	<u> </u>
				_101,430
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	(₩)	07/13/96	6.05%	8,150
Money market certificate #72615	(F)	11/22/96	5.25%	115,657
Money market certificate #14865	(¥)	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	(₩)	12/27/97	5.00%	40,000
Money market certificate #16310	(W)	12/27/96	5.00%	<u>518 821</u>
				518,821
Total - all funds				\$788,873
				2222222

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
Delinguent 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	1,054
Total operating revenues	530,083	492,181	306,942	278,584	147,586	139,630
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	•	-	•	•
8ad 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 Miccolloneous	5,020	4,026	-	-	-	
Miscellaneous Allocation of administrative evanage	3,076	1,572	738	220	1,027	488
Allocation of administrative expense Total operating expenses	404 012	775 7/9	36,584	39,094	<u>17,971</u>	19,204
rotat operating expenses	406,912	375,348	235,726	206,019	97,172	97,442
Operating income (loss)	123,171	<u>116,833</u>	\$ 71,216 ======	\$ 72,565	\$ 50,414	\$ 42,188
Nonoperating revenues (expenses):						
Interest income	27 720	15 1/5				
Ad valorem taxes	23,720	15,145				
Interest expense	24,218 (22,892)	23,423				
Paying agent's fees	(22,072)	(24,476) (1,586)				
Miscellaneous	932	-				
Total nonoperating revenues	25,305	12,506				
Income before operating transfers	148,476	100 770				
	140,470	129,339				
Operating transfers in (out):						
Operating transfers out	<u>(103,932</u>)	(103,115)				
Net income	44,544	26,224				
	,3	20,224				
Add: Depreciation on fixed assets acquire with capital grants that reduces contributed capital from capital	ed					
grants	18,453	18,453				
Net increase in retained earning	gs 62,997	44,677				
Retained earnings, beginning	1,055,317	1,010,640				
Retained earnings ending	\$1 110 71/	#1 OFF 717				

Retained earnings, ending

\$1,118,314 \$1,055,317

x=\$12\$\$\$\$\$ ¥553272222

TOWN OF ARNAUDVILLE

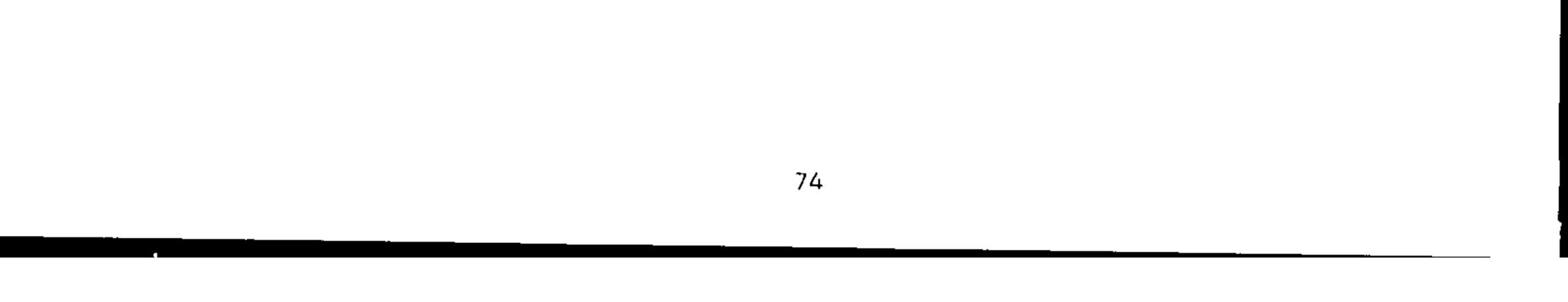
Schedule of Insurance in Force (Unaudited) June 30, 1996

<u>Description of Coverage</u>	<u>Coverage Amounts</u>
Workmen's compensation -	Statutory
Employer's liability	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



Notes to Financial Statements (Continued)

(10) <u>Pension Plans</u>

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:

Municipal Employee's Retirement System Α.

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.

Municipal Police Employee's Retirement System Β.

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.

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

Notes to Financial Statements (Continued)

F. <u>Statement of Cash Flows</u>

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. <u>Due to and Due from Other Funds</u>

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

H. <u>Restricted Assets</u>

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.

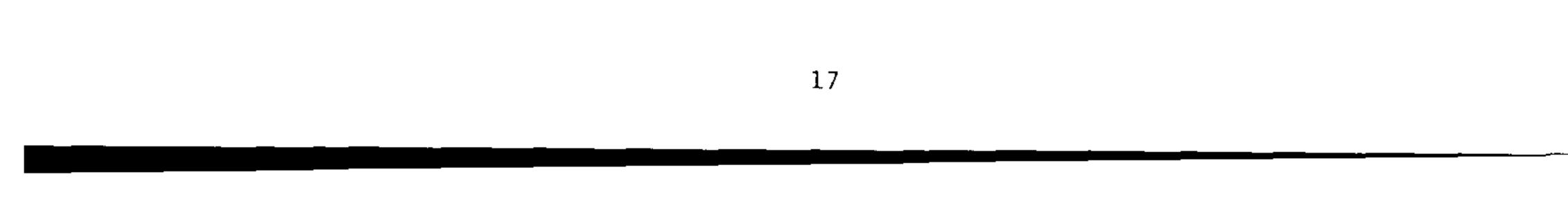
I. <u>Fixed Assets</u>

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
Fauinment	10 vears



iv years

cquipment.

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. <u>Bad Debts</u>

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. <u>Compensated Absences</u>

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.

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. <u>Capitalization of Interest Costs</u>

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. <u>Amortization of Certificate of Indebtedness Expense</u>

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.

0. <u>Encumbrances</u>

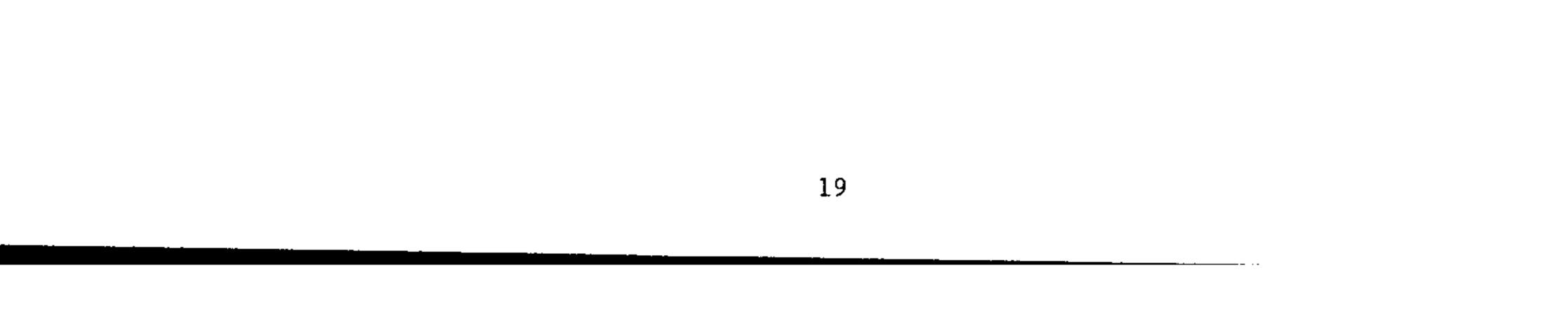
Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Town as an extension of formal budgetary integration in the funds.

P. <u>Total Columns on Combined Statements - Overview</u>

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. <u>Comparative Data</u>

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.



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:

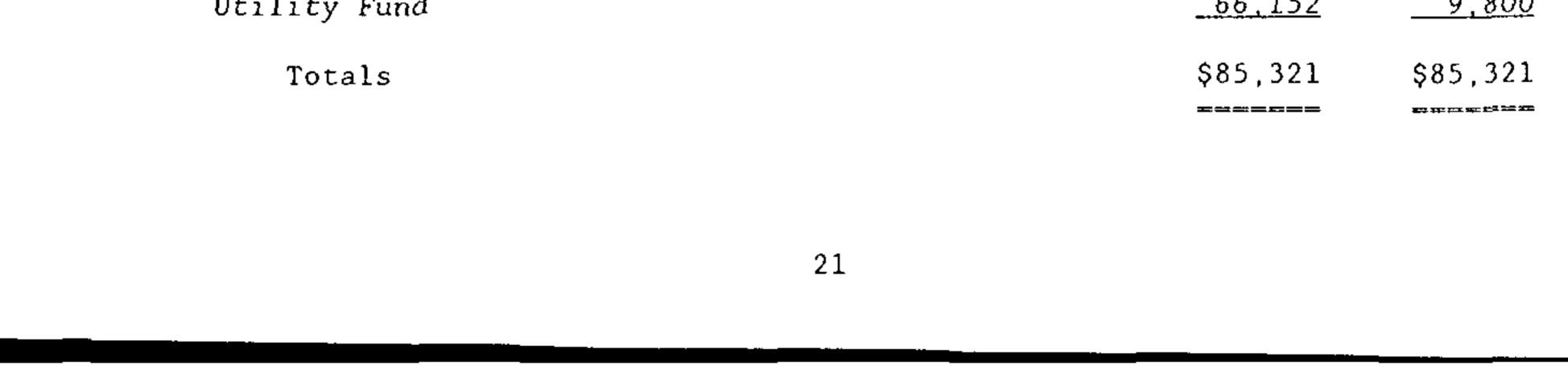
General corporate purposes 7.23 mills Utility system 7.00 mills

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

(4) <u>Interfund Receivables</u>, <u>Payables</u>

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

	Interfund <u>Receivables</u>	Interfund <u>Payables</u>
General Fund	Ş -	\$ 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	66.152	9.800



Notes to Financial Statements (Continued)

(5) <u>Restricted Assets - Proprietary Fund Type</u>

Restricted assets were applicable to the following at June 30:

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

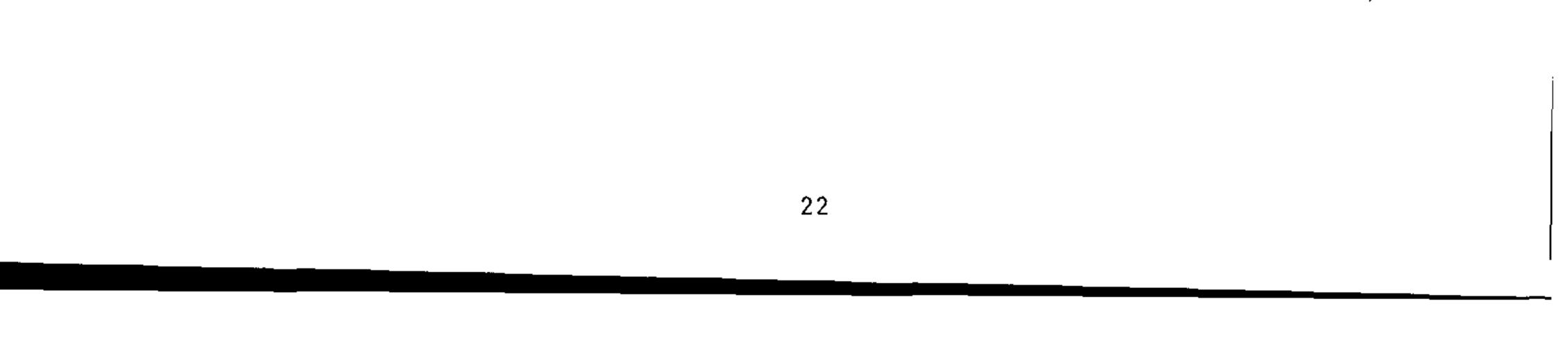
(6) <u>Changes in Fixed Assets</u>

A summary of changes in general fixed assets follows:

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

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:	55,700
Land	25,000
System and extensions	607,219
Equipment	28,188
Sewerage department:	20,100
Land	3,715
System and improvements	1,408,771
Equipment	24,118
Sanitation department:	24,110
Equipment	2 500



Eduthmette

3,500

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Financial Statements (Continued)

Administrative:
Office equipment11,845
2,675,605Less: Accumulated depreciation(1,046,605)
(1,046,605)Net Utility Fund property, plant and equipment\$ 1,629,000
(1,046,005)

(7) <u>Changes in Long-Term Debt</u>

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

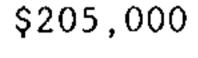
Compensated General

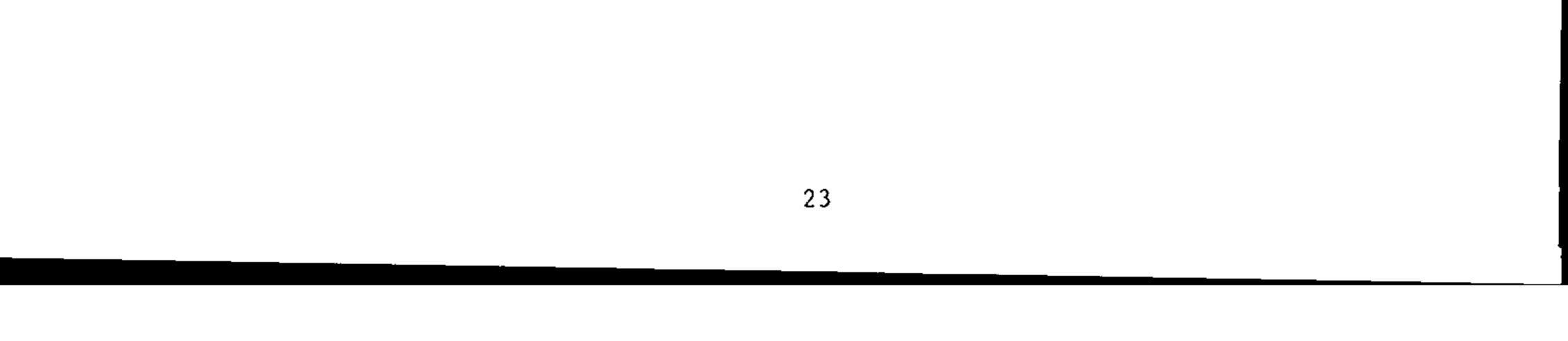
	Absences	<u>Obligation</u>	<u>Revenue</u>	<u>Total</u>
Compensated absences, bonds and certificates payable at June 30, 1995	\$4,933	\$230,000	\$375,000	\$609,933
Additions	1,904	-	-	1,904
Reductions		25,000	<u> 34 000 </u>	<u> </u>
Compensated absences, bonds and certificates payable				
at June 30,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

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



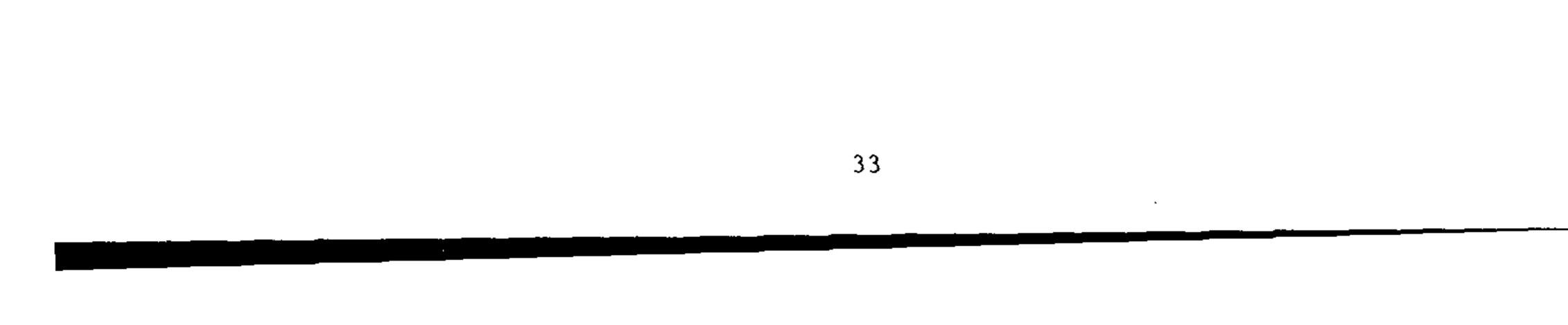


TOWN OF ARNAUDVILLE, LOUISIANA General Fund

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		
	Budget	Actual	Variance - Favorable <u>(Unfavorable)</u>	1995 <u>Actual</u>
Revenues: Taxes Licenses and permits Intergovernmental Fines and forfeits Miscellaneous Total revenues	\$79,100 44,000 39,600 25,000 13,085 200,785	\$ 80,972 55,884 38,643 22,757 <u>14,982</u> <u>213,238</u>	\$ 1,872 11,884 (957) (2,243) <u>1,897</u> <u>12,453</u>	\$ 73,566 55,178 38,763 19,365 <u>12,372</u> 199,244

Expenditures:				
Current - General government	135,100	136,037	(937)	129,352
Public safety: Police Highways and streets Culture and recreation Capital outlay Total expenditures	71,600 40,200 4,800 <u>21,000</u> 272,700	72,432 42,245 6,386 <u>20,485</u> 277,585	(832) (2,045) (1,586) <u>515</u> (4,885)	61,606 27,435 7,977 <u>58,649</u> <u>285,019</u>
Deficiency of revenues over expenditures	(71,915)	(64,347)	7,568	(85,775)
Other financing sources: Operating transfers in	81,000	<u>80,364</u>	(636)	<u> </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></u>	84,608
Fund balance, ending	\$ 67,771	\$ 74,703	\$ 6,932	\$ 58,686



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) <u>Dedication of Proceeds and Flow of Funds - Sales and Use Tax Levies</u>

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.

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.

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) <u>Segment Information for the Enterprise Fund</u>

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:

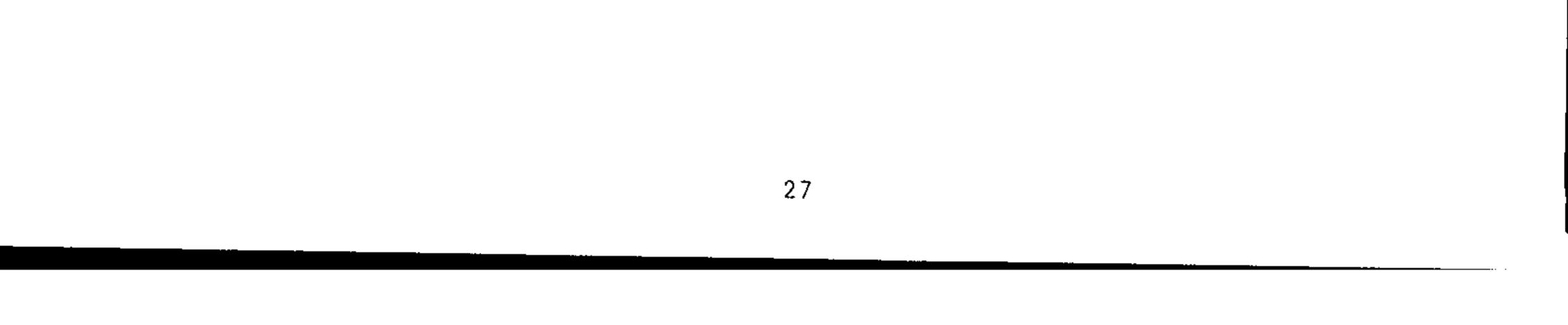
	Gas Dept.	Water <u>Dept</u> ,	Sewerage 	Sanitation <u>Dept.</u>	Total Enterprise <u>Fund</u>
Operating revenues	\$306,942	\$147,586	\$74,558	\$ 997	\$530,083

Operating (loss)	income	\$ 71,216	\$ 50,414	\$ 1,886	\$ (345)	\$123,171
Operating	expenses	235,726	97.172	<u>72,672</u>	1.342	406,912

(13) <u>Compensation of Town Officials</u>

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.	2,915
Total	\$22,831



Notes to Financial Statements (Continued)

(14) <u>Contributed Capital</u>

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>	State <u>Grants</u>	Federal <u>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

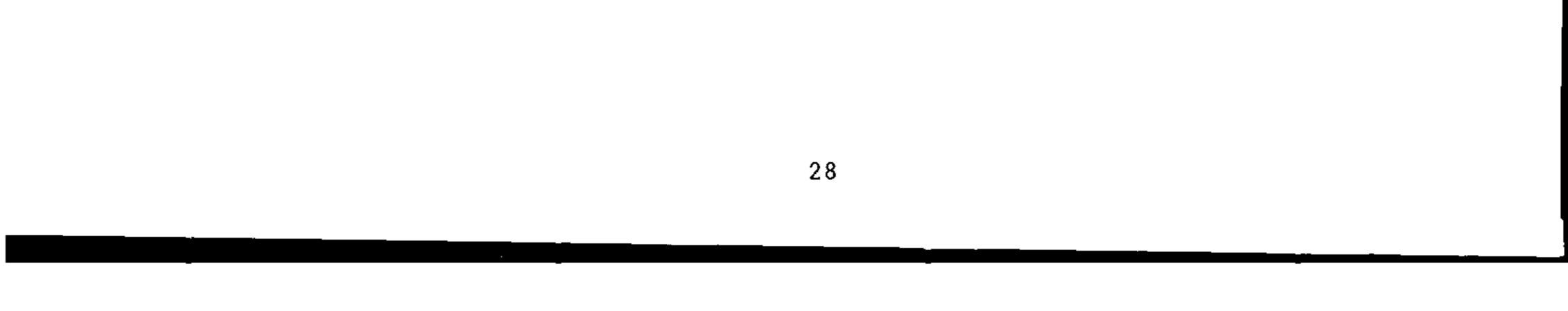
Contributed capital at June 30, 1996	\$112,375	\$15,176	\$165,000	\$642,769	\$935,320
amortization	<u></u>	<u> </u>		<u>(18,453</u>)	<u>(18,453</u>)

(15) <u>Litigation and Claims</u>

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) <u>Violation of State Statues</u>

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.



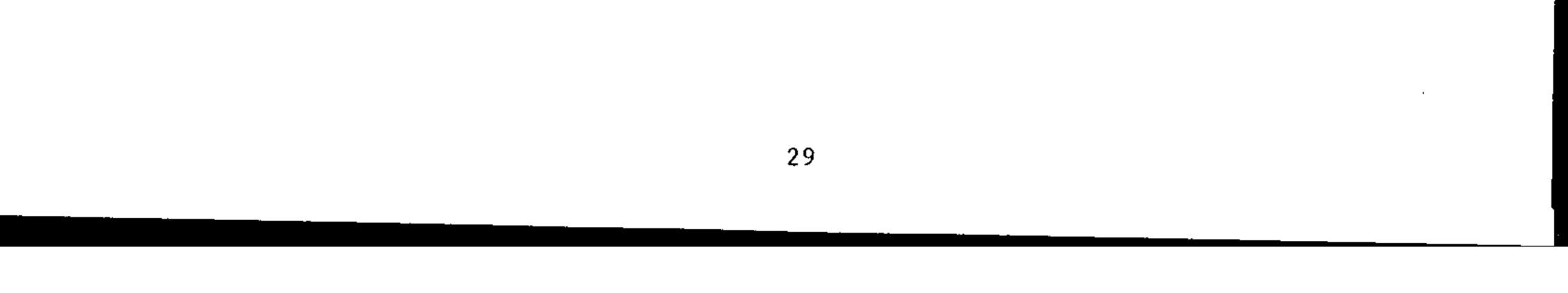
SUPPLEMENTAL INFORMATION

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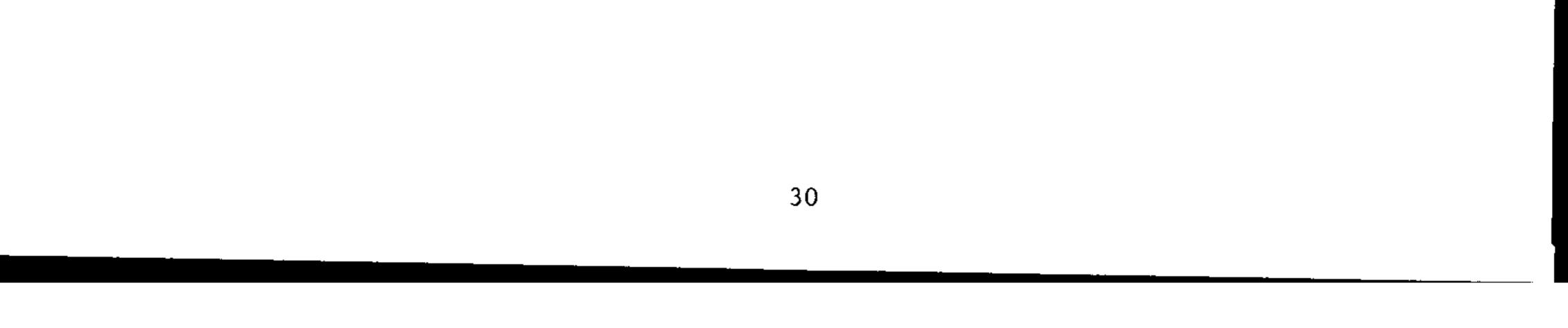
SCHEDULES OF INDIVIDUAL FUNDS AND ACCOUNT GROUPS

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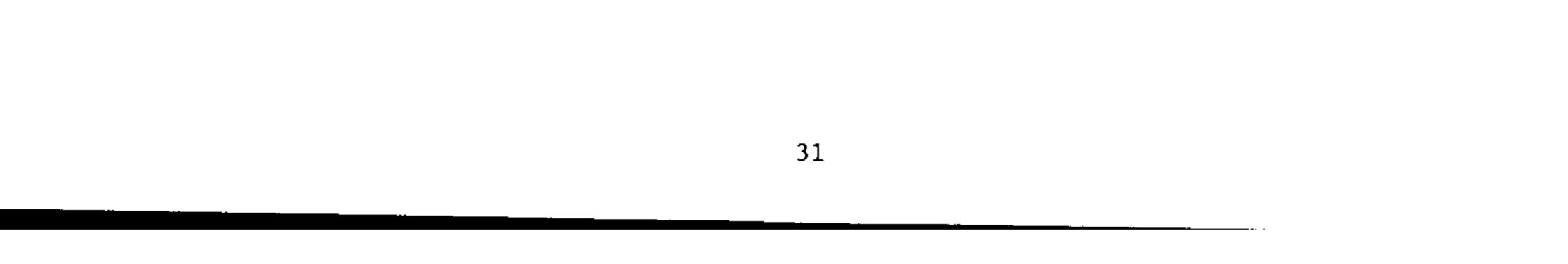


GENERAL FUND

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

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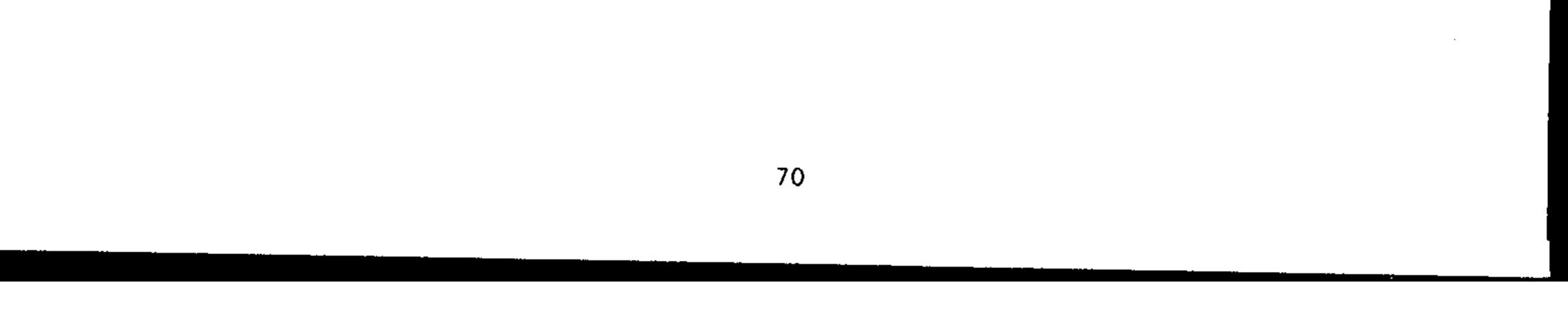


TOWN OF ARNAUDVILLE, LOUISIANA Enterprise Fund Utility Fund

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) Water	783 808	797 822	
Sewerage	589	605	
Sanitation	31	28	



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 Total Less: Unamortized discount

Net utility revenue bonds and certificates payable

\$338,842

140,000

341,000

(2, 158)

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

Year ending	General		
June 30	<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		13,650	13,650
	\$253,750	\$523,571	\$777,321

(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:

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		Sp	<u>ecial Revenu</u>	e Funds
	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)		Actual	Variance - Favorable <u>(Unfavorable</u>)
Revenues:						(on avoiable)
Taxes	\$ 70 100					
Licenses and permits	\$ 79,100	• –	\$ 1,872	\$201,240	\$208,932	\$ 7,692
Intergovernmental	44,000	· · ·	11,884	-	•	-
Fines and forfeits	39,600	•	(957)	500	419	(81)
Miscellaneous	25,000		(2,243)	•	•	-
Total revenues	<u>13,085</u>		<u> 1,897</u>	<u> </u>	7,496	389
, otat i evenues	_200,785	213,238	12,453	208,847	216,847	8,000
Expenditures:						
Current -						
General government	436 444					
Public safety:	135,100	136,037	(937)	6,600	5,535	1,065
Police				•	- ,	1,000
Highways and streets	71,600	- 1 · - -	(832)	105,000	98,900	6 100
Culture and recreation	40,200	42,245	(2,045)	16,000	16,081	6,100
Capital outlay	4,800	6,386	(1,586)	2,500	948	(81)
Debt service -	21,000	20,485	S15	5,000	5,441	1,552
Principal retirement				-,	~,~~!	(441)
Interest and finant at	-	-	•	-	-	
Interest and fiscal charges	-	•	-	-	-	-
Total expenditures	272,700	277,585	(4,885)	135,100	126,905	
Excess (deficiency) of						8,195
Cevenues over expondimuna						
revenues over expenditures	s <u>(71,915)</u>	<u>(64,347)</u>	7,568	73,747	89,942	16,195
Other financing sources (uses):						10,195
Operating transfers in						
Operating transfers out	81,000	80,364	(636)	14,000	13,768	(232)
Total other financing				(39,950)	(41,575)	(1,625)
Sources (uses)	R1 000					
	<u> 81,000</u>	<u> </u>	<u>(636</u>)	(25,950)	(27,807)	<u>(1,857</u>)
Excess of revenues and						<u></u> /
other sources over						
expenditures and other						
uses	0.005	44 445	_			
	9,085	16,017	6,932	47,797	62,135	14,338
und balances, beginning	58 404	ED /0/		-	•	
,	58,686	<u> </u>	<u> </u>	156,705	156,705	•
und balances, ending	\$ 47 774	* 7/			
	\$ 67,771 ======	\$ 74,703	\$ 6,932	\$204,502	\$218,840	\$14,338
		=====	=====	23265262	*****	

The accompanying notes are an integral part of this statement.



DARNALL, SIKES, KOLDER, FREDERICK & RAINEY

(A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS)

É Larry Sikes, CPA C Burton Kolder, CPA Danny P Frederick, CPA Chris Rainey, CPA Clayton E Darnall, CPA Eugene H. Darnall, III, CPA Russell F Champagne, CPA Victor R Slaven, CPA Victor R Slaven, CPA Conrad O Chapman, CPA Conrad O Chapman, CPA Lloyd F Dore', Jr. CPA Paula D Bihm, CPA Christine L. Cousin, CPA Stephanie M. Higginbotham, CPA Kathleen T Darnall, CPA Jennifer S. Ziegler, CPA P Troy Courville, CPA Stephen R Dischler, MBA, CPA	RETIRED Eugene H. Darnall, CPA 1990 INDEPENDENT AUDITOR'S REPORT	125 Rue Beauregard Lafayette, LA 70508 (318) 232-3312 1201 Brashear Avenue Suite 301 Morgan City, LA 70380 (504) 384-6264 408 W. Cotton Street Ville Platte, LA 70586 (318) 363-2792 113 East Bridge Street Breaux Bridge, LA 70517 (318) 332-4020 404 Pere Megret Abbeville, LA 70510 (318) 893-5470
and	norable Lanard Meche, Mayor, Members of the Board of Aldermen f Arnaudville, Louisiana	1231 E. Laurel Avenue Eunice, LA 70535 (318) 457-4146 2011 MacArthur Drive Buildiog, 1

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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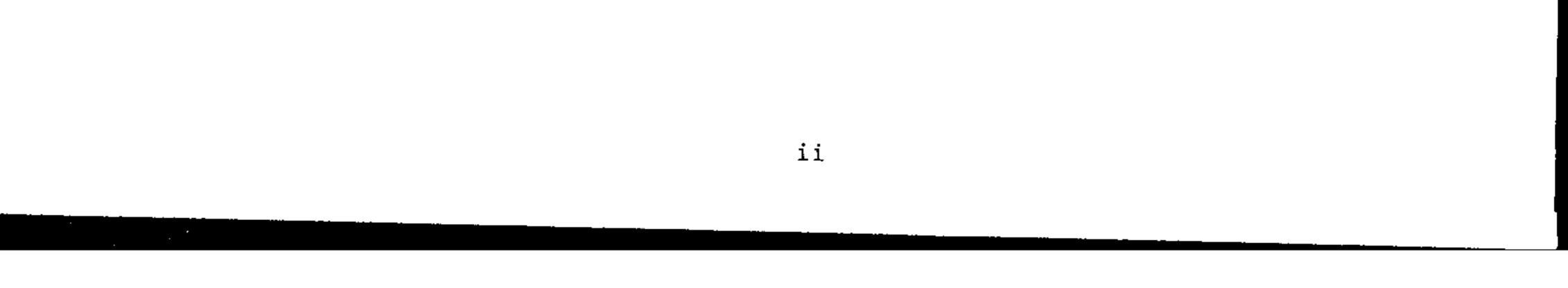


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Financial Report

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.

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Release Date OCT 1 6 1996



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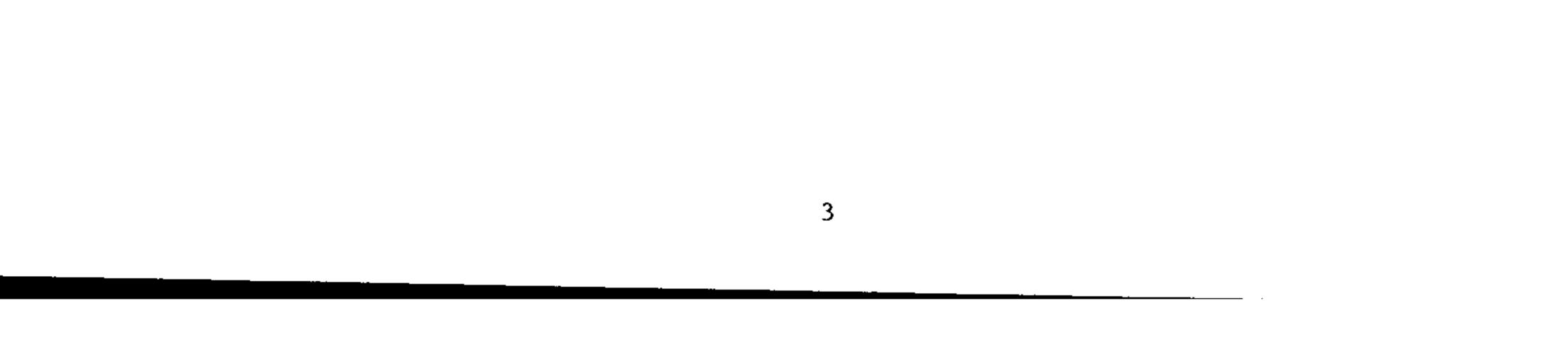
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GENERAL PURPOSE FINANCIAL STATEMENTS

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(COMBINED STATEMENTS - OVERVIEW)

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-

	Combir	Combined Balance Sheet - All Fund Types June 30, 1996	sheet - Al June	l Fund Type 30, 1996	s and Account Groups	sroups			
		Governmental	Fund Types	Ŷ	Proprietary	Account	Groups	Totals	als
	<u>Genera</u> (Special <u>Revenue</u>	Debt <u>Service</u>	Capital <u>Projects</u>	Fund Type Enterprise	General <u>Fixed Assets</u>		(Memorandum 1996	m On(y) 1995
S AND OTHER DEBITS									
deposits	\$82,822 -	\$177,887 108,622	\$10,066	\$ 2,549 161,430	<pre>\$ 126,186 423,478</pre>	•••	• • •	\$ 399,510 \$ 693,530	<pre>\$ 142,071 782,208</pre>
of allowances for uncollectibles:				•					
	762	•	•	ı	763	•	4	1,557	1,085
	٢		·	,	53,649	•	•	53,649	53,419
	,	1,572	ı	4,330	12,447	٢	•		8, 131
funds	•	9,369	•	9,800	66, 152	•	ı	85,321	30,691
governments	421		•	ı	•		ı		1,500
	٠		ı	•	19	ı	•	19	466
	•	1	·	•	1,038	ŀ	•	1,038	14, 163
·	·	•	ı	,	47,583	•	•		30,298
g deposits	ı	•	•	I	95,343	•	•	95,343	92, 181
	ŀ	·	ı	•	•	25,498	•		25,498
	ı	ſ	١	·	•	196,222		•	186,866
	•	ı	•	·	١	108,415	•	108,415	93,607
plant and equipment	٠	·	۰	•	2,675,605		•	,675,	2,674,504
ciation	•	•	•	•	(1,046,605)				(970,411)
in debt service fund ided for retirement of general	•	ſ	•			•	10, 066	10,	8,441
	.	•	.	•	1	-	201,771	201,771	226,492
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)

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TOWN OF ARNAUDVILLE, LOUISIANA

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ASSETS

Cash Interest-bearing depo Receivables, net of a Taxes Land Buildings Equipment Utility property, pla Accumulated depreciat Amount available in d Amount to be provided long-term debt Accounts Accrued interest Due from other fund Due from other gove Total assets and Other Prepaid expenses Restricted assets: Cash Interest-bearing

Notes to Financial Statements (Continued)

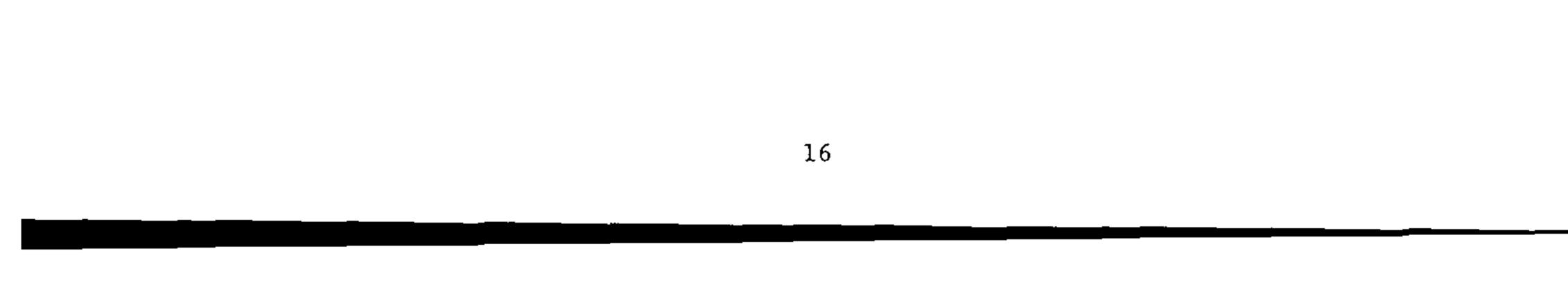
D. <u>Budgets and Budgetary Accounting</u>

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

- 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.

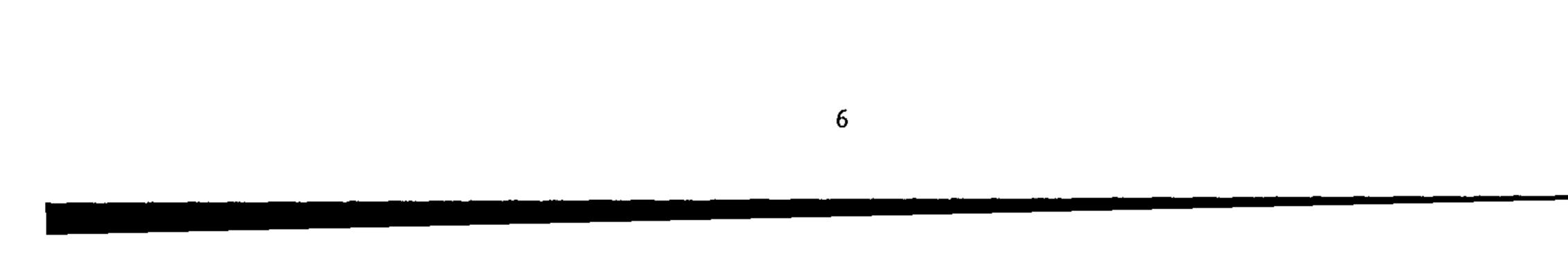
E. <u>Interest-Bearing Deposits</u>

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



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 <u>Projects</u>	Tota <u>(Memoranc</u> 1996	
	<u>denerat</u>			<u></u>		
Revenues:						
Taxes	\$ 80,972	\$208,932	S -	\$ -	\$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	<u>14,982</u>	7,496		8,603	<u>31,081</u>	20,253
Total revenues	213,238	216,847		8,603	438,688	391,374
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	<u> </u>	14,950	<u>16,620</u> 457,670
Total expenditures	277,585	126,905	39,950		444,440	457,670
Excess of revenues						
over expenditures	<u>(64,347</u>)	89,942	<u>(39,950</u>)	8,603	<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	<u> </u>	<u>(41,575</u>)	<u> </u>		<u>(41,575</u>)	(42,700)
Total other financing sources (uses)	80,364	(27,807)	41,575	9,800	103,932	103,115
Excess (deficiency) of revenues an other sources over expenditures	λ Ο					
and other uses	16,017	62,135	1,625	18,403	98,180	36,819
Fund balances, beginning	<u>58,686</u>	156,705	8,441	159,706	383,538	346,719
Fund balances, ending	\$ 74,703 =======	\$218,840 =======	\$ 10,066 =======	\$178,109 ======	\$481,718 ********	\$383,538 =======



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. <u>Basis of Accounting</u>

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.

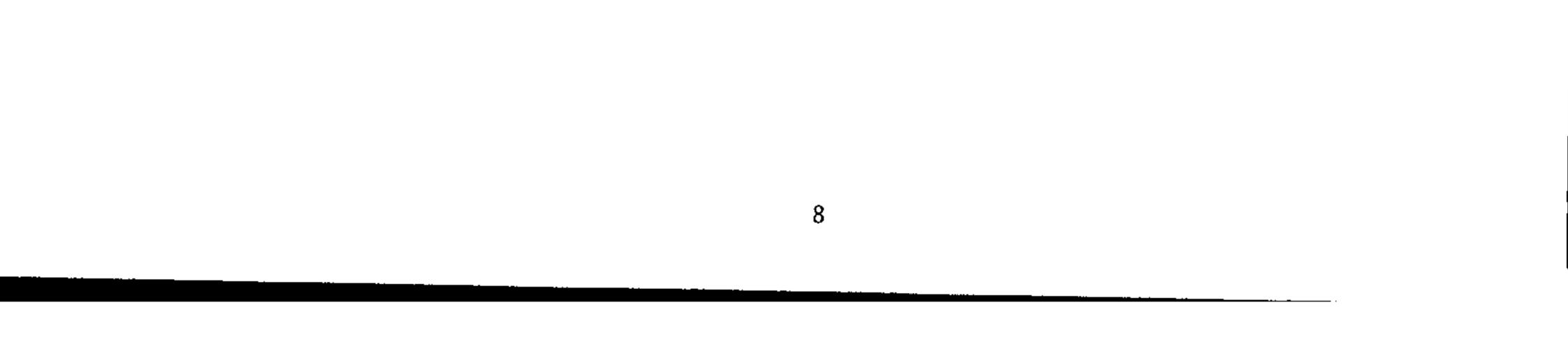
Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, interest on general long-term debt is recognized when due and purchases of various operating supplies are regarded as expenditures at the time purchased.

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.

Debt Service Fund			Ca	Capital Projects Funds		
Budget	Actual	Variance - Favorable <u>(Unfavorable)</u>	Budget	Actual	Variance - Favorable <u>(Unfavorable)</u>	
-	\$-	\$-	\$-	\$-	\$-	
-	-	-	-	-	-	
-	-	•	-	-	-	
-	-	•	-	-	-	
-			9,234	<u> </u>	<u>(631</u>) (631)	

.

-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	•	-	20,000	-	20,000
25,000 <u>14,950</u> <u>39,950</u>	25,000 14,950 39,950	-	20,000	-	20,000
<u>(39,950</u>)	<u>(39,950</u>)	<u> </u>	<u>(10,766</u>)	8,603	19,369
39,950	41,575	1,625	9,800	9,800	-
70.050	/ 4 . F. 3F				
39,950	41,575	1,625	9,800	9,800	<u> </u>
-	1,625	1,625	(966)	18,403	19,369
8,441	8,441	<u> </u>	159,706	_159,706	-
\$ 8,441 =======	\$ 10,066 ======	\$1,625 =====	\$158,740 =======	\$178,109	\$19,369 ======

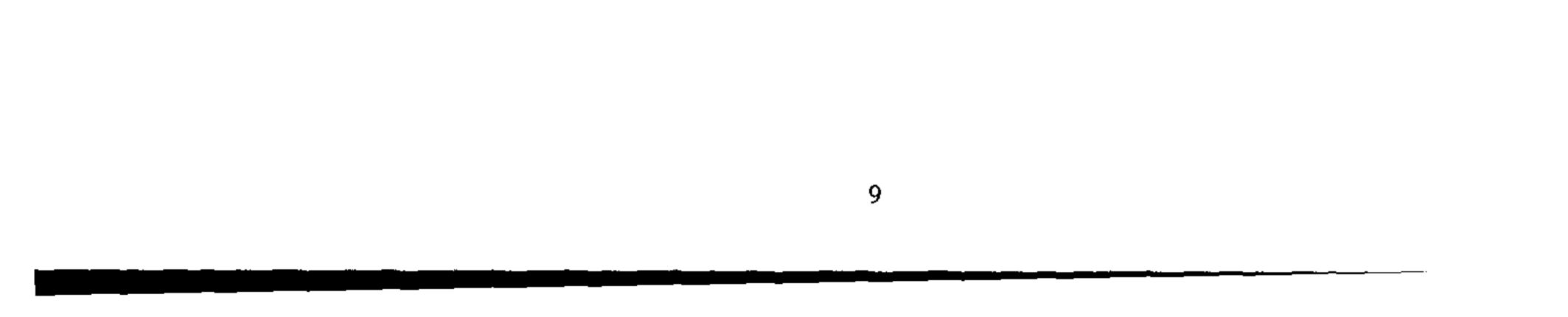


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Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings Proprietary Fund Type Years Ended June 30, 1996 and 1995

	1996	1995
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	8,883	7,016
Total operating revenues	530,083	492,181
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	76,194	76,028
Total operating expenses	406,912	375,348
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	932	<u></u>
Total nonoperating revenues	25,305	12,506
Income before operating transfers	148,476	129,339
Operating transfers in (out):		
Operating transfers out	<u>(103,932</u>)	<u>(103,115</u>)

(continued)



Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings Proprietary Fund Type (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	<u> 18,453</u>	18,453
Net increase in retained earnings	62,997	44,677
Retained earnings, beginning	<u>1,055,317</u>	1,010,640
Retained earnings, ending	\$1,118,314	\$1,055,317

The accompanying notes are an integral part of this statement.

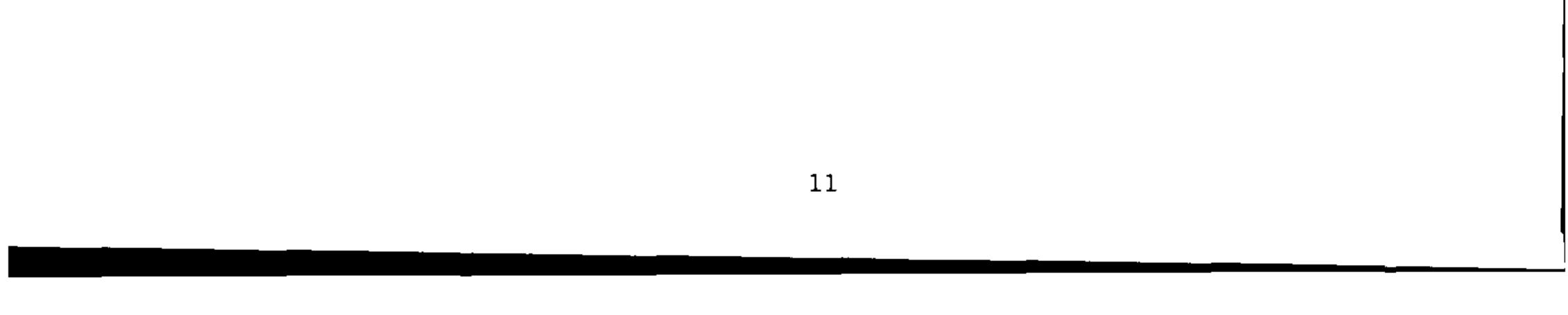
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Comparative Statement of Cash Flows Years Ended June 30, 1996 and 1995

	1996	1995
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:	(370)	800
Decrease (increase) in accounts receivable Decrease (increase) in due from other funds	(230) (42,885)	800 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		(937)
Total adjustments	60,221	
Net cash provided by operating activities	183,392	238,852
Cash flows from noncapital financing activities:		
Proceeds from ad valorem taxes	23,989	23,624
Operating transfers out to other funds Net cash used by noncapital financing activities	<u>(103,932</u>) <u>(79,943</u>)	<u>(103,115)</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 Acquisition of property, plant and equipment	932 (1,101)	(11,100)
Net increase (decrease) in meter deposits	(576)	1,738
Net cash used by capital and related financing activities	(58,310)	(64,424)
Cash flows from investing activities:		
Interest received on interest-bearing deposits	17,463	12,122
Net increase in interest-bearing deposits	<u>(78,596</u>)	(140,676)
Net cash used by investing activities	(61,133)	(128,554)
Net decrease in cash and cash equivalents	(15,994)	(33,617)
Cash and cash equivalents, beginning of period	227,880	261,497
Cash and cash equivalents, end of period	\$ 211,886 ========	\$ 227,880
	********	********

(continued)



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)

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The accompanying notes are an integral part of this statement.

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TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Financial Statements

(1) <u>Summary of Significant Accounting Policies</u>

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, <u>Audits of</u> <u>State and Local Governmental Units</u>.

The following is a summary of certain significant accounting policies:

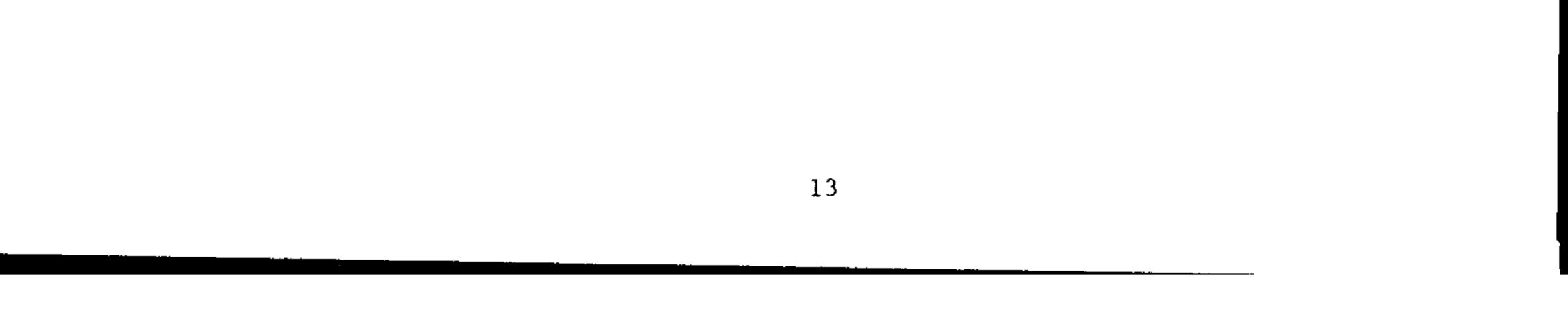
A. <u>Financial Reporting Entity</u>

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. <u>Basis of Presentation - Fund Accounting</u>

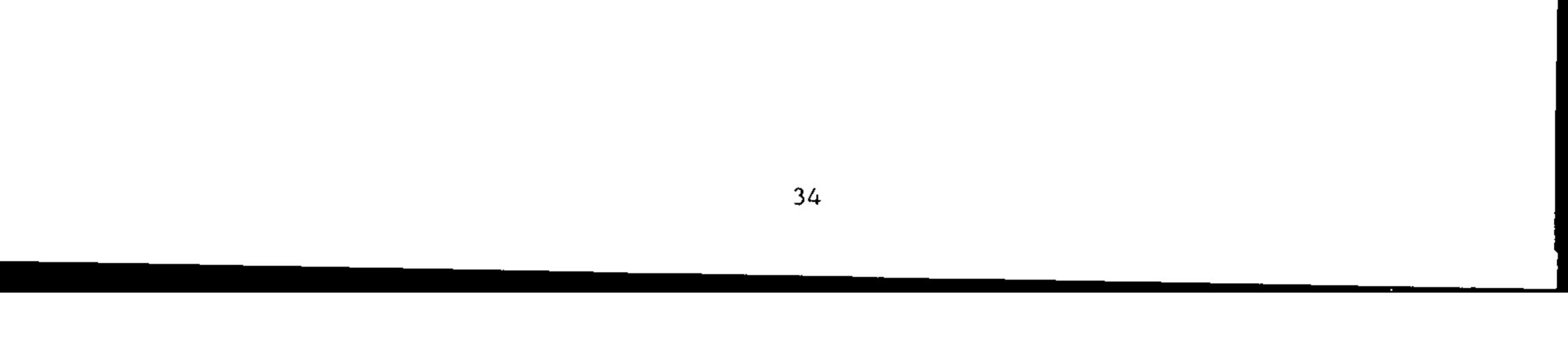
The accounts of the Town of Arnaudville are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, 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		
	Budget	<u>Actual</u>	Variance - Favorable <u>(Unfavorable)</u>	1995 <u>Actual</u>
Taxes: Ad valorem Franchise - utility companies	\$ 25,100 54,000 79,100	\$25,187 <u>55,785</u> 80,972	\$87 <u>1,785</u> <u>1,872</u>	\$ 24,234 <u>49,332</u> <u>73,566</u>
Licenses and permits: Occupational licenses	44.000	<u> </u>	<u>11,884</u>	<u>55,178</u>
Intergovernmental: State of Louisiana - Tobacco tax Beer tax Video poker contributions Sidewalk grant USDA Forest Service grant U. S. Post Office Rental	7,600 5,500 11,500 10,000 - 5,000 39,600	7,512 4,176 11,905 10,000 - 5,050 38,643	(88) (1,324) 405 - - <u>50</u> (957)	7,524 5,102 18,687 - 2,400 <u>5,050</u> <u>38,763</u>
Fines and forfeits	25,000	22,757	(2,243)	<u>19,365</u>
Miscellaneous: Sale of equipment Interest Recreation department fees Donations - library/museum Other	300 1,085 5,000 4,200 <u>2,500</u> 13,085	310 1,054 6,937 4,726 <u>1,955</u> <u>14,982</u>	10 (31) 1,937 526 (545) 1,897	1,274 689 2,874 5,181 <u>2,354</u> 12,372
Total revenues	\$200,785	\$213,238	\$12,453	\$199,244



CO	Combined Balance	nce Sheet -	Atl fund T June 3	Ail Fund Types and Account June 30, 1996	Groups	(Continued)			
EQUITY AND OTHER CREDITS	General	<u>Governmental Fund Types</u> Special Debt <u>Revenue Service</u>	Fund Types Debt Service	s Capital <u>Projects</u>	Proprietary Fund Type Enterprise	Account General Fixed Assets	General Long- Term Debt	Tot (Memorand 1996	Totals andum Only) 1995
te unds ies estricted assets -	\$ 5,583 67 3,684	<pre>\$ 2,790 75,454 366</pre>	, , , ₩	•••	<pre>\$ 12,036 9,800 5,868</pre>	• • •	• • •	<pre>\$ 20,409 85,321 9,918</pre>	\$ 19,068 30,691 9,723
of indebtedness eposits sences bayable indebtedness payable bilities	9.334	78,610			4,000 30,000 35,478 197,000 107,842 402,024		6,837 205,000 211,837	4,000 30,000 35,478 6,837 197,000 312,842 701,805	4,000 30,000 36,054 201,000 201,000 702,611
credits: Dital Deneral fixed assets Mgs - revenue bond retirement ained earnings					935, 320 62, 532 1, 118, 314	330, 135		935,320 330,135 62,532 1,118,314	953, 773 305, 971 44, 005 1, 011, 312 1, 055, 317
debt service	•		10,066	•	•	ı	ı	10,066	8 441
for subsequent years' expenditures d d balances	74, 703	218,840	10,066	178, 109 <u>178, 109</u>		• •	F 1	178, 109 293, 543 481, 718	159, 706 215, 391 383, 538
ity and other credits bilities, equity and other credits	<u>74, 703</u> \$84, 037	<u>-218,840</u> \$297,450	<u>10,066</u> \$10,066	178,109 \$178,109	2,053,634 \$2,455,658	<u>330, 135</u> \$330, 135	\$211.837	2,865,487 \$3,567,202	4 4
notes are an integral part of this	statement.	14 18 15 01 01 14 14	0 41 1 1 1 0 10						

LOUISIANA

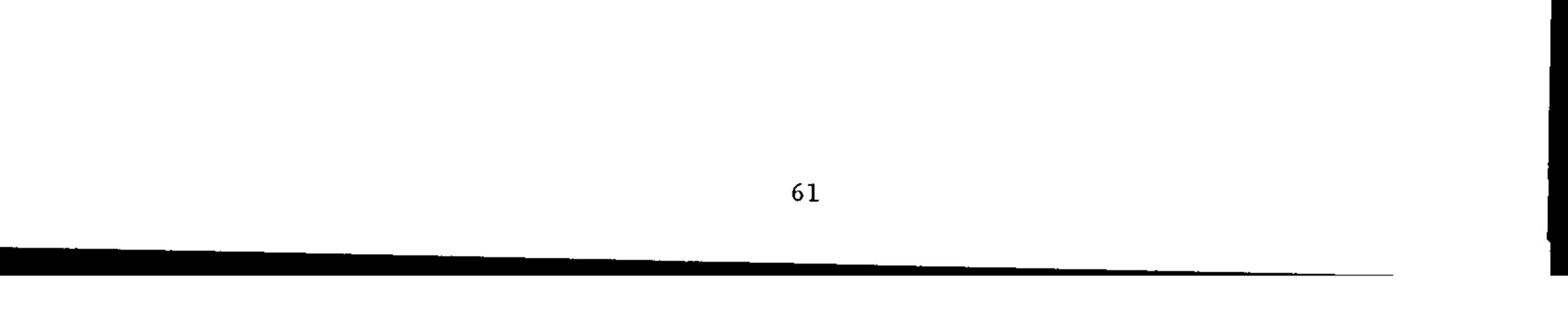
TOWN OF ARNAUDVILLE,

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Liabilities: Accounts payable Due to other funds Other liabilities Payable from restri Revenue bonds Certificates of i Customers' deposi Compensated absence Equity and other cred Contributed capital Investment in gener Retained earnings -Reserved for reve Unreserved Total retaine Fund balances -Reserved for debt Unreserved: Designated for Undesignated Total fund ba Revenue bonds payat Certificates of inc Total liabili The accompanying not Total equity Total liabil LIABILITIES,

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.



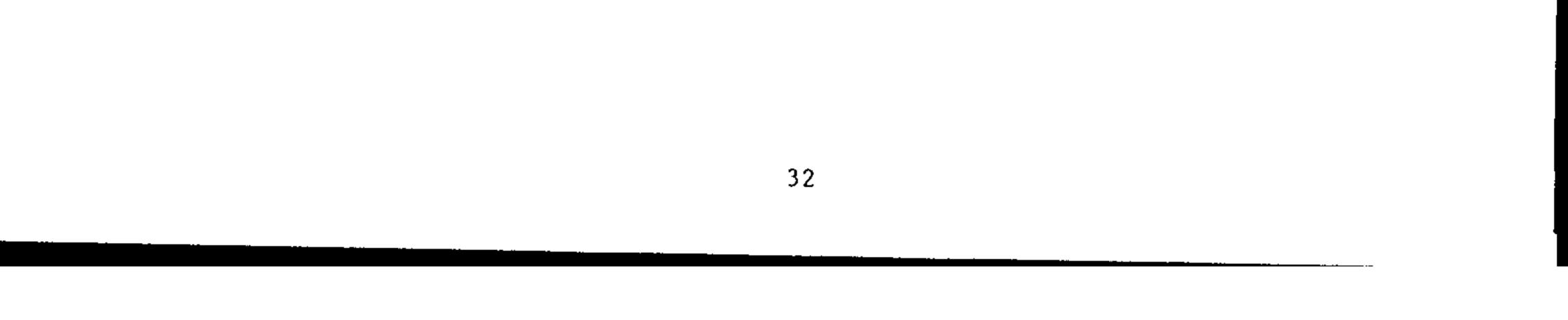
TOWN OF ARNAUDVILLE, LOUISIANA General Fund

Comparative Balance Sheet June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
ASSETS		
Cash Interest-bearing deposits Receivables:	\$82,822 -	\$57,952 25,000
Taxes Due from other governments	794 <u>421</u>	551 <u>1,500</u>
Total assets	\$84,037	\$85,003

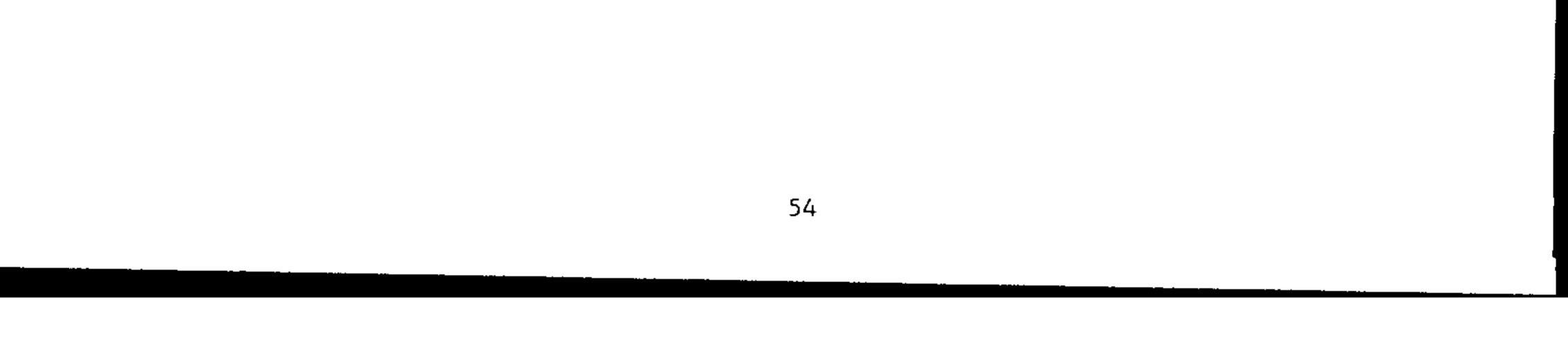
LIABILITIES AND FUND BALANCE

Liabilities:		
Accounts payable	\$ 5,583	\$ 6,817
Due to other funds	67	16,094
Other liabilities	3,684	3,406
Total liabilities	9,334	26,317
Fund balance - unreserved and undesignated	74,703	<u>58,686</u>
Total liabilities and fund balance	\$84,037	\$85,003
		== == == == == <u>=</u>



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

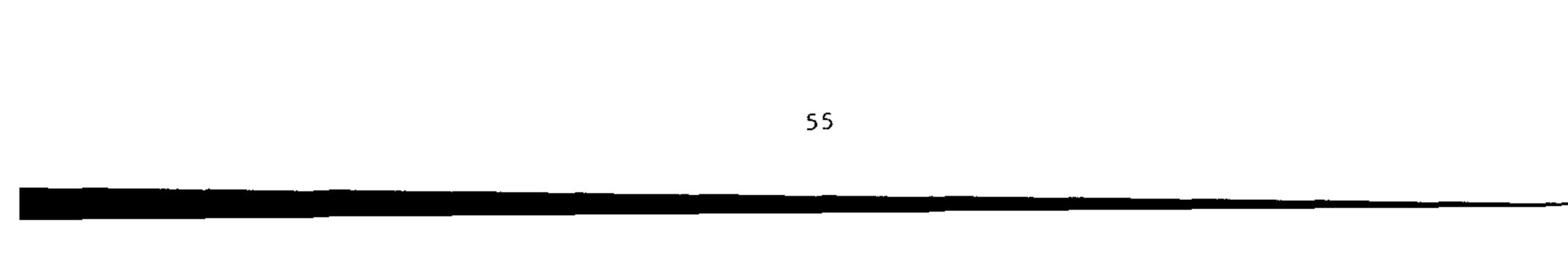
	<u> 1996 </u>	<u> 1995 </u>
Sanitation department:		
Chemicals and supplies	\$-	\$ 759
Depreciation	700	525
Total sanitation department	700	1,284
General and administrative:		
Salaries	32,851	37,407
Payroll taxes and retirement	3,825	2,865
Telephone	1,265	1,487
Professional fees	5,960	9,250
Certification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



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

	1996	1995
Cash flows from operating activities:		
Operating income	<u>\$ 123,171</u>	<u>\$ 116,833</u>
Adjustments to personally exacting income to not each provided by		
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 Increase (decrease) in accounts payable	13,125 2,176	4,793 (10,213)
Increase (decrease) in due to other funds	9,800	(21,967)
Increase (decrease) in accrued liabilities	894	(937)
Total adjustments	60,221	122,019
Net cash provided by operating activities	183,392	238,852
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	(79,943)	<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 Missellemoous persenting equation	(673)	(1,586)
Miscellaneous nonoperating revenues Acquisition of property, plant and equipment	932 (1,101)	(11,100)
Net Increase (decrease) in meter deposits	(576)	1,738
Net cash used by capital and related financing activities	(58,310)	(64,424)
Cash flows from investing activities:		
Interest received on interest-bearing deposits	17,463	12,122
Net increase in interest-bearing deposits	<u>(78,596</u>)	(140,676)
Net cash used by investing activities	<u>(61,133</u>)	(128,554)
Net decrease in cash and cash equivalents	(15,994)	(33,617)
Cash and cash equivalents, beginning of period	227,880	261,497
Cash and cash equivalents, end of period	\$ 211,886	\$ 227,880 ======

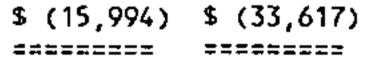
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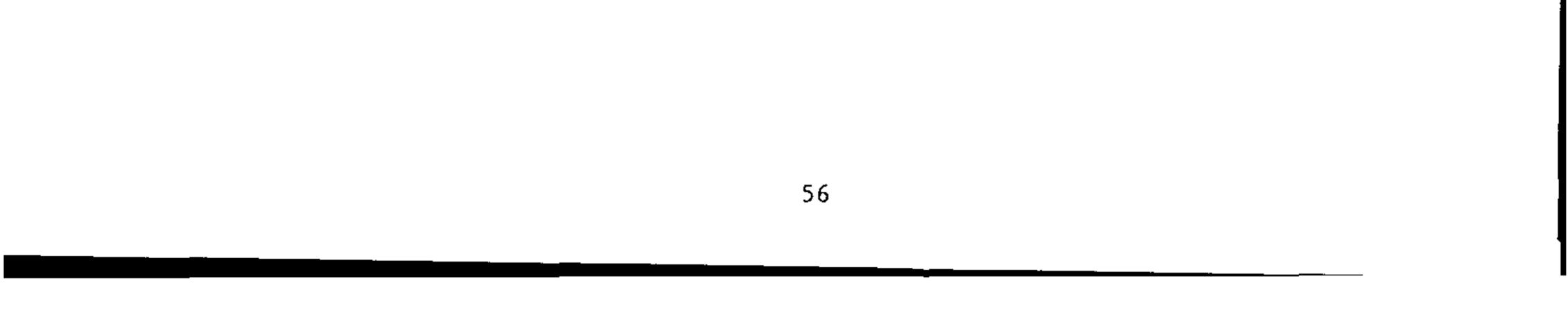


Comparative Statement of Cash Flows (Continued) Years Ended June 30, 1996 and 1995

	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
	211,000	

Net decrease





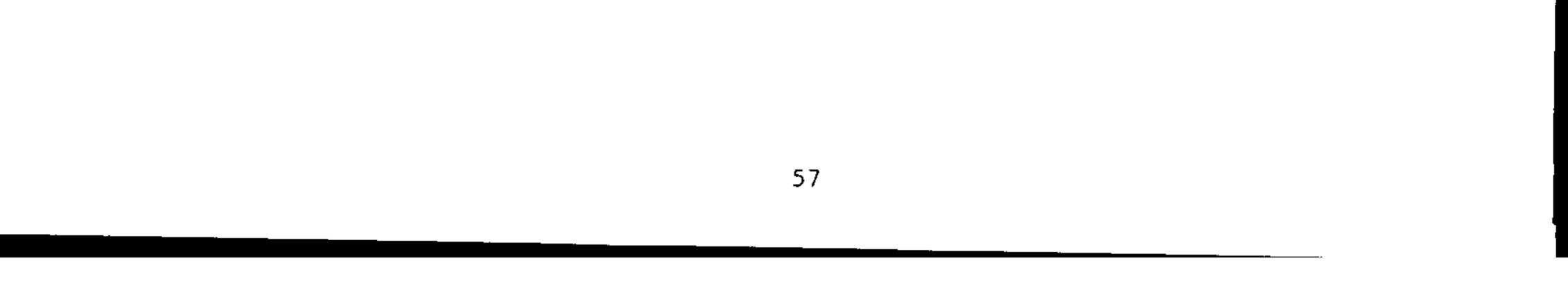
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Schedule of Changes in Assets Restricted for Revenue Bond Debt Service Year Ended June 30, 1996

	Revenue Bond and Interest <u>Redemption</u>	Revenue Bond <u>Reserve</u>	Revenue Bond Capital Additions and <u>Contingencies</u>	<u>Total</u>
Cash and interest-bearing deposits July 1, 1995	<u>\$ 46.393</u>	<u>\$9,178</u>	<u>\$22,434</u>	<u>\$ 78,005</u>
Cash receipts: Transfer from operating account Interest on deposits Total cash receipts	57,143 <u>499</u> <u>57,642</u>	752	1,428 <u>648</u> 2,076	59,323 <u>1,147</u> 60,470

Total cash and interest-				
bearing deposits available	<u>104,035</u>	9,930	24,510	138,475
Cash disbursements:				
Principal payments	30,000	-	-	30,000
Interest payments	11,943	-		11,943
Total disbursements	<u>41,943</u>	<u> </u>	<u> </u>	41,943
Cash and interest-bearing				
deposits, June 30, 1996	\$ 62,092	\$9,930	\$24,510	\$ 96,532
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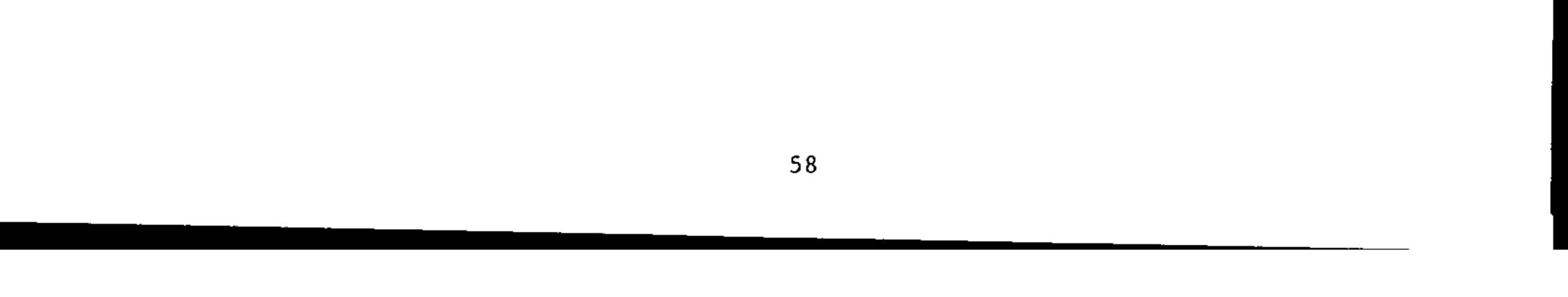
GENERAL FIXED ASSETS ACCOUNT GROUP

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

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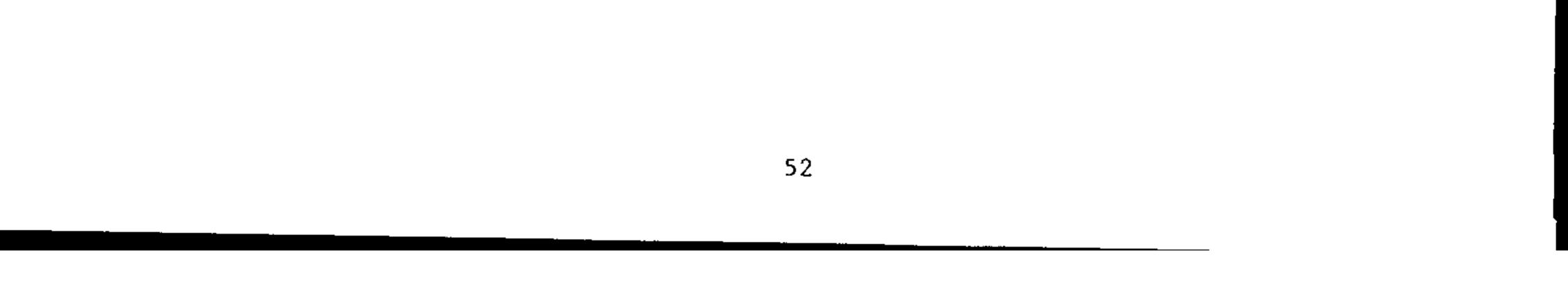


Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings (Continued) Years Ended June 30, 1996 and 1995

	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	<u> 18,453</u>
Net increase in retained earnings	62,997	44,677
Retained earnings, beginning	<u>1,055,317</u>	1,010,640

Retained earnings, ending

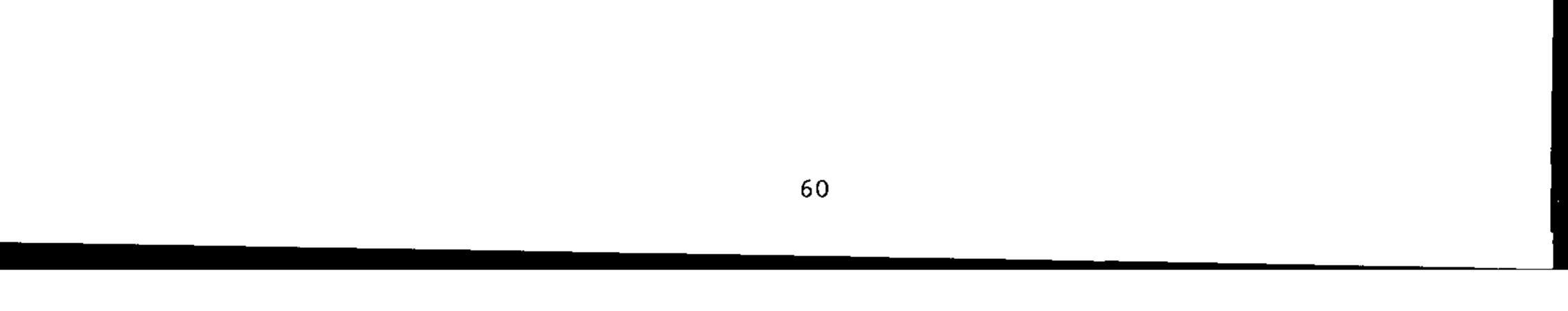
\$1,118,314 \$1,055,317



TOWN OF ARNAUDVILLE, LOUISIANA

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

	Land	<u>Buildings</u>	<u>Equipment</u>	<u>Total</u>
General fixed assets, beginning of year	\$25,498	\$186,866	\$ 93,607	\$305,971
Additions		9,356	<u> 16,570</u>	<u> 25,926</u>
Total balances and additions	25,498	196,222	110,177	331,897
Deletions	<u> </u>	*	<u> 1.762</u>	<u> 1.762</u>
General fixed assets, end of year	\$25,498	\$196,222	\$108,415	\$330,135



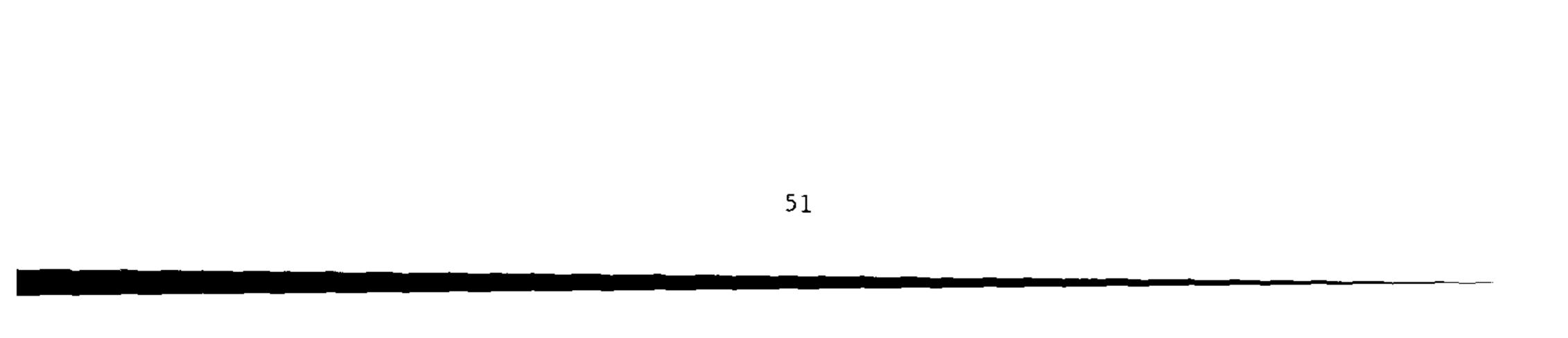
Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings Years Ended June 30, 1996 and 1995

	1996	1995
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	8.883	7,016
Total operating revenues	530_083	492,181

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	64,183	68,586
Total operating expenses	406,912	375,348
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>	
Total nonoperating revenues	25,305	12,506
Income before operating transfers	148,476	129,339
Operating transfers in (out):		
Operating tranfers out	<u>(103,932</u>)	(103,115)

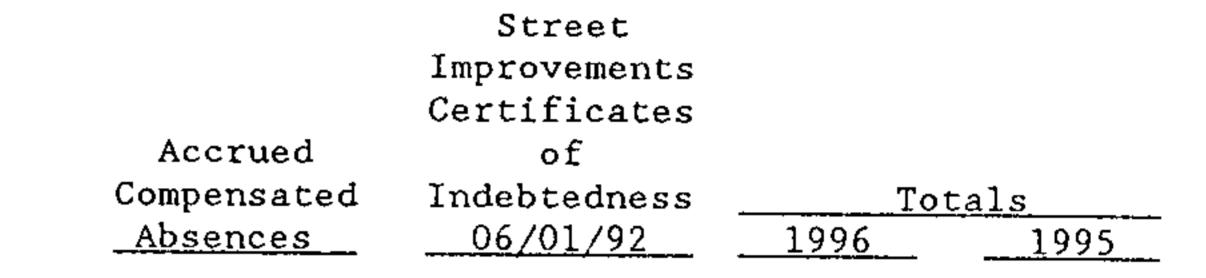
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TOWN OF ARNAUDVILLE, LOUISIANA

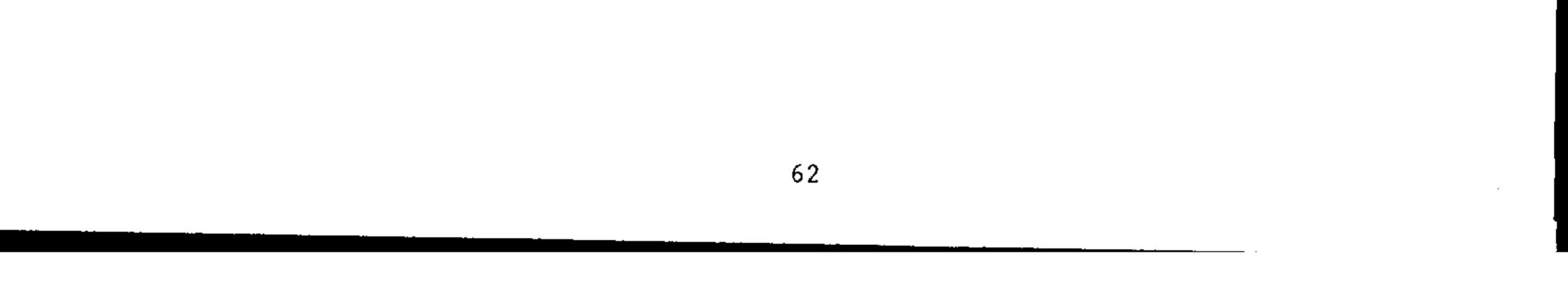
Statement of General Long-Term Debt June 30, 1996 With Comparative Totals for June 30, 1995



AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT

> Amount available in debt service fund for debt retirement

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	\$6,837	\$205,000	\$211,837	\$234,933
GENERAL LONG-TERM DEBT PAYABLE				
Accrued compensated absences Certificates of indebtedness	\$6,837	\$ -	\$ 6,837	\$ 4,933
payable	<u> </u>	205,000	205,000	230,000
Total general long-term debt payable	\$6,837	\$205,000	\$211,837	\$234,933

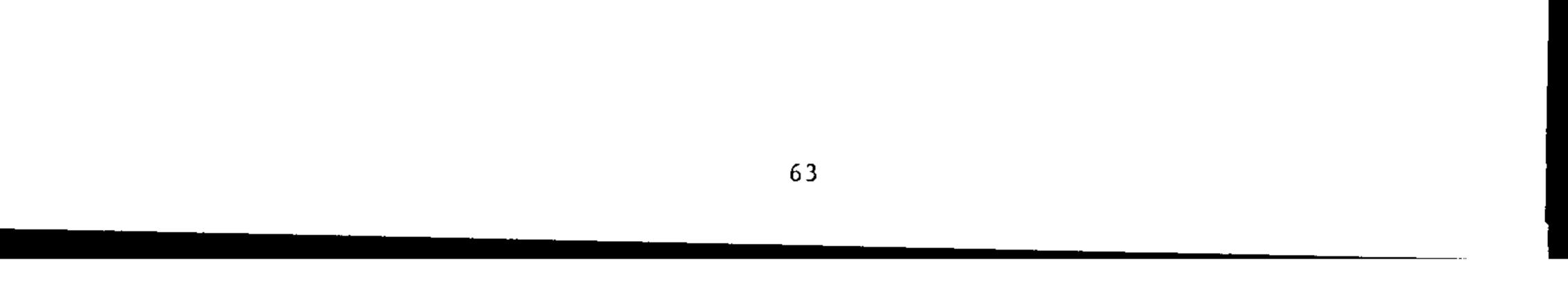


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INTERNAL CONTROL AND COMPLIANCE

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DARNALL, SIKES, KOLDER, FREDERICK & RAINEY

(A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS)

Offices

E. Larry Sikes, CPA C. Burton Kolder, CPA Danny P. Frederick, CPA Chris Rainey, CPA Clayton E. Darnall, CPA Eugene H. Darnall, III, CPA Russell F. Champagne, CPA Victor R. Staven, CPA Conrad O. Chapman, CPA	RETIRED Eugene H. Damail, CPA 1990 INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF	125 Rue Beauregard Latayette, LA 70508 (318) 232-3312 1201 Brashear Avenue Suite 301 Morgan City, LA 70380 (504) 384-6264 408 W. Cotton Street Ville Platte, LA 70586
Lloyd F. Dore', Jr. CPA Paula D. Bihm, CPA Christine L. Cousin, CPA Stephanie M. Higginbotham, CPA Kalhieen T. Darnail, CPA Jenniter S. Ziegler, CPA P. Troy Courville, CPA Stephen R. Dischler, MBA, CPA	GENERAL PURPOSE FINANCIAL STATEMENTS	(318) 363-2792 113 East Bridge Street Breaux Bridge, LA 70517 (318) 332-4020 404 Pere Megret Abbeville, LA 70510 (318) 893-5470
and Me	erable Lanard Meche, Mayor mbers of the Board of Aldermen Arnaudville, Louisiana	1231 E. Laurel Avenue Eunice, LA 70535 (318) 457-4146 2011 MacArthur Drive Building 1 Alexandria, LA 71301

(318) 445-5564

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 <u>Government Auditing Standards</u>, 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.

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MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS

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.

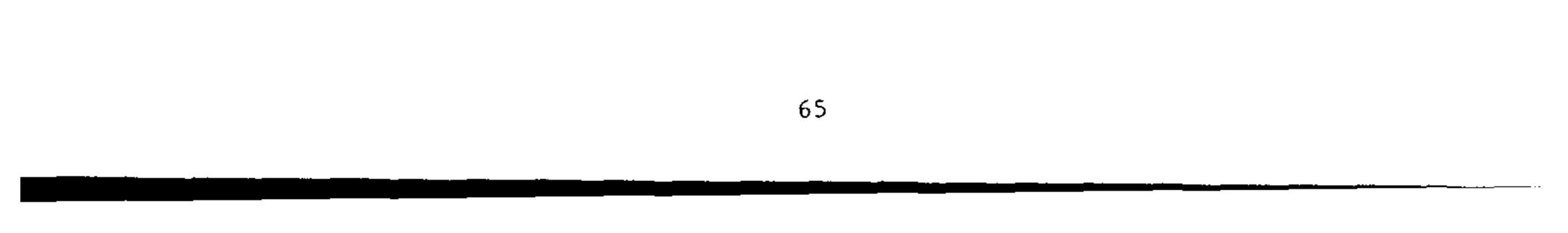
Response:

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.

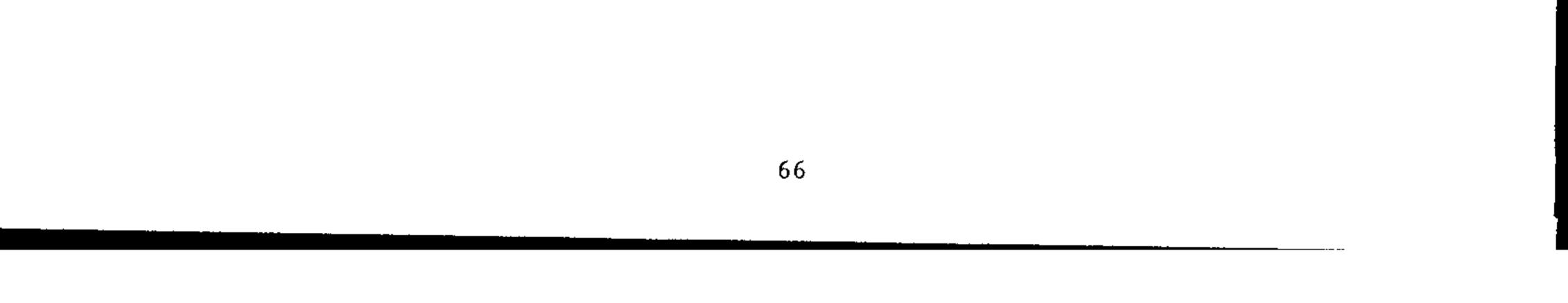


This report is intended for the information of management. However, this report is a matter of public record and its distribution is not limited.

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)

Offices

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Conrad O. Chapman, CPA Lloyd F. Doret, Jr. CPA Paula D. Bihm, CPA		INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS	408 W. Cotton Street Ville Platte, LA 70586 (318) 363-2792
Christine L. Cousin, CPA Stephanie M. Higginbotham, CP. Kathleen T. Darnall, CPA Jenniler S. Ziegler, CPA	A	PERFORMED IN ACCORDANCE WITH <u>GOVERNMENT AUDITING STANDARDS</u>	113 East Bridge Street Breaux Bridge, LA 70517 (318) 332-4020
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The Honorable Lanard Meche, Mayor and Members of the Board of Aldermen Town of Arnaudville, Louisiana

2011 MacArthur Drive Building 1 Alexandria, LA 71301 (318) 445-5564

Abbeville, LA 70510

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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 <u>Government Auditing Standards</u>, 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 <u>Government Auditing</u> <u>Standards</u> 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.

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MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS

TOWN OF ARNAUDVILLE, LOUISIANA

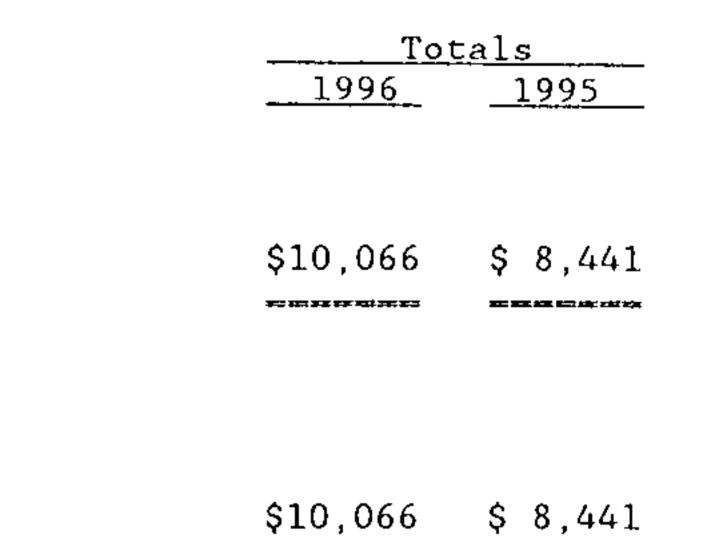
Comparative Statement of General Fixed Assets June 30, 1996 and 1995

	1996	1995
General fixed assets, at cost:		
Land	\$ 25,498	\$ 25,498
Buildings	196,222	186,866
Equipment	108,415	93,607
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	20,520	20,520
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

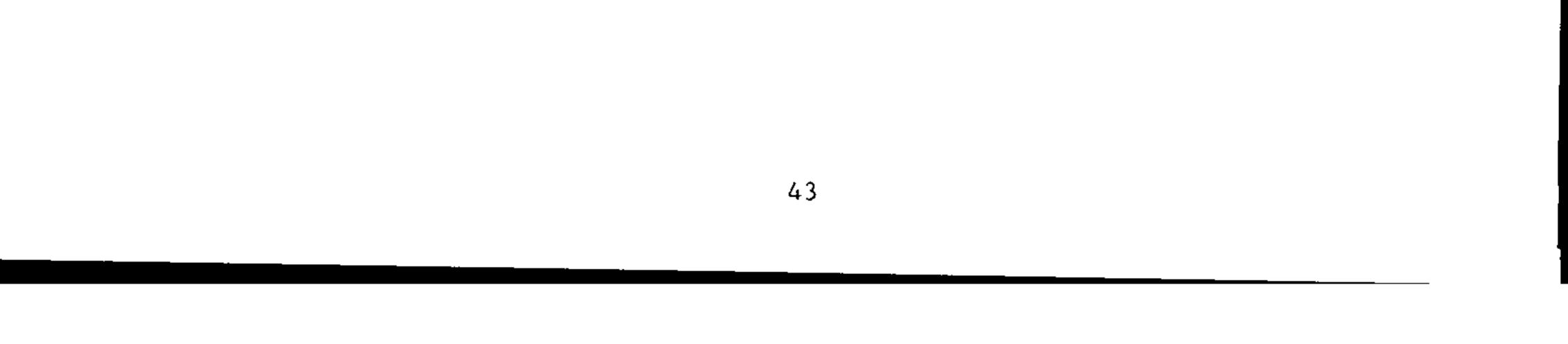


ASSETS

Cash

FUND BALANCES

Fund balances: Reserved for debt service

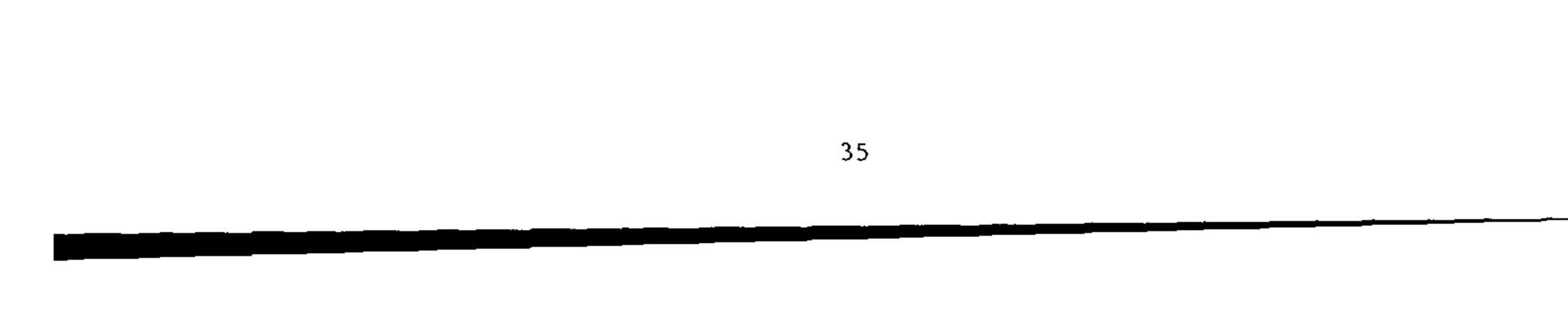


TOWN OF ARNAUDVILLE, LOUISIANA General Fund

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

	1996			
	Budget	Actual	Variance - Favorable <u>(Unfavorable)</u>	1995 <u>Actual</u>
General government:		A (C 0 C 1	6 (61)	\$ 38,315
Council and clerk salaries	\$ 46,300	\$ 46,361	\$ (61) 72	11,731
Other salaríes	17,200	17,128	72	5,352
Payroll taxes and retirement	5,250	5,353	(103)	5,189
Utilities	5,200	5,256	(56)	4,192
Telephone	4,500	4,236	264	4,192
Advertising and publications	700	741	(41)	
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
	-	-	~	192
Repairs and maintenance	1,000	720	280	2,311
Computer maintenance	4,800	4,789	11	6,550
Office supplies	4,000	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		
City hall and post office	3,450	4,961	(1,511)	2,909
building	350	323	27	311
Tax roll and assessor's fee	1,700	1,688	12	1,929
Coffee expense	3,650	3,04 <u>1</u>	609	5,741
Miscellaneous		136,037	(937)	129,352
Total general government	135,100	130,037		
Public safety:				
Police -				4 0 0 0 0
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
	300	265	35	800
Traíning Priconor bousing	1,000	1,049	(49)	583
Prisoner housing	_900	1,168	(268)	32
Miscellaneous Tatal public safety	71,600	72,432	(832)	61,606
Total public safety	<u>, + , + , + , + , + , + , + , + , + , +</u>			

(continued)

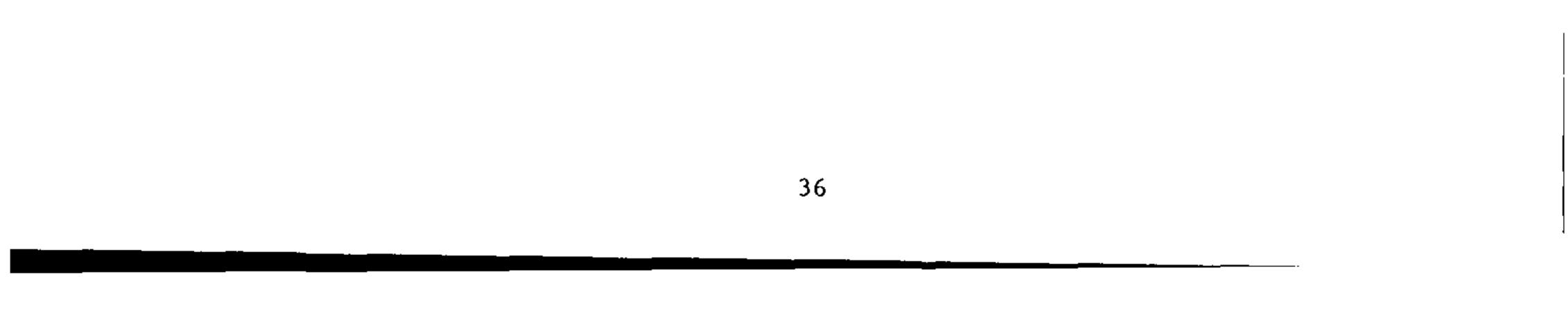


TOWN OF ARNAUDVILLE, LOUISIANA General Fund

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		
	<u>Budget</u>	<u>Actual</u>	Variance - Favorable <u>(Unfavorable)</u>	1995 <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	6,200	6,519	(319)	3,844
Total highways and				
streets	40,200	42,245	<u>(2,045</u>)	27,435

Culture and recreation:				
Salaries	3,000	3,000	-	2,700
Supplies	1,800	3,386	(1,586)	5,260
Miscellaneous	-	-		17
Total culture and				<u> </u>
recreation	4,800	6,386	(1,586)	<u> </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> </u>	3,014	(514)	21,205
Total capital outlay	21,000	20,485	515	58,649
Total expenditures	\$272,700	\$277,585	\$(4,885)	\$285,019



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.

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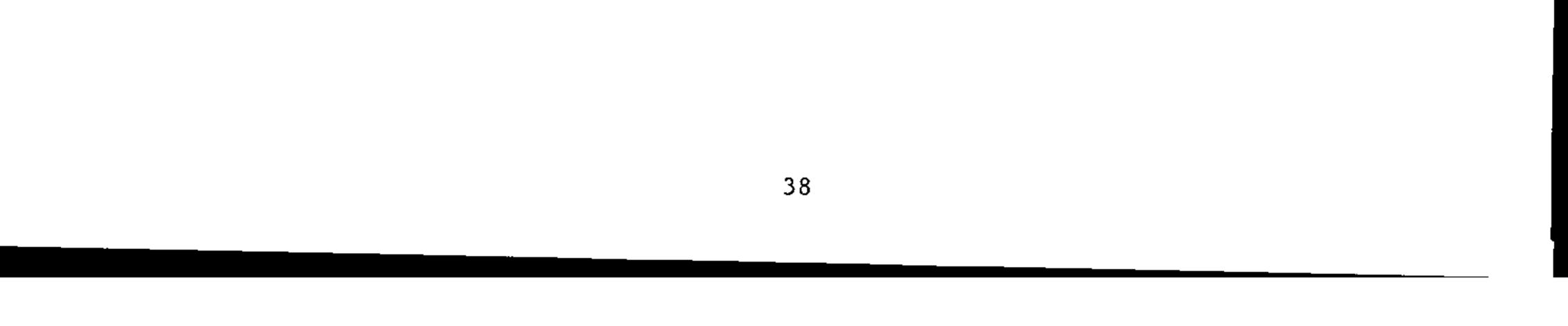
TOWN OF ARNAUDVILLE, LOUISIANA Special Revenue Funds

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

	1969 Sales	1982 Sales	Totals	
	<u>Tax Fund</u>	<u>Tax Fund</u>	1996	1995
ASSETS				
Cash Interest-bearing deposits Receivables:	\$ 78,940 62,184	\$ 98,947 46,438	\$177,887 108,622	\$ 12,270 155,303
Accrued interest Due from other funds	1,017	555 <u>9,369</u>	1,572 <u>9,369</u>	39 <u>7,424</u>
Total assets	\$142,141	\$155,309	\$297,450	\$175,036

LIABILITIES AND FUND BALANCES

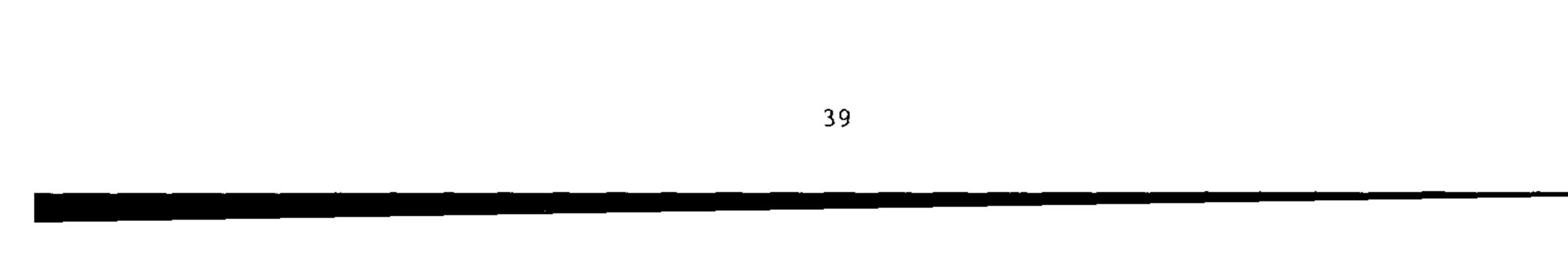
Liabilities:				
Accounts payable Due to other funds Other liabilities	\$ 1,264 58,093	\$ 1,526 17,361	\$2,790 75,454	\$2,391 14,597
Total liabilities	<u> </u>	<u> 40</u> 18,927	<u> </u>	$\frac{1,343}{18,331}$
Fund balances - unreserved and undesignated	<u> 82,458</u>	<u>136,382</u>	<u> 218,840</u>	<u>156,705</u>
Total liabilities and fund balances	\$142,141	\$155,309	\$297,450	\$175,036



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

	1969 Sales	1982 Sales	<u> </u>	<u>ls</u>	
	Tax Fund	Tax Fund	1996	1995	
Revenues:				A142 500	
Taxes	\$104,466	\$104,466	\$208,932	\$183,500	
Intergovernmental	419	•	419	749	
Miscellaneous	3,201	4,295	7,496	2,256	
Total revenues	108,086	108,761	216,847	<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> </u>	570	
Total expenditures	101,260	25,645	126,905	<u>131,031</u>	
Excess of revenues					
over expenditures	<u> </u>	83,116	89,942	55,474	
Other financing sources (uses):					
Operating transfers in	13,768	-	13,768	35,287	
Operating transfers out	-	(41,575)	<u>(41,575</u>)	<u>(42,700</u>)	
Total other financing					
sources (uses)	13,768	<u>(41,575</u>)	(27,807)	<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	61,864	94,841	156,705	108,644	
Fund balances, ending	\$ 82,458	\$136,382	\$218,840	\$156,705	
			5 - 201 per 25 - 20 20 20 20		



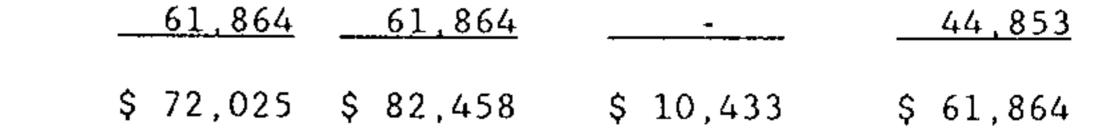
TOWN OF ARNAUDVILLE, LOUISIANA Special Revenue Fund 1969 Sales Tax Fund

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

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable <u>(Unfavorable)</u>	1995 <u>Actual</u>
Revenues:				
Taxes	\$100,620	\$104,466	\$ 3,846	\$ 91,750
Intergovernmental	500	419	(81)	749
Interest	3,241	3_201	(40)	
Total revenues	<u>104,361</u>	108,086	3,725	92,499

Europediture

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	<u> 107,947</u>
Total expenditures	108,200	<u>101,260</u>	6,940	<u>110,775</u>
Excess (deficiency) of				
revenues over				
expenditures	(3,839)	6,826	10,665	(18,276)
Other financing sources:				
Operating transfers in		13,768	(232)	<u> 35,287</u>
Excess of revenues and				
other sources over				
expenditures	10,161	20,594	10,433	17,011
Fund holonoo haaduuduu	(1.04)			



Fund balance, beginning

Fund balance, ending

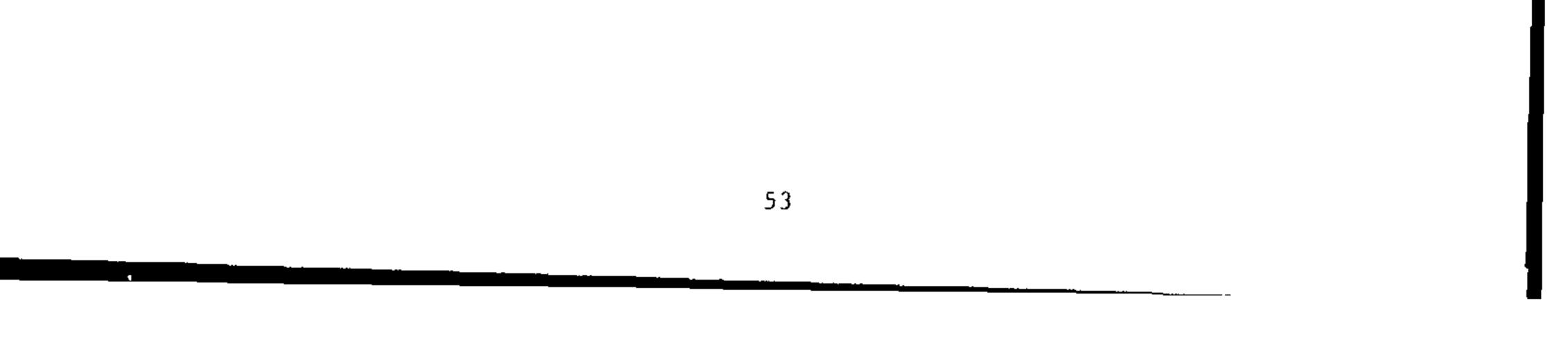
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Comparative Statement of Operating Expenses by Department Years Ended June 30, 1996 and 1995

	1996	1995
Gas department:		
Salaries	¢ 30 0E1	A A 7 4 A 7
Payroll taxes and retirement	\$ 32,851	\$ 37,407
Gas purchases	3,825	2,865
Distribution system repairs and maintenance	90,215	70,300
Insurance	32,893	18,980
Telephone	12,274	11,756
Depreciation	2,259	1,893
Bad debts	23,117	22,810
Miscellaneous	970	694
Total gas department	<u> </u>	220
	<u>199,142</u>	<u>166,925</u>
Water department:		
Salaries	18,772	01 076
Payroll taxes and retirement		21,376
Distribution system repairs and maintenance	2,186	464
Insurance	12,855	11,586
Depreciation	4,742	5,715
Bad debts	12,504	12,264
Water plant lease and maintenance	404 425	289
Utilities	23,814	400
Fire department expense	2,472	24,194
Miscellaneous	<u> </u>	1,462
Total water department	79,201	
		70,250
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	63,686	$\frac{174}{60,315}$

(continued)

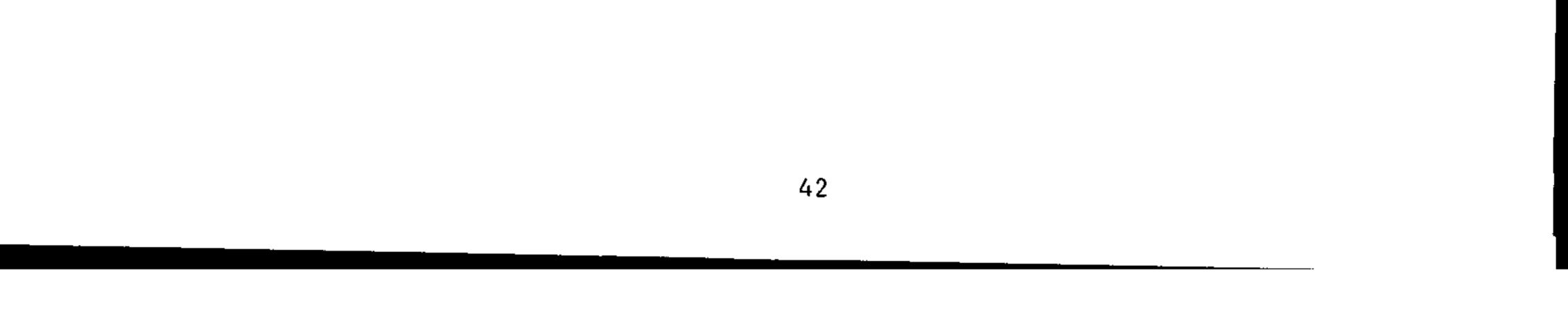


DEBT SERVICE FUND

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.

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In accordance with <u>Government Auditing Standards</u>, 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

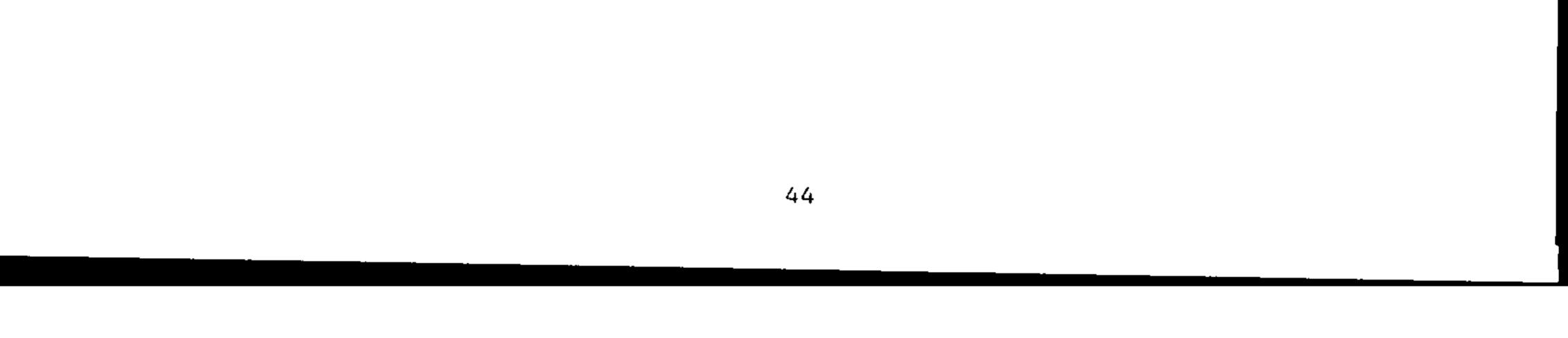
Lafayette, Louisiana August 13, 1996



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

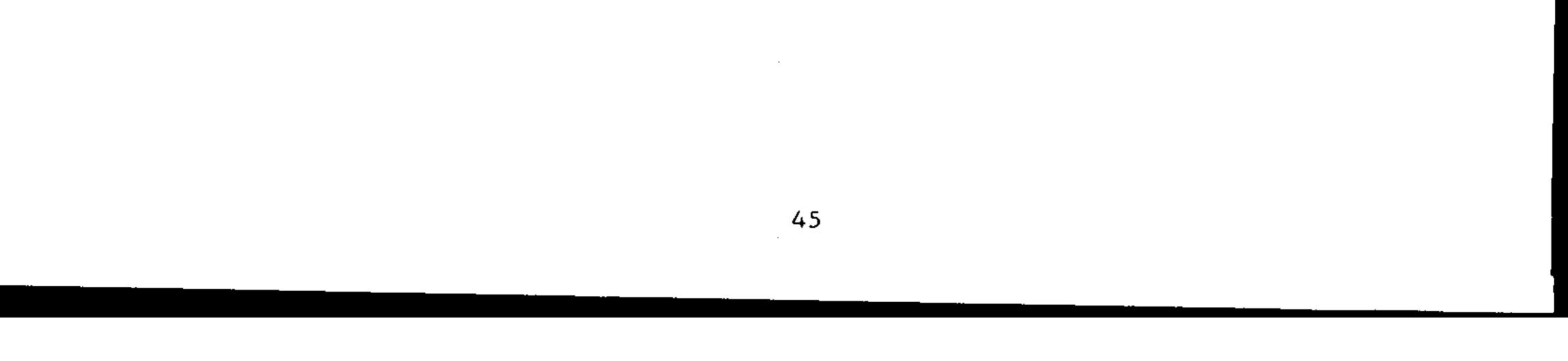
	1996			
	<u>Budget</u>	<u>Actual</u>	Variance - Favorable <u>(Unfavorable)</u>	1995 <u>Actual</u>
Revenues	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Expenditures: Debt service -				
Principal retirement Interest coupons paid Miscellaneous	25,000 14,950	25,000 14,950	-	25,000 16,575
Total expenditures	39,950	39,950		$\frac{45}{41,620}$
Deficiency of revenues over expenditures	<u>(39,950</u>)	<u>(39,950</u>)		<u>(41,620</u>)
Other financing sources: Operating transfers in	<u> </u>	<u> 41,575</u>	<u>1,625</u>	<u> 41,575</u>
Excess (deficiency) of revenues and other sources over				
expenditures	-	1,625	1,625	(45)
Fund balances, beginning	<u> 8,441</u>	8.441		<u> 8,486</u>
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.

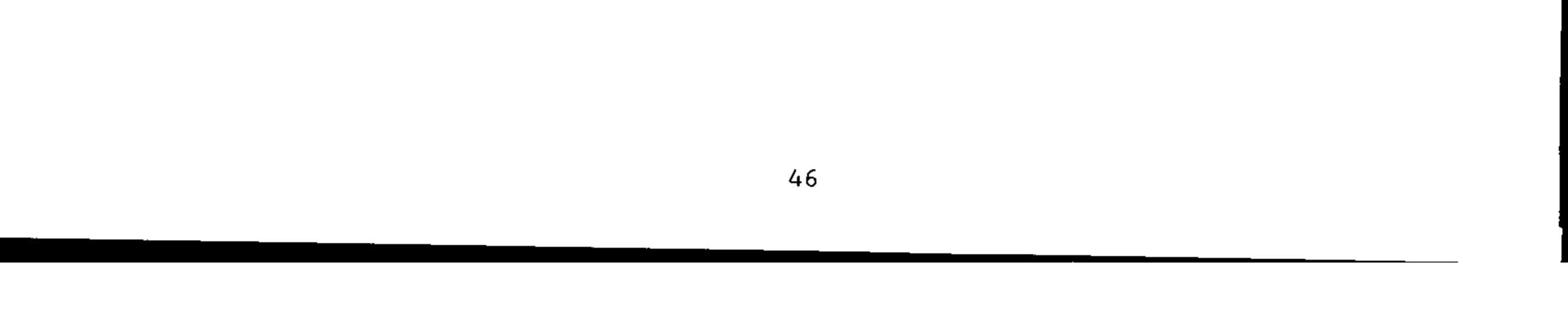


TOWN OF ARNAUDVILLE, LOUISIANA Capital Projects Funds

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

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

FUND BALANCES				
Fund balances - unreserved: Designated for subsequent years' expenditures	\$138,767	\$39,342	\$178,109	\$159,706
	977 928 228 225 225 977 977 922		يحير محب بحص عدي عمل بناك خلك	



		tund 1995 Actual	\$ 619		910 9.100	9, 719 <u>18, 353</u> \$28, 072
		<u>One Percent Budget Set-Aside Fund</u> Variance - Favorable t <u>Actual (Unfavorable)</u> A	\$ 10	, 	2.	* 10 * 10
		Percent Bu Actual	\$ 1,470	. 1	9.800	11,270 28,072 \$39,342
	• •	0ne Budget	\$ 1,460	1,460	9,800	11,260 28,072 \$39,332
	Fund Batano 1995	1995 Actual	\$ 5,006	5.006		5,006 <u>126,628</u> \$131,634
UISIANA nds	ures, and Changes in Fund and Actual 30, 1996 r Year Ended June 30, 1995	<u>Street Improvements Fund</u> Variance - Favorable Actual (Unfavorable)	\$ (641)	<u>20,000</u> 19,359		19,359 \$19,359 ======
OF ARNAUDVILLE, LOUISIANA Capital Projects Funds	es, Expenditures (GAAP Basis) and Ended June 30, Amounts for Yee	Street Im Actual	\$ 7,133	7, 133		7, 133 <u>131, 634</u> \$138, 767
TOWN OF ARNA	ve Statement of Revenues, Expen Budget (GAAP Bas Year Ended Ju With Comparative Actual Amounts	Budget	\$ 7,774	<u>20,000</u> (12,226)		(12,226) <u>131,634</u> \$119,408
	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		nterest	ets - 'iciency) of revenues over expenditures	rces: rs in iciency) of revenues and other sources	

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Expendítures: Highways and streets Capital outlay Excess (defici Other financing source Operating transfers Excess (defici over expendi Fund balances, beginni Revenues: Miscellaneous - int Fund balances, ending

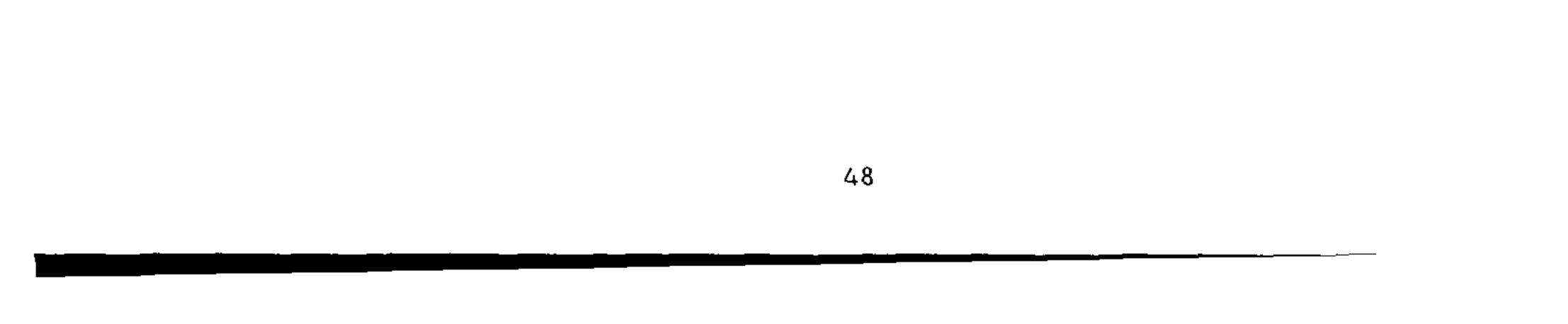
ENTERPRISE FUND

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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.

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Comparative Balance Sheet June 30, 1996 and 1995

	<u> </u>	1996		1995
ASSETS				
Current assets:				
Cash	\$	126,186	\$	60,915
Interest-bearing deposits	ť	423,478	Ť	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> </u>	<u>683,732</u>		<u>605,548</u>
Restricted assets:				
Revenue bond and interest redemption fund -				
Cash		23,975		0 796
Interest-bearing deposits		38,117		9,726 36,667
Revenue bond reserve fund -		J0 ,117		50,007
Cash		9,930		9,178
Revenue bond capital additions and contingencies fu	ind -			-,
Cash		8,280		6,851
Interest-bearing deposits		16,230		15,583
Customers' deposits -				
Cash		5,398		4,543
Interest-bearing deposits	<u>-</u>	40,996		<u>39,931</u>
Total restricted assets		142,926		122,479
Property plant and equipment at east met of				
Property, plant and equipment, at cost, net of accumulated depreciation (1996 \$1,046,605;				
1995 \$970.411)	1	620 000	1	70/ 000
· · · · · · · · · · · · · · · · · · ·	<u></u>	<u>,629,000</u>	<u> </u>	704,093

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\$2,455,658 \$2,432,120

	 1996	 <u>1995</u>
LIABILITIES AND FUND EQUITY		
Liabilities: Current liabilities (payable from current assets) - Accounts payable Due to other funds Other liabilities Total current liabilities (payable from current assets)	\$ 12,036 9,800 <u>5,868</u> <u>27,704</u>	\$ 9,860 - <u>4,974</u> <u>14,834</u>

Current liabilities (payable from restricted assets) -

_ _ _

assets) -		
Revenue bonds payable	4,000	4,000
Certificates of Indebtedness payable	30,000	30,000
Customers' deposits	35,478	36,054
Total current liabilities (payable from		
restricted assets)	69,478	70,054
	<u> </u>	
Long-term liabilities -		
Revenue bonds payable	197,000	201,000
Certificates of Indebtedness payable	107,842	137,142
Total long-term liabilities	304,842	338,142
Total liabilities	402,024	423,030
Fund equity:		
Contributed capital -		
Municipality	112,375	112,375
Customers	15,176	15,176
State and federal grants		•
Total contributed capital	807,769	<u>826,222</u>
Total contributed capital	935,320	<u>953,773</u>
Retained earnings -		
Reserved for revenue bond retirement	62,532	44,005
Unreserved	1,055,782	1,011,312
Total retained earnings	1,118,314	1,055,317
	<u> </u>	<u> </u>
Total fund equity	2,053,634	2,009,090
Total liabilities and fund equity	\$2 455 658	\$2 432 120

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\$2,455,658 \$2,432,120

Total liabilities and fund equity

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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

				
	Budget	<u>Actual</u>	Variance - Favorable <u>(Unfavorable)</u>	1995 <u>Actual</u>
Revenues: Taxes Interest Total revenues	\$100,620 <u>3,866</u> <u>104,486</u>	\$104,466 <u>4,295</u> <u>108,761</u>	\$ 3,846 <u>429</u> <u>4,275</u>	\$ 91,750 <u>2,256</u> 94,006

Expenditures:

General government -				
Professional fees	1,600	1,315	285	1,910
Collection fees	1,000	1,045	(45)	918
Miscellaneous	800	815	(15)	-
Total general government	3,400	3,175	225	2,828
Highways and streets -				
Utilities - street lighting	<u> 16.000</u>	<u> 16,081</u>	<u>(81</u>)	15.612
Culture and recreation -				
Supplies	2,500	948	<u>1,552</u>	1,246
Capítal outlay -				
Recreation	5,000	5_441	(441)	570
Total expenditures	26,900	25,645	1,255	20,256
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>	94,841		<u>63,791</u>

Fund balances, ending

\$132,477 \$136,382 \$ 3,905 \$ 94,841

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