

CITY OF PATTERSON, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Balance Sheet
June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
ASSETS		
Current assets:		
Cash	\$ 102,913	\$ 80,242
Interest-bearing deposits	48,635	-
Receivables:		
Accounts receivable	253,335	204,514
Accrued interest receivable	129	63
Due from other funds	137,893	134,734
Prepaid insurance	<u>1,555</u>	<u>5,886</u>
Total current assets	<u>544,460</u>	<u>425,439</u>
Advances to other funds	<u>125,000</u>	<u>275,000</u>
Restricted assets:		
Bond and interest sinking fund -		
Interest-bearing deposits	42,626	60,898
Accrued interest receivable	451	409
Bond reserve fund -		
Interest-bearing deposits	128,388	128,388
Capital additions and contingencies fund -		
Cash	179,213	-
Interest-bearing deposits	120,471	677,688
Investments	405,196	-
Bond Construction Fund		
Cash	55,792	-
Interest-bearing deposits	168,287	153,931
Customers' deposits -		
Cash	46,455	40,165
Interest-bearing deposits	<u>140,275</u>	<u>140,275</u>
Total restricted assets	<u>1,287,154</u>	<u>1,201,754</u>
Property, plant and equipment:		
Property, plant and equipment, at cost, net of accumulated depreciation (1996 \$4,594,408; 1995 \$4,330,114)	5,534,783	5,667,399
Construction in progress	<u>415,102</u>	<u>107,444</u>
Net property, plant and equipment	<u>5,949,885</u>	<u>5,774,843</u>
Total assets	<u><u>\$7,906,499</u></u>	<u><u>\$7,677,036</u></u>

CITY OF PATTERSON, LOUISIANA
Enterprise Fund
Utility Fund

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

	<u>Bond and Interest Sinking</u>	<u>Bond Reserve</u>	<u>Capital Additions and Contingencies</u>	<u>Total</u>
Cash and interest-bearing deposits, July 1, 1995	<u>\$ 61,307</u>	<u>\$128,388</u>	<u>\$677,688</u>	<u>\$ 867,383</u>
Cash receipts:				
Transfers from operating cash	120,090	-	63,608	183,698
Interest on deposits	<u>1,785</u>	<u>3,402</u>	<u>17,341</u>	<u>22,528</u>
Total cash receipts	<u>121,875</u>	<u>3,402</u>	<u>80,949</u>	<u>206,226</u>
Total cash and interest-bearing deposits	<u>183,182</u>	<u>131,790</u>	<u>758,637</u>	<u>1,073,609</u>
Cash disbursements:				
Principal payments	40,000	-	-	40,000
Interest payments	80,090	-	-	80,090
Gas system improvements	-	-	38,393	38,393
Loan to CDBG fund	-	-	15,364	15,364
Transfer to operating	<u>20,015</u>	<u>3,402</u>	-	<u>23,417</u>
Total cash disbursements	<u>140,105</u>	<u>3,402</u>	<u>53,757</u>	<u>197,264</u>
Cash and interest-bearing deposits, June 30, 1996	<u>\$ 43,077</u>	<u>\$128,388</u>	<u>\$704,880</u>	<u>\$ 876,345</u>

CITY OF PATTERSON, LOUISIANA

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

	<u>Land</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Total</u>
General fixed assets, beginning	\$ 44,294	\$369,807	\$553,433	\$ 967,534
Additions:				
General Fund revenues	185,950	-	52,492	238,442
Special Revenue Fund revenues	-	-	154,860	154,860
Federal and Local Grants	-	-	12,074	12,074
Deletions:				
	<u>-</u>	<u>-</u>	<u>67,548</u>	<u>67,548</u>
General fixed assets, ending	<u>\$230,244</u>	<u>\$369,807</u>	<u>\$705,311</u>	<u>\$1,305,362</u>

CITY OF PATTERSON, LOUISIANA

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

	<u>1996</u>	<u>1995</u>
General fixed assets, at cost:		
Land	\$ 230,244	\$ 44,294
Buildings	369,807	369,807
Equipment	<u>705,311</u>	<u>553,433</u>
Total general fixed assets	<u>\$1,305,362</u>	<u>\$967,534</u>
Investment in general fixed assets:		
Property acquired from -		
General Fund revenues	\$ 590,047	\$383,821
Federal revenue sharing funds	35,145	47,396
Federal and local grants	202,934	190,860
Special revenue fund revenues	<u>477,236</u>	<u>345,457</u>
Total investment in general fixed assets	<u>\$1,305,362</u>	<u>\$967,534</u>

CITY OF PATTERSON, LOUISIANA

Statement of General Long-Term Debt
June 30, 1996

With Comparative Totals for June 30, 1995

	Capital Lease	Public Improvement Bonds	Sales Tax Refunding Bonds Series 1990	1990 Paving Assessment Certificates	Totals 1996	Totals 1995
AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT						
Amount available in debt service funds for debt retirement	\$ -	\$ 285,603	\$ 297,688	\$ 43,138	\$ 626,429	\$ 681,856
Amount to be provided from:						
General Fund revenues	12,461	-	-	-	12,461	7,042
Ad valorem taxes	-	769,397	-	-	769,397	798,800
Sales and use tax	-	-	707,312	-	707,312	788,634
Property assessments	-	-	-	67,805	67,805	68,841
Total available and to be provided	\$12,461	\$1,055,000	\$1,005,000	\$110,943	\$2,183,404	\$2,345,173
GENERAL LONG-TERM DEBT PAYABLE						
Lease obligation payable	\$12,461	\$ -	\$ -	\$ -	\$ 12,461	\$ 7,042
Bonds payable	-	1,055,000	1,005,000	-	2,060,000	2,205,000
Certificates of indebtedness	-	-	-	110,943	110,943	133,131
Total general long-term debt	\$12,461	\$1,055,000	\$1,005,000	\$110,943	\$2,183,404	\$2,345,173

GENERAL FIXED ASSETS ACCOUNT GROUP

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

CITY OF PATTERSON, LOUISTANA
Fiduciary Funds

Combining Statement of Changes in Assets and Liabilities
Year Ended June 30, 1996

	<u>Balance</u> <u>7/01/95</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/96</u>
<u>PAYROLL FUND</u>				
ASSETS				
Cash	\$45,072	\$1,005,015	\$1,004,280	\$45,807
Due from other funds	-	-	-	-
Total assets	\$45,072 =====	\$1,005,015 =====	\$1,004,280 =====	\$45,807 =====
LIABILITIES				
Accrued liabilities	\$ 9,941	\$ 538,071	\$ 537,433	\$9,303
Due to other funds	<u>35,131</u>	<u>1,005,313</u>	<u>1,006,686</u>	<u>36,504</u>
Total liabilities	\$45,072 =====	\$1,543,384 =====	\$1,544,119 =====	\$45,807 =====
 <u>DISBURSEMENT FUND</u>				
ASSETS				
Cash	\$ 6,194	\$1,087,225	\$1,087,059	\$ 6,360
Due from other funds	<u>12,399</u>	<u>1,114,167</u>	<u>1,114,167</u>	<u>12,399</u>
Total assets	\$18,593 =====	\$2,201,392 =====	\$2,201,226 =====	\$18,759 =====
LIABILITIES				
Due to other funds	\$18,593 =====	\$ 33,106 =====	\$ 33,272 =====	\$18,759 =====
 <u>TOTALS - ALL FIDUCIARY FUNDS</u>				
ASSETS				
Cash	\$51,266	\$2,092,240	\$2,091,339	\$52,167
Due from other funds	<u>12,399</u>	<u>1,114,167</u>	<u>1,114,167</u>	<u>12,399</u>
Total assets	\$63,665 =====	\$3,206,407 =====	\$3,205,506 =====	\$64,566 =====
LIABILITIES				
Accrued liabilities	\$ 9,941	\$ 538,071	\$ 537,433	\$ 9,303
Due to other funds	<u>53,724</u>	<u>1,038,419</u>	<u>1,039,958</u>	<u>55,263</u>
Total liabilities	\$63,665 =====	\$1,576,490 =====	\$1,577,391 =====	\$64,566 =====

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Independent Auditor's Report on Internal Control Structure Based on an Audit of General Purpose Financial Statements Performed in Accordance With Government Auditing Standards

The Honorable James L. Bernauer, Mayor
and Members of the City Council
City of Patterson, Louisiana

We have audited the general purpose financial statements of the City of Patterson, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated September 12, 1996.

We conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and the provisions of office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 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 City of Patterson, 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 general purpose 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 City of Patterson, 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 we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

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CITY OF PATTERSON, LOUISIANA
Fiduciary Funds

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

	<u>Payroll Fund</u>	<u>Disbursement Fund</u>	<u>Totals</u>	
			<u>1996</u>	<u>1995</u>
ASSETS				
Cash	\$45,807	\$ 6,360	\$52,167	\$51,266
Due from other funds	<u>-</u>	<u>12,399</u>	<u>12,399</u>	<u>12,399</u>
Total assets	<u>\$45,807</u>	<u>\$18,759</u>	<u>\$64,566</u>	<u>\$63,665</u>
LIABILITIES				
Accrued liabilities	\$ 9,303	\$ -	\$ 9,303	\$ 9,941
Due to other funds	<u>36,504</u>	<u>18,759</u>	<u>55,263</u>	<u>53,724</u>
Total liabilities	<u>\$45,807</u>	<u>\$18,759</u>	<u>\$64,566</u>	<u>\$63,665</u>

FIDUCIARY FUNDS

AGENCY FUNDS

Payroll and Disbursements Funds - To account for the centralization of two clearing accounts which are used for the disbursements (except for transfers between funds) of all City funds, including those for purchases, payroll and payroll-related costs.

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.

CITY OF PATTERSON, LOUISIANA
Enterprise Fund
Utility Fund

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

	<u>1996</u>	<u>1995</u>
Cash flows from investing activities:		
Purchase of interest-bearing deposits	\$ (172,801)	\$ (171,522)
Purchase of investments	(405,196)	-
Proceeds from the sale and maturities of interest-bearing deposits	171,522	170,515
Interest on interest-bearing deposits	<u>34,342</u>	<u>37,570</u>
Net cash provided (used) by investing activities	<u>(372,133)</u>	<u>36,563</u>
 Net decrease in cash and cash equivalents	 (249,811)	 (8,998)
 Cash and cash equivalents, beginning of period	 <u>1,110,065</u>	 <u>1,119,063</u>
 Cash and cash equivalents, end of period	 \$ 860,254	 \$1,110,065
	<u>-----</u>	<u>-----</u>
 Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
 Cash and cash equivalents, beginning of period -		
Cash - unrestricted	\$ 80,242	\$ 59,626
Interest-bearing deposits - unrestricted	-	231,394
Cash - restricted	40,165	33,650
Interest-bearing deposits - restricted	1,161,180	964,908
Less: Interest-bearing deposits with a maturity over three months	<u>(171,522)</u>	<u>(170,515)</u>
Total cash and cash equivalents	<u>1,110,065</u>	<u>1,119,063</u>
 Cash and cash equivalents, end of period -		
Cash - unrestricted	102,913	80,242
Interest-bearing deposits - unrestricted	48,635	-
Cash - restricted	281,460	40,165
Interest-bearing deposits - restricted	600,047	1,161,180
Less: Interest-bearing deposits with a maturity over three months	<u>(172,801)</u>	<u>(171,522)</u>
Total cash and cash equivalents	<u>860,254</u>	<u>1,110,065</u>
 Net decrease	 \$ (249,811)	 \$ (8,998)
	<u>-----</u>	<u>-----</u>

CITY OF PATTERSON, LOUISIANA
Enterprise Fund
Utility Fund

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

	<u>1996</u>	<u>1995</u>
Cash flows from operating activities:		
Operating income (loss)	\$ 1,893	\$ (176,812)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities -		
Depreciation	264,295	301,189
Changes in current assets and liabilities:		
(Increase) decrease in accounts receivable	(48,821)	6,855
Decrease in prepaid insurance	4,331	7,274
Decrease in accounts payable	(4,830)	(11,561)
Increase (decrease) in accrued liabilities	143	(133)
Total adjustments	<u>215,118</u>	<u>303,624</u>
Net cash provided by operating activities	<u>217,011</u>	<u>126,812</u>
Cash flows from (used by) noncapital financing activities:		
Operating transfers in from other funds	475	13,380
Cash received from other funds	<u>124,808</u>	<u>16,191</u>
Net cash provided (used) by noncapital financing activities	<u>125,283</u>	<u>29,571</u>
Cash flows from (used by) capital and related financing activities:		
Acquisition of plant and equipment	(439,337)	(83,569)
Principal paid on revenue bond maturities	(40,000)	(40,000)
Interest paid on revenue bonds	(80,090)	(84,890)
Capital contributed from federal grant	333,165	-
Increase in customers' meter deposits	<u>6,290</u>	<u>6,515</u>
Net cash used by capital and related financing activities	<u>(219,972)</u>	<u>(201,944)</u>

(continued)

CITY OF PATTERSON, LOUISIANA
Enterprise Fund
Utility Fund

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

	<u>1996</u>	<u>1995</u>
Water department:		
Salaries	\$ 138,889	\$ 137,363
Payroll taxes	11,074	11,194
Retirement contributions	3,480	2,737
Group insurance	10,462	9,975
Uncollectible billings	757	2,661
Telephone	997	1,217
Depreciation	47,494	70,068
Utilities	14,078	10,823
Chemicals and agents	27,669	26,311
Operating supplies	3,089	3,726
Equipment repairs and maintenance	10,812	10,719
Building repairs and maintenance	4,464	5,185
Distribution system repairs and maintenance	6,243	7,452
Vehicle oil and gas	1,185	1,375
Vehicle repairs and maintenance	605	1,340
Meters, hardware and lines	26,301	13,937
Miscellaneous	6,194	5,883
Total water department	<u>313,793</u>	<u>321,966</u>
Sewerage department:		
Depreciation	120,099	131,859
Uncollectible billings	668	2,361
Utilities	7,309	7,268
Sewerage treatment	147,827	147,997
Operating supplies	964	1,136
Equipment repairs, maintenance and rentals	3,567	696
Distribution system repairs and maintenance	3,817	16,694
Engineering	-	2,228
Miscellaneous	-	325
Total sewerage department	<u>284,251</u>	<u>310,564</u>
Total operating expenses	<u>\$1,505,284</u>	<u>\$1,505,085</u>

CITY OF PATTERSON, LOUISIANA
Enterprise Fund
Utility Fund

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

	<u>1996</u>	<u>1995</u>
Administrative:		
Salaries	\$ 96,515	\$ 95,339
Payroll taxes	7,721	7,770
Retirement contributions	3,429	2,895
Group insurance	14,982	15,111
Billing and notice processing	12,408	11,825
Telephone	1,182	1,431
Office supplies	10,132	12,435
Office equipment maintenance and rentals	10,075	7,507
Building repairs and maintenance	617	1,056
Vehicle oil and gas	1,106	1,372
Vehicle repairs and maintenance	1,266	1,334
Depreciation	12,470	17,749
Training and seminars	1,201	122
Professional fees	20,834	26,364
General insurance	49,026	44,089
Miscellaneous	5,060	11,227
Total administrative	<u>248,024</u>	<u>257,626</u>
Gas department:		
Salaries	78,663	124,413
Payroll taxes	6,571	10,274
Retirement contributions	4,760	4,018
Group insurance	24,299	18,867
Uncollectible billings	1,798	5,405
Casual labor	990	4,157
Telephone	2,115	2,223
Utilities	1,983	1,950
Gas purchases	405,543	279,315
Operating supplies	4,628	8,115
Equipment repairs and maintenance	1,676	2,172
Distribution system repairs and maintenance	13,435	26,351
Vehicle oil and gas	6,867	5,705
Vehicle repairs and maintenance	4,174	8,619
Meters, hardware and lines	13,213	27,350
Depreciation	84,232	81,513
Miscellaneous	4,269	4,482
Total gas department	<u>659,216</u>	<u>614,929</u>

(continued)

CITY OF PATTERSON, LOUISIANA

Schedule of Interest-Bearing Deposits - All Funds (Continued)
June 30, 1996

	<u>Term</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
Utility Funds:				
Insured Money Market	N/A	N/A	2.615%	177,024
Insured Money Market	N/A	N/A	2.615%	89,410
Insured Money Market	N/A	N/A	2.615%	168,287
Savings	N/A	N/A	2.515%	31,061
Savings	N/A	N/A	2.515%	10,099
Certificate of Deposit - Patterson State Bank	182 days	11/22/96	4.215%	140,275
Certificate of Deposit - Patterson State Bank	182 days	8/31/96	4.215%	32,526
U. S. Treasury Bill	6 months	9/26/96	4.780%	405,196
				<u>1,053,878</u>
Total - all funds				\$3,173,745 =====

	<u>1996</u>	<u>1995</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Current liabilities (payable from current assets) -		
Accounts payable	\$ 64,585	\$ 69,415
Due to other funds	12,399	34,432
Accrued liabilities	<u>3,035</u>	<u>2,892</u>
Total current liabilities (payable from current assets)	<u>80,019</u>	<u>106,739</u>
Current liabilities (payable from restricted assets) -		
Revenue bonds payable, net of unamortized bond discount (1996 \$2,728; 1995 \$2,728)	42,272	37,272
Accrued interest payable	12,682	13,348
Customers' deposits	<u>186,730</u>	<u>180,440</u>
Total current liabilities (payable from restricted assets)	<u>241,684</u>	<u>231,060</u>
Long-term liabilities:		
Revenue bonds payable, net of current portion and unamortized bond discount (1996 \$35,468; 1995 \$38,196)	<u>999,533</u>	<u>1,041,804</u>
Total liabilities	<u>1,321,236</u>	<u>1,379,603</u>
Fund equity:		
Contributed capital -		
Customers	87,281	87,281
Municipality	5,440,367	5,440,367
Federal grants (net of accumulated amortization)	372,553	44,693
State grants (net of accumulated amortization)	<u>988,662</u>	<u>1,029,629</u>
Total contributed capital	<u>6,888,863</u>	<u>6,601,970</u>
Retained earnings (deficit) -		
Reserved for revenue bond retirement	825,468	816,763
Unreserved	<u>(1,129,068)</u>	<u>(1,121,300)</u>
Total retained earnings (deficit)	<u>(303,600)</u>	<u>(304,537)</u>
Total fund equity	<u>6,585,263</u>	<u>6,297,433</u>
Total liabilities and fund equity	<u>\$ 7,906,499</u>	<u>\$ 7,677,036</u>

CITY OF PATTERSON, LOUISIANA
Debt Service Funds

Combining Balance Sheet

June 30, 1996

With Comparative Totals for June 30, 1995

	Public Improvement Bonds	Sales Tax Refunding Bonds Series 1990	1973 Paving Assessments Certificates of Indebtedness	1966, 1967, 1969, 1980 and 1982 Paving Assessment Funds	1990 Paving Assessment Fund	Totals
						1996 1995
ASSETS						
Cash	\$ -	\$ -	\$ 4,277	\$ 16,019	\$ 15,530	\$ 35,826 \$ 19,365
Interest bearing deposits	201,429	301,390	-	117,152	98,053	718,024 625,931
Receivables:						
Assessments receivable	-	-	6	12,360	49,003	61,369 74,606
Accrued interest receivable	-	724	-	581	-	1,305 1,156
Due from other funds	85,368	-	-	-	392	85,760 247,813
Total assets	\$286,797	\$302,114	\$4,283	\$146,112	\$162,978	\$902,284 \$968,871
	=====	=====	=====	=====	=====	=====
LIABILITIES AND FUND BALANCES						
Liabilities:						
Deferred property assessments	\$ -	\$ -	\$ 6	\$ 12,360	\$ 49,003	\$ 61,369 \$ 74,606
Due to other funds	1,194	4,426	-	-	70,837	76,457 76,931
Total liabilities	1,194	4,426	6	12,360	119,840	137,826 151,537
Fund balances:						
Reserved for debt service	285,603	297,688	-	-	43,138	626,429 681,856
Unreserved, undesignated	-	-	4,277	133,752	-	138,029 135,478
Total fund balances	285,603	297,688	4,277	133,752	43,138	764,458 817,334
Total liabilities and fund balances	\$286,797	\$302,114	\$4,283	\$146,112	\$162,978	\$902,284 \$968,871
	=====	=====	=====	=====	=====	=====

CITY OF PATTERSON, LOUISIANA
General Fund

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

	<u>1996</u>		Variance - Favorable (Unfavorable)	<u>1995 Actual</u>
	<u>Budget</u>	<u>Actual</u>		
Other financing sources:				
Proceeds from capital lease	14,140	14,209	69	-
Operating transfers in	232,188	244,991	12,803	280,063
Operating transfers out	<u>(9,381)</u>	<u>-</u>	<u>9,381</u>	<u>(3,158)</u>
Total other financing sources	<u>236,947</u>	<u>259,200</u>	<u>22,253</u>	<u>276,905</u>
Excess of revenues and other sources over expenditures and other uses	51,367	126,402	75,035	348,246
Fund balance, beginning	<u>748,693</u>	<u>748,693</u>	<u>-</u>	<u>400,447</u>
Fund balance, ending	<u>\$ 800,060</u>	<u>\$ 875,095</u>	<u>\$ 75,035</u>	<u>\$ 748,693</u>

CITY OF PATTERSON, LOUISIANA
Debt Service 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

	Public Improvement Bonds	Sales Tax Refunding Bonds Series 1990	1973 Paving Assessments Certificates of Indebtedness	1966, 1967, 1969, 1980 and 1982 Paving Assessment Funds	1990 Paving Assessment Fund	Totals
						1996 1995
Revenues:						
Miscellaneous -						
Property assessments earned	\$ -	\$ 14,451	\$ -	\$ -	\$ 13,988	\$ 27,158
Interest on assessments	-	-	-	-	2,848	7,102
Interest on deposits	6,375	-	-	2,551	4,474	23,564
Penalties on assessments	-	-	-	-	-	205
Total revenues	<u>6,375</u>	<u>14,451</u>	<u>-</u>	<u>2,551</u>	<u>21,310</u>	<u>58,029</u>
Expenditures:						
Debt service -						
Principal retirement	80,000	65,000	-	-	22,189	157,189
Interest	85,375	84,605	-	-	10,373	193,129
Paying agents' fees	72	629	-	-	519	1,371
Total debt service	<u>165,447</u>	<u>150,234</u>	<u>-</u>	<u>-</u>	<u>33,081</u>	<u>351,689</u>
Excess (deficiency) of revenues over expenditures	<u>(159,072)</u>	<u>(135,783)</u>	<u>-</u>	<u>2,551</u>	<u>(11,771)</u>	<u>(293,660)</u>
Other financing sources (uses):						
Operating transfers in	109,669	152,105	-	-	-	261,774
Operating transfers out	(1,194)	-	-	-	-	(1,194)
Total other financing sources (uses)	<u>108,475</u>	<u>152,105</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>260,580</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(50,597)	16,322	-	2,551	(11,771)	(43,495)
Fund balances, beginning	336,200	281,366	4,277	131,201	64,290	849,053
Residual Equity Transfer	-	-	-	-	(9,381)	-
Fund balances, ending	<u>\$ 285,603</u>	<u>\$ 297,688</u>	<u>\$ 4,277</u>	<u>\$ 133,752</u>	<u>\$ 43,138</u>	<u>\$ 817,334</u>

CITY OF PATTERSON, LOUISIANA

Schedule of Interest-Bearing Deposits - All Funds
June 30, 1996

	<u>Term</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
General Fund:				
Insured Money Market	N/A	N/A	2.615%	\$ 353,727
Insured Money Market	N/A	N/A	2.615%	34,430
Insured Money Market	N/A	N/A	2.615%	142,654
Savings	N/A	N/A	2.515%	1,281
Savings	N/A	N/A	2.515%	31,901
Savings	N/A	N/A	2.515%	320
Savings	N/A	N/A	2.515%	939
Certificate of Deposit - Patterson State Bank	91 days	8/05/96	3.515%	50,000
Certificate of Deposit - Patterson State Bank	90 days	9/18/96	3.515%	30,000
Certificate of Deposit - Patterson State Bank	182 days	8/29/96	4.355%	796
Certificate of Deposit - Patterson State Bank	181 days	7/21/96	4.415%	158,631
Certificate of Deposit - Patterson State Bank	182 days	8/29/96	4.215%	86,487
				<u>891,166</u>
Special Revenue Funds:				
Sewerage and Solid Waste Sales Tax Fund -				
Insured Money Market	N/A	N/A	2.615%	26,642
Certificate of Deposit - Patterson State Bank	182 days	9/03/96	4.215%	155,000
				<u>181,642</u>
Ad Valorem Tax Collection Fund -				
Savings	N/A	N/A	2.515%	<u>23,158</u>
Fire Department Equipment Fund -				
Insured Money Market	N/A	N/A	2.615%	47,811
Certificate of Deposit - Patterson State Bank	90 days	8/29/96	3.515%	25,000
				<u>72,811</u>
Emergency Management Fund -				
Insured Money Market	N/A	N/A	2.615%	<u>20,286</u>
Total special revenue funds				<u>297,897</u>
Debt Service Funds:				
Public Improvement Bonds Fund -				
Insured Money Market				<u>201,429</u>
Sales Tax Revenue Refunding Bonds Series -				
Insured Money Market	N/A	N/A	2.615%	117,045
Certificate of Deposit - Patterson State Bank	182 days	11/25/96	4.215%	184,345
				<u>301,390</u>
1966, 1967, 1969, 1980 and 1982 Paving Assessment Funds -				
Savings	N/A	N/A	2.515%	91
Certificate of Deposit - Patterson State Bank	182 days	8/26/96	4.215%	22,600
Certificate of Deposit - Patterson State Bank	182 days	8/29/96	4.355%	54,917
Certificate of Deposit - Patterson State Bank	182 days	8/26/96	4.215%	39,544
				<u>117,152</u>
1990 Street Paving Project -				
Insured Money Market	N/A	N/A	2.515%	<u>98,053</u>
Total debt service funds				<u>718,024</u>
Capital Projects Funds:				
1980 Drainage Project Fund -				
Insured Money Market	N/A	N/A	2.615%	<u>111,923</u>
Regional Sewerage Facility Project Fund -				
Certificate of Deposit - Patterson State Bank	182 days	9/03/96	4.215%	20,000
Certificate of Deposit - Patterson State Bank	182 days	8/26/96	4.215%	80,857
				<u>100,857</u>
Total capital projects funds				<u>212,780</u>

(continued)

CITY OF PATTERSON, LOUISIANA
Capital Projects 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

		Drainage and Relocation Project	Regional Sewerage Facility Project	Third Street Paving Project	Murphy Street Paving Project	1990 Street Paving Project	Totals 1996	1995
Revenues:								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,464
Miscellaneous -								
Property assessments earned	-	-	327	869	-	1,196	-	3,490
Interest on assessments	-	-	50	97	-	147	-	1,115
Interest on interest-bearing deposits								
	<u>3,097</u>	<u>848</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,945</u>	<u>6,100</u>
Total revenues	3,097	848	377	966	-	-	5,288	17,169
Expenditures:								
Capital outlay -								
Streets and Drainage - Paving Project	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>5,008</u>	<u>43,950</u>
Excess (deficiency) of revenues over expenditures	(1,903)	848	377	958	-	280	-	(26,781)
Fund balances, beginning	113,598	109,077	18,314	25,283	(9,381)	256,891	-	283,672
Residual Equity Transfer	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,381</u>	<u>-</u>	<u>9,381</u>	<u>-</u>
Fund balances, ending	<u>\$111,695</u>	<u>\$109,925</u>	<u>\$18,691</u>	<u>\$26,241</u>	<u>\$ -</u>	<u>\$266,552</u>	<u>\$256,891</u>	<u>\$256,891</u>

CITY OF PATTERSON, LOUISIANA
Capital Projects Funds

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

	Drainage and Relocation Project	Regional Sewerage Facility Project	Third Street Paving Project	Murphy Street Paving Project	1990 Street Paving Project	Totals
						1996 1995
ASSETS						
Cash	\$ 1,473	\$ 8,968	\$18,691	\$26,633	\$ -	\$ 55,765 \$ 83,757
Interest-bearing deposits	111,923	100,857	-	-	-	212,780 309,692
Receivables:						
Assessments receivable	-	-	442	1,277	-	1,719 2,916
Accrued interest receivable	-	100	-	-	-	100 269
Due from other governmental units	-	-	-	-	-	- -
Total assets	\$113,396	\$109,925	\$19,133	\$27,910	\$ -	\$270,364 \$396,634
LIABILITIES AND FUND BALANCES						
Liabilities:						
Deferred property assessments	\$ -	\$ -	\$ 442	\$ 1,277	\$ -	\$ 1,719 \$ 2,916
Due to other funds	1,701	-	-	392	-	2,093 136,827
Total liabilities	1,701	-	442	1,669	-	3,812 139,743
Fund balances - unreserved:						
Designated for subsequent years' expenditures	111,695	109,925	18,691	26,241	-	266,552 256,891
Total liabilities and fund balances	\$113,396	\$109,925	\$19,133	\$27,910	\$ -	\$270,364 \$396,634

CAPITAL PROJECTS FUNDS

Drainage and Relocation Project - To account for construction of drainage improvements and utility relocation. \$385,000 of drainage is being financed by general obligation bonds and relocation costs are being funded by a grant from the State Department of Transportation and Development.

Regional Sewerage Facility Project - To account for the City's portion of the financing and construction of a regional sewerage facility. The facility was jointly built by the City of Patterson, Town of Berwick and Wards Five and Eight of St. Mary Parish. The cost of the project was financed by proceeds from the sale of sewerage sales tax bonds, sewerage and solid waste sales tax funds, and a grant from the state.

Third Street Paving Project - To account for the construction of paving improvements. The cost of the project is being financed by property assessments and a grant from the parish.

Murphy Street Paving Project - To account for the construction of paving improvements. The cost of the project is being financed by property assessments and a grant from the parish.

1990 Street Paving Project - To account for the construction of various street paving improvements. The cost of the project is being financed by general obligation bonds in the amount of \$900,000.

CITY OF PATTERSON, LOUISIANA
Enterprise Fund
Utility Fund

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

	<u>1996</u>	<u>1995</u>
Operating revenues:		
Charges for services -		
Gas sales and services	\$ 807,334	\$ 660,335
Water sales and services	357,403	334,847
Sewerage services	297,726	287,649
Delinquent charges	36,333	29,962
Commissions, transfers and reconnections	8,225	5,890
Miscellaneous	156	9,590
Total operating revenues	<u>1,507,177</u>	<u>1,328,273</u>
Operating expenses:		
Administrative	248,024	257,626
Gas department	659,216	614,929
Water department	313,793	321,966
Sewerage department	<u>284,251</u>	<u>310,564</u>
Total operating expenses	<u>1,505,284</u>	<u>1,505,085</u>
Operating income (loss)	<u>1,893</u>	<u>(176,812)</u>
Nonoperating revenues (expenses):		
Interest income	34,449	37,678
Interest and fiscal charges	<u>(82,152)</u>	<u>(86,818)</u>
Total nonoperating revenues (expenses)	<u>(47,703)</u>	<u>(49,140)</u>
Loss before operating transfers	(45,810)	(225,952)
Operating transfers in:		
Operating transfers in	<u>475</u>	<u>13,380</u>
Net loss	(45,335)	(212,572)
Add: Depreciation on fixed assets acquired by federal grant revenues externally restricted for capital acquisitions and construction that reduces contributed capital	<u>46,272</u>	<u>56,934</u>
Increase (decrease) in retained earnings	937	(155,638)
Retained earnings (deficit), beginning	<u>(304,537)</u>	<u>(148,899)</u>
Retained earnings (deficit), ending	<u>\$ (303,600)</u>	<u>\$ (304,537)</u>

OTHER SUPPLEMENTARY INFORMATION

CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements (Continued)

- C. Proceeds of a 3/10 of 1% sales and use tax levied in 1982 (1996 collections \$146,421; 1995 \$121,637) Tax is collected by the St. Mary Parish Sales and Use Tax Department and is allocated and distributed monthly as above. Proceeds are dedicated to the following purposes: operating and maintaining the police department, including the acquisition and maintenance of equipment and supplies; paying or supplementing the salaries of municipal employees; and purchasing, constructing, acquiring, extending and/or improving all or any portion of public works or capital improvements, including but not limited to the construction, improvement and maintenance of drainage, water, and flood control extensions and improvements and the acquisition, construction, improvement, maintenance and repair of streets, roads, and bridges.

(13) Pension Plan

Eligible employees of the City participate in one of two multiple-employer public employee retirement systems (PERS), which are controlled and administered by a separate board of trustees. These retirement systems provide retirement, disability and death benefits to plan members and their beneficiaries. Pertinent information relative to each plan follows:

A. Municipal Employees' Retirement System

Plan members are required to contribute 5.0 percent of their annual covered salary to the system while the City is required to contribute the statutory rate of 3.75 percent of the total annual covered salary. The City's contributions to the system for the years ended June 30, 1996, 1995 and 1994 were \$16,859, \$13,716 and \$17,025, 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 Employees' Retirement System, 7937 Office Park Bldg., Baton Rouge, Louisiana 70809.

B. Municipal and State Police Retirement System of Louisiana

Plan members are required to contribute 7.5 percent of their annual covered salary to the system while the City is required to contribute the statutory rate of 9.0 percent of the total annual covered salary. The City's contributions to the system for the years ended June 30, 1996, 1995 and 1994 were \$6,755, \$7,680 and \$4,978, respectively, equal to the required contribution for each year.

DEBT SERVICE FUNDS

Public Improvement Bonds (Series G - I) - To accumulate monies for payment of the Public Improvement Serial Bonds and the 1990 General Obligation Bonds. Debt service is financed by the levy of a specific ad valorem tax.

Sales Tax Revenue Refunding Bonds, Series 1990 - To accumulate monies for payment of the \$1,245,000 7.60 percent to 8.40 percent Public Improvement Bonds which are due in annual installments ranging from \$70,000 to \$130,000 through December 1, 2005. Debt service is financed by the levy of a specific 3/4 percent sewerage and solid waste sales tax.

1973 Paving Assessment Certificates of Indebtedness - To accumulate monies for payment of the 1973 \$46,209 paving assessment certificates of indebtedness. Debt service is financed by payments on the assessments and related interest.

1966, 1967, 1969, 1980 and 1982 Paving Assessment Funds - To account for excess funds on completed paving assessments.

1990 Paving Assessment Fund - To accumulate monies for payment of the 1990 Paving Certificates. Debt service is financed by payments on the assessments and related interest.

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Independent Auditor's Report on Compliance Based on an Audit of General Purpose Financial Statements Performed in Accordance with Government Auditing Standards

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The Honorable James L. Bernauer, Mayor
and Members of the City Council
City of Patterson, Louisiana

We have audited the general purpose financial statements of the City of Patterson, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated September 12, 1996.

We conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 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 City of Patterson, Louisiana is the responsibility of the City'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 City'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 disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of the City's elected officials. 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

Morgan City, Louisiana
September 12, 1996

MEMBER OF
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
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Independent Auditor's Report on Internal Control Structure used in Administering Federal Financial Assistance Programs

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The Honorable James L. Bernauer, Mayor
and Members of the City Council
City of Patterson, Louisiana

We have audited the general purpose financial statements of the City of Patterson, Louisiana, for the year ended June 30, 1996, and have issued our report thereon dated September 12, 1996. We have also audited the compliance of the City of Patterson, Louisiana with requirements applicable to major federal financial assistance programs and have issued our report thereon dated September 12, 1996.

We conducted our audits in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and about whether the City of Patterson, Louisiana complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audits for the year ended June 30, 1996, we considered the internal control structure of the City of Patterson, Louisiana, in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements of the City of Patterson, Louisiana and on the compliance of the City of Patterson, Louisiana, with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated September 12, 1996.

The elected officials of the City of Patterson, 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, 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, and the federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance 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.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

<u>Accounting Controls</u>	<u>Administrative Control</u>	
	<u>General Requirements</u>	<u>Specific Requirements</u>
Revenue/receipts	Political activity	Types of services allowed or unallowed
Purchases/disbursements	Civil rights	Eligibility claims for advances and reimbursements
Property, plant and equipment	Cash management	
General ledger	Federal financial reports	
	Drug-free workplace act	

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended June 30, 1996, the City of Patterson, Louisiana expended 96 percent of its total federal financial assistance under a major federal financial assistance program.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we have considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the City of Patterson, Louisiana's major federal financial assistance program, which is identified in the accompanying schedule of Federal Financial Assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above.

This report is intended for the information of the City's elected officials. 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

Morgan City, Louisiana
September 12, 1996

DARNALL, SIKES, KOLDER, FREDERICK & RAINEY

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Independent Auditor's Report on Compliance with Specific Requirements Applicable to Major Federal Financial Assistance Programs

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The Honorable James L. Bernauer, Mayor
and Members of the City Council
City of Patterson, Louisiana

We have audited the general purpose financial statements of the City of Patterson, Louisiana as of and for the year ended June 30, 1996, and have issued our report thereon dated September 12, 1996.

We have also audited the City of Patterson, Louisiana's compliance with the requirements governing types of services allowed or unallowed; eligibility; and claims for advances and reimbursements that are applicable to its major federal financial assistance program, which is identified in the accompanying Schedule of Federal Financial Assistance, for the year ended June 30, 1996. The City's elected officials of the City of Patterson, Louisiana are responsible for the compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the City of Patterson Louisiana's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures did not disclose any immaterial instances of noncompliance with the requirements referred to above.

In our opinion, City of Patterson complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility, matching, level of effort, or earmarking; reporting; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to its major federal financial assistance program for the year ended June 30, 1996.

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

This report is intended for the information of the City's elected officials. 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

Morgan City, Louisiana
September 12, 1996

DARNALL, SIKES, KOLDER, FREDERICK & RAINEY

(A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS)

Offices

E. Larry Sikes, CPA
C. Burton Kolder, CPA
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Chris Rainey, CPA
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Conrad O. Chapman, CPA

RETIRED

Eugene H. Darnall, CPA 1990

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

Independent Auditor's Report on Compliance with the General Requirements Applicable to Federal Financial Assistance Programs

The Honorable James L. Bernauer, Mayor
and Members of the City Council
City of Patterson, Louisiana

We have audited the general purpose financial statements of the City of Patterson, Louisiana as of and for the year ended June 30, 1996, and have issued our report thereon dated September 12, 1996.

We have applied procedures to test the City of Patterson, Louisiana's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended June 30, 1996:

General Requirements

Political activity
Civil rights
Cash management
Drug-free Workplace Act
Administrative requirements
Federal financial reports

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Single Audits of State and Local Governments." Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the City of Patterson, Louisiana's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the City of Patterson, Louisiana had not complied, in all material respects, with those requirements. Also, the results of our procedures did not disclose any immaterial instances of noncompliance with those requirements.

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Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors and 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. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the City's elected officials. 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

Morgan City, Louisiana
September 12, 1996

This report is intended for the information of the City's elected officials. 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

Morgan City, Louisiana
September 12, 1996

CITY OF PATTERSON, LOUISIANA
Special Revenue Funds

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

	<u>Sewerage and Solid Waste Sales Tax</u>	<u>Ad Valorem Tax Collection</u>	<u>Fire Department Equipment</u>	<u>Emergency Management</u>	<u>LCDBG Fund</u>	<u>Totals</u>
						<u>1996</u> <u>1995</u>
Revenues:						
Taxes	\$ 409,278	\$ 200,358	\$ 12,013	\$ -	\$ -	\$ 621,649
Intergovernmental	-	-	60,318	-	326,332	386,650
Miscellaneous	<u>7,072</u>	<u>946</u>	<u>12,081</u>	<u>558</u>	<u>-</u>	<u>20,657</u>
Total revenues	<u>416,350</u>	<u>201,304</u>	<u>84,412</u>	<u>558</u>	<u>326,332</u>	<u>1,028,956</u>
						<u>574,852</u>
Expenditures:						
Current -						
General government	-	-	13,284	-	17	13,301
Capital outlay -						
Fire department equipment	-	-	154,860	-	-	154,860
Emergency assistance	-	-	-	-	-	-
Sewer rehabilitation	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>168,144</u>	<u>-</u>	<u>326,315</u>	<u>326,315</u>
						<u>494,476</u>
Excess (deficiency) of revenues over expenditures	416,350	201,304	(83,732)	558	-	552,935
Other uses:						
Operating transfers out	<u>(304,742)</u>	<u>(201,304)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(506,046)</u>
Excess (deficiency) of revenues over expenditures and other uses	111,608	-	(83,732)	558	-	28,434
Fund balances, beginning	<u>319,253</u>	<u>-</u>	<u>168,556</u>	<u>44,320</u>	<u>-</u>	<u>532,129</u>
Fund balances, ending	<u>\$ 430,861</u>	<u>\$ -</u>	<u>\$ 84,824</u>	<u>\$ 44,878</u>	<u>\$ -</u>	<u>\$ 560,563</u>
						<u>\$ 532,129</u>

CITY OF PATTERSON, LOUISIANA

Schedule of Federal Financial Assistance
Year Ended June 30, 1996

<u>Agency/Program Grant Title</u>	<u>Federal CFDA Number</u>	<u>Federal Assistance I. D. Number</u>	<u>Grant Funds Earned</u>	<u>Expended This Year</u>
Major Federal Assistance Programs:				
Department of Housing and Urban Development - State of Louisiana Division of Administration - LCDBG	14.228	101-5099	\$326,332	\$326,332
Nonmajor Federal Assistance Programs:				
Cops Grant		95-CF-WX-4744	<u>12,154</u>	<u>12,154</u>
Total federal financial assistance			<u>\$338,486</u>	<u>\$338,486</u>

CITY OF PATTERSON, LOUISIANA
General Fund

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

	1996		Variance - Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
Taxes:				
Sales	\$ 496,920	\$ 509,513	\$ 12,593	\$ 459,244
Utility franchise	99,756	107,921	8,165	94,435
Housing authority payment in lieu of taxes	4,665	4,960	295	4,665
	<u>601,341</u>	<u>622,394</u>	<u>21,053</u>	<u>558,344</u>
Licenses and permits:				
Occupational licenses	<u>74,796</u>	<u>100,383</u>	<u>25,587</u>	<u>98,431</u>
Intergovernmental:				
Federal government -				
Police grant	12,154	12,154	-	4,979
State of Louisiana -				
Beer taxes	5,967	5,964	(3)	5,778
Tobacco taxes	26,241	26,241	-	26,269
State revenue sharing	-	-	-	585
Video Poker	21,977	30,640	8,663	20,889
Indian gaming revenue	-	43,157	43,157	-
Recreation grant	20,000	20,000	-	25,000
Patterson Housing Authority	21,533	33,133	11,600	-
St. Mary Parish Council	14,949	29,085	14,136	279,085
	<u>122,821</u>	<u>200,374</u>	<u>77,553</u>	<u>362,585</u>
Charges for services:				
Garbage fees	199,401	200,451	1,050	133,839
Summer recreation fees	200	607	407	200
Mechanic shop fees	3,646	4,379	733	31,699
	<u>203,247</u>	<u>205,437</u>	<u>2,190</u>	<u>165,738</u>
Fines and forfeits	<u>88,873</u>	<u>99,732</u>	<u>10,859</u>	<u>95,197</u>
Miscellaneous:				
Interest	30,200	35,035	4,835	30,146
Oil and gas royalties	300	415	115	797
Donations	-	-	-	7,647
Refunds	-	-	-	14,918
Proceeds from tax sale	-	4,548	4,548	-
Recreation department revenue	-	6,995	6,995	28,022
Other sources	4,548	11,610	7,062	11,055
	<u>35,048</u>	<u>58,603</u>	<u>23,555</u>	<u>92,585</u>
Total revenues	<u>\$1,126,126</u>	<u>\$1,286,923</u>	<u>\$160,797</u>	<u>\$1,372,880</u>

CITY OF PATTERSON, LOUISIANA
Enterprise Fund
Utility Fund

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

Records maintained by the City 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)	2,213	2,223
Water (metered)	2,065	2,021
Sewerage	1,786	1,749
Sanitation*	1,792	1,642

*Note: Sanitation services are billed and collected by the City on the regular utility bills sent out. The related incomes, expenses, receivables and payables are recorded in the City's General Fund.

CITY OF PATTERSON, LOUISIANA
Enterprise Fund
Utility Fund

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

	Totals		Gas	
	1996	1995	1996	1995
Operating revenues:				
Charges for services -				
Customers	\$1,462,463	\$1,282,831	\$807,334	\$660,335
Delinquent charges	36,333	29,962	19,031	15,694
Commissions, transfers, and reconnections	8,225	5,890	4,308	3,085
Miscellaneous	156	9,590	156	9,590
Total operating revenues	<u>1,507,177</u>	<u>1,328,273</u>	<u>830,829</u>	<u>688,704</u>
Operating expenses:				
Salaries	314,067	357,115	78,663	124,413
Payroll taxes	25,366	29,238	6,571	10,274
Retirement contributions	11,669	9,650	4,760	4,018
Group insurance	49,743	43,953	24,299	18,867
Gas purchases	405,543	279,315	405,543	279,315
Chemicals and agents	27,669	26,311	-	-
Equipment repairs and maintenance	20,519	18,772	1,676	2,172
Distribution system repairs and maintenance	23,495	50,497	13,435	26,351
Vehicle oil and gas	9,158	8,452	6,867	5,705
Vehicle repairs and maintenance	6,045	11,293	4,174	8,619
Meters, hardware and lines	39,514	41,287	13,213	27,350
Professional fees	20,834	26,364	-	-
Depreciation	264,295	301,189	84,232	81,513
Insurance	49,026	44,089	-	-
Office expense	41,913	45,800	4,628	8,115
Sewerage treatment	147,827	147,997	-	-
Other	48,601	63,763	11,155	18,217
Allocation of administrative expenses	-	-	89,289	95,562
Total operating expenses	<u>1,505,284</u>	<u>1,505,085</u>	<u>748,505</u>	<u>710,491</u>
Operating income (loss)	<u>1,893</u>	<u>(176,812)</u>	<u>\$ 82,324</u>	<u>\$(21,787)</u>
			*****	*****
Nonoperating revenues (expenses):				
Interest income	34,449	37,678		
Interest and fiscal charges	(82,152)	(86,818)		
Total nonoperating revenues (expenses)	<u>(47,703)</u>	<u>(49,140)</u>		
Loss before operating transfers	<u>(45,810)</u>	<u>(225,952)</u>		
Operating transfers in (out):				
Operating transfers in	475	13,380		
Operating transfers out	-	-		
Total operating transfers	<u>475</u>	<u>13,380</u>		
Net loss	<u>(45,335)</u>	<u>(212,572)</u>		
Add: Depreciation on fixed assets acquired by federal grant revenues externally restricted for capital acquisitions and construction that reduces contributed capital				
	46,272	56,934		
Increase (decrease) in retained earnings	<u>937</u>	<u>(155,638)</u>		
Retained earnings (deficit), beginning	<u>(304,537)</u>	<u>(148,899)</u>		
Retained earnings (deficit), ending	<u>\$ (303,600)</u>	<u>\$ (304,537)</u>		
	*****	*****		

Water		Sewerage		Administrative	
1996	1995	1996	1995	1996	1995
\$357,403	\$334,847	\$297,726	\$287,649	\$ -	\$ -
17,302	14,268	-	-	-	-
3,917	2,805	-	-	-	-
-	-	-	-	-	-
<u>378,622</u>	<u>351,920</u>	<u>297,726</u>	<u>287,649</u>	<u>-</u>	<u>-</u>
138,889	137,363	-	-	96,515	95,339
11,074	11,194	-	-	7,721	7,770
3,480	2,737	-	-	3,429	2,895
10,462	9,975	-	-	14,982	15,111
-	-	-	-	-	-
27,669	26,311	-	-	-	-
15,276	15,904	3,567	696	-	-
6,243	7,452	3,817	16,694	-	-
1,185	1,375	-	-	1,106	1,372
605	1,340	-	-	1,266	1,334
26,301	13,937	-	-	-	-
-	-	-	-	20,834	26,364
47,494	70,068	120,099	131,859	12,470	17,749
-	-	-	-	49,026	44,089
3,089	3,726	964	1,136	33,232	32,823
-	-	147,827	147,997	-	-
22,026	20,584	7,977	12,182	7,443	12,780
84,328	86,878	74,407	75,186	(248,024)	(257,626)
<u>398,121</u>	<u>408,844</u>	<u>358,658</u>	<u>385,750</u>	<u>-</u>	<u>-</u>
\$(19,499)	\$(56,924)	\$(60,932)	\$(98,101)	\$ -	\$ -
=====	=====	=====	=====	=====	=====

CITY OF PATTERSON, LOUISIANA

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

<u>Description of Coverage</u>	<u>Coverage Amounts</u>
Workmen's Compensation - Employer's liability	Statutory \$1,000,000
Surety Bonds -	
Mrs. JoAnn Smits	25,000
Mrs. Pam Washington	5,000
Public employees	5,000
Policemen's Professional Liability	500,000
Comprehensive General Liability, Bodily Injury, and Property Damage	500,000
Comprehensive Automobile Liability	500,000
Fire, Lightning, and Extended Coverage - Buildings and contents, all risks except flood and earthquake	1,584,493
Sports Blanket Accident Policy -	
Death and dismemberment	5,000
Medical expense	10,000
Summer Recreation Program -	
Death and dismemberment	3,000
Medical expense	10,000
Public officials errors and omissions	500,000

CITY OF PATTERSON, LOUISIANA
Special Revenue Fund
Sewerage and Solid Waste Sales Tax Fund

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

	1996		Variance - Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
Revenues:				
Taxes - sales taxes	\$ 345,042	\$ 409,278	\$ 64,236	\$ 343,945
Miscellaneous -				
Interest on deposits	<u>6,196</u>	<u>7,072</u>	<u>876</u>	<u>6,080</u>
Total revenues	351,238	416,350	65,112	350,025
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>351,238</u>	<u>416,350</u>	<u>65,112</u>	<u>350,025</u>
Other financing uses:				
Transfers to other funds -				
General Fund	(140,000)	(152,162)	(12,162)	(187,990)
1983 Public Improvement Bonds Fund	(152,200)	(152,105)	95	(154,350)
Utility Fund	<u>(33,351)</u>	<u>(475)</u>	<u>32,876</u>	<u>(10,222)</u>
Total other financing uses	<u>(325,551)</u>	<u>(304,742)</u>	<u>20,809</u>	<u>(352,562)</u>
Excess (deficiency) of revenues over expenditures and other uses	25,687	111,608	85,921	(2,537)
Fund balance, beginning	<u>319,253</u>	<u>319,253</u>	<u>-</u>	<u>321,790</u>
Fund balance, ending	<u>\$ 344,940</u>	<u>\$ 430,861</u>	<u>\$ 85,921</u>	<u>\$ 319,253</u>

CITY OF PATTERSON, LOUISIANA
Special Revenue Funds

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

	Sewerage and Solid Waste Sales Tax	Ad Valorem Tax Collection	Fire Department Equipment	Emergency Management	LCDBG Fund	Totals 1996	Totals 1995
ASSETS							
Cash	\$235,041	\$ 623	\$ -	\$ 54,900	\$ 33	\$290,597	\$193,602
Interest-bearing deposits	181,642	23,158	72,811	20,286	-	297,897	423,527
Accrued interest receivable	483	-	-	-	-	483	579
Ad valorem taxes receivable	-	3,186	-	-	-	3,186	4,344
Accounts receivable	2,663	-	-	-	-	2,663	-
Sales taxes receivable	35,270	-	-	-	-	35,270	29,791
Due from other funds	-	-	-	25,340	-	25,340	25,340
Due from other governmental units	-	-	12,013	-	-	12,013	19,229
Total assets	\$455,099	\$26,967	\$84,824	\$100,526	\$15,397	\$682,813	\$696,412
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 1,238	\$ -	\$ -	\$ -	\$ 33	\$ 1,271	\$ 7,972
Due to other funds	23,000	26,967	-	55,648	15,364	120,979	156,311
Total liabilities	24,238	26,967	-	55,648	15,397	122,250	164,283
Fund balances - unreserved:							
Designated for subsequent years' expenditures	-	-	-	44,878	-	44,878	44,320
Undesignated	430,861	-	84,824	-	-	515,685	487,809
Total fund balances	430,861	-	84,824	44,878	-	560,563	532,129
Total liabilities and fund balances	\$455,099	\$26,967	\$84,824	\$100,526	\$15,397	\$682,813	\$696,412

SPECIAL REVENUE FUNDS

Sewerage and Solid Waste Sales Tax Fund - To account for the receipt and use of proceeds of the City's 3/4% sales and use tax. These taxes are dedicated to the construction, acquisition, extension, improvement, operation and maintenance of solid waste collection and disposal facilities.

Ad Valorem Tax Collection Fund - To account for the collection and distribution of the City's 23.03 mill ad valorem tax. Of the total tax, 10.62 mills is transferred to the General Fund and 12.41 mills is transferred to the Public Improvement Bond Fund.

Fire Department Equipment Fund - To account for the receipt of funds and the acquisition of equipment for the fire department.

Emergency Management Fund - To account for the federal and state monies as well as insurance proceeds received and expended for damages sustained as a result of Hurricane Andrew.

LCDBG Grant Fund - To account for the receipt of federal monies to be expended for sewer system rehabilitation in target areas.

CITY OF PATTERSON, LOUISIANA
General Fund

Statement of Other Financing Sources (Uses) -
Compared to Budget (GAAP Basis)
Year Ended June 30, 1996
With Comparative Actual Amounts for Year Ended June 30, 1995

	<u>1996</u>		Variance - Favorable (Unfavorable)	1995 Actual
	<u>Budget</u>	<u>Actual</u>		
Other financing sources:				
Proceeds from capital lease	\$ 14,140	\$ 14,209	\$ 69	\$ -
Transfers from other funds -				
Ad Valorem Tax Collection Fund	92,188	91,635	(553)	91,343
Sewerage and Solid Waste Fund	140,000	152,162	12,162	187,990
Public Improvement Fund of 1964	-	1,194	1,194	730
Total transfers from other funds	<u>232,188</u>	<u>244,991</u>	<u>12,803</u>	<u>280,063</u>
Other uses:				
Transfers to other funds -				
Utility Fund	-	-	-	(3,158)
1990 Paving Project Fund	(9,381)	-	9,381	-
Total other uses	<u>(9,381)</u>	<u>-</u>	<u>9,381</u>	<u>(3,158)</u>
Total other financing sources	<u>\$236,947</u>	<u>\$259,200</u>	<u>\$22,253</u>	<u>\$276,905</u>

CITY OF PATTERSON, LOUISIANA
General Fund

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

	1996		Variance - Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
Culture and recreation:				
Referee and umpire fees	\$ 8,000	\$ 7,830	\$ 170	\$ 10,597
Tournament fees	-	948	(948)	-
Insurance	3,000	4,247	(1,247)	4,739
Utilities	221	232	(11)	310
Activities and awards	3,000	4,719	(1,719)	11,102
Operating supplies	1,545	4,766	(3,221)	15,723
Facilities maintenance	2,700	8,048	(5,348)	2,700
Rental fee	3,342	3,342	-	3,092
Appropriation to Civic Center	10,000	10,000	-	28,000
Appropriation to Recreation District No. 4	-	20,652	(20,652)	-
Miscellaneous	100	516	(416)	3,037
Total culture and recreation	<u>31,908</u>	<u>65,300</u>	<u>(33,392)</u>	<u>79,300</u>
Sanitation:				
Salaries	12,560	13,095	(535)	13,152
Payroll taxes	961	1,047	(86)	1,069
Retirement contributions	471	464	7	401
Group insurance	2,609	2,664	(55)	-
Garbage services rendered	164,260	165,413	(1,153)	159,670
Regional facility fee	-	5,549	(5,549)	3,588
Miscellaneous	49	67	(18)	1,073
Total sanitation	<u>180,910</u>	<u>188,299</u>	<u>(7,389)</u>	<u>176,013</u>
Capital outlay:				
Police equipment	26,789	29,433	(2,644)	4,818
Street equipment	22,990	23,059	(69)	4,212
Sanitation equipment	-	-	-	14,316
Recreation equipment	-	12,074	(12,074)	-
Total capital outlay	<u>49,779</u>	<u>64,566</u>	<u>(14,787)</u>	<u>23,346</u>
Debt service:				
Principal paid	10,825	8,790	2,035	13,618
Interest and fiscal charges	-	220	(220)	651
Total debt service	<u>10,825</u>	<u>9,010</u>	<u>1,815</u>	<u>14,269</u>
Total expenditures	<u>\$1,311,706</u>	<u>\$1,419,721</u>	<u>\$(108,015)</u>	<u>\$1,301,539</u>

CITY OF PATTERSON, LOUISIANA
General Fund

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

	1996		Variance - Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
Fire -				
Salaries	\$ 1,590	\$ 1,590	\$ -	\$ 4,579
Payroll taxes	122	130	(8)	372
Travel and Employee Expenses	572	572	-	-
Telephone	2,306	2,001	305	2,255
Utilities	2,664	2,693	(29)	1,999
Training and Seminars	-	125	(125)	-
Operating supplies	1,738	1,929	(191)	3,600
Equipment maintenance	5,271	1,265	4,006	303
Fire station maintenance	2,027	1,892	135	1,229
Fire hydrant rentals	6,000	6,000	-	6,000
Vehicle oil and gas	374	464	(90)	749
Vehicle maintenance	653	653	-	548
Miscellaneous	1,061	1,280	(219)	2,214
Total fire	<u>24,378</u>	<u>20,594</u>	<u>3,784</u>	<u>23,848</u>
 Total public safety	 <u>534,915</u>	 <u>569,150</u>	 <u>(34,235)</u>	 <u>540,278</u>
 Streets and drainage:				
Salaries	25,078	26,046	(968)	26,245
Payroll taxes	1,890	2,071	(181)	2,084
Retirement contributions	926	911	15	770
Group insurance	3,649	3,600	49	7,321
Casual labor	4,021	3,862	159	839
Uniform allowance	2,318	2,342	(24)	2,218
Utilities	30,029	33,360	(3,331)	28,759
Operating supplies	4,237	5,478	(1,241)	12,246
Surfacing materials	90,573	75,079	15,494	19,031
Equipment maintenance	3,284	3,510	(226)	9,159
Vehicle oil and gas	1,938	3,311	(1,373)	2,020
Vehicle maintenance	2,063	3,706	(1,643)	18,260
Railroad rental/maintenance	2,685	2,780	(95)	2,685
Drainage maintenance	-	8,063	(8,063)	4,402
Miscellaneous	400	484	(84)	140
Total streets and drainage	<u>173,091</u>	<u>174,603</u>	<u>(1,512)</u>	<u>136,179</u>

(continued)

CITY OF PATTERSON, LOUISIANA
General Fund

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

	1996		Variance - Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
Mechanic shop -				
Salaries	\$ 1,381	\$ 1,783	\$ (402)	\$ 22,957
Payroll taxes	122	157	(35)	1,866
Retirement	12	12	-	643)
Group insurance	-	-	-	2,425
Vehicle oil, gas and parts	2,131	2,397	(266)	3,599
Vehicle maintenance	210	29	181	209
Total mechanic shop	<u>3,856</u>	<u>4,378</u>	<u>(522)</u>	<u>31,699</u>
Total general government	<u>330,278</u>	<u>348,793</u>	<u>(18,515)</u>	<u>329,214</u>
Public safety:				
Police -				
Salaries	307,481	340,454	(32,973)	317,945
Payroll taxes	27,337	29,415	(2,078)	29,099
Retirement contributions	6,933	8,247	(1,314)	8,514
Group insurance	34,103	42,242	(8,139)	39,978
Uniform allowances	2,224	2,224	-	2,574
Prisoner expense	9,675	6,266	3,409	8,498
Telephone	2,933	2,278	655	1,678
Utilities	6,138	6,189	(51)	8,105
Office supplies	6,833	5,576	1,257	6,088
Operating supplies	12,155	11,036	1,119	7,012
Police station maintenance	5,500	6,332	(832)	3,517)
Equipment maintenance	9,483	6,477	3,006	4,809
Vehicle oil and gas	24,068	23,595	473	15,079
Vehicle maintenance	17,953	24,322	(6,369)	29,174
Crime lab	18,353	12,579	5,774	13,310
Training seminars	1,022	673	349	2,090
Travel and employee expense	1,423	1,648	(225)	682
Narcotics expenses	-	2,416	(2,416)	-
Miscellaneous	16,923	16,587	336	18,278
Total police	<u>510,537</u>	<u>548,556</u>	<u>(38,019)</u>	<u>516,430</u>

(continued)

CITY OF PATTERSON, LOUISIANA
General Fund

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

	1996		Variance - Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
General government:				
Administrative -				
Salaries:				
Office	\$ 72,058	\$ 72,007	\$ 51	\$ 71,092
Mayor	20,261	20,261	-	20,261
Council	17,100	17,100	-	17,100
Payroll taxes	8,371	8,618	(247)	6,569
Retirement				
contributions	3,140	4,042	(902)	1,921
Group insurance	2,332	1,174	1,158	2,920
Magistrate fees	4,200	3,850	350	4,200
Travel and employee				
expenses	2,000	2,228	(228)	4,293
Telephone	1,495	1,179	316	1,438
Utilities	269	224	45	699
Office supplies	4,264	4,988	(724)	4,052
Operating supplies	-	1,197	(1,197)	-
Office equipment				
maintenance	3,670	4,509	(839)	2,300
City Hall maintenance	-	-	-	329
Training and seminars	-	149	(149)	235
Professional fees	14,900	21,985	(7,085)	19,788
Building inspection fees	2,030	1,589	441	1,707
Research and surveys	1,730	2,558	(828)	1,595
Employee physicals	1,164	388	776	1,512
Planning Commission	517	542	(25)	333
Small animal control	4,804	5,095	(291)	5,653
Taxes, permits and				
licenses	-	-	-	200
Dues and subscriptions	1,479	1,479	-	1,789
Council on Aging grants	3,500	3,500	-	-
Indigent Defenders Board	18,865	20,732	(1,867)	11,720
Donations and grants	-	751	(751)	-
Advertising and				
publishing	3,285	2,678	607	5,102
General insurance	126,509	133,894	(7,385)	105,029
Public activities and				
awards	1,997	1,734	263	1,059
Miscellaneous	6,482	5,964	518	4,619
Total				
administrative	<u>326,422</u>	<u>344,415</u>	<u>(17,993)</u>	<u>297,515</u>

(continued)

DARNALL, SIKES, KOLDER, FREDERICK & RAINEY

(A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS)

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P. Troy Courville, CPA
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Independent Auditor's Report on Schedule of Federal Financial Assistance

The Honorable James L. Bernauer, Mayor
and Members of the City Council
City of Patterson, Louisiana

125 Rue Beaugard
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 70585
(318) 363-2792

113 East Bridge Street
Breaux Bridge, LA 70517
(318) 332-4020

404 Pere Megret
Abbeville, LA 70510
(318) 893-5470

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 City of Patterson, Louisiana as of and for the year ended June 30, 1996 and have issued our report thereon dated September 12, 1996. These financial statements are the responsibility of the City of Patterson, Louisiana's elected officials. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the City of Patterson, Louisiana taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the financial statements. The information in that schedule 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 financial statements taken as a whole.

Darnall, Sikes, Kolder, Frederick & Rainey

A Corporation of Certified Public Accountants

Morgan City, Louisiana
September 12, 1996

CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements (Continued)

(11) Flow of Funds; Restrictions on Use - Utilities Revenues

Under the terms of the bond indenture on outstanding Utilities Revenue Bonds dated May 1, 1990, all income and revenues (hereinafter referred to as revenue) of every nature, earned or derived from operations of the Utilities System are pledged and dedicated to the retirement of said bonds and are to be set aside into the following special funds:

Each month, there will be set aside into a fund called the Revenue Bond Sinking Fund an amount constituting 1/12 of the next maturing installment of principal and 1/6 of the next maturing installment of interest on the outstanding bonds. Such transfers shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due and may be used only for such payments.

There shall also be set aside into a Revenue Bond Reserve Fund an initial deposit of \$129,000, thus accumulating in the reserve account an amount equal to the lesser of the highest combined principal and interest requirements in any succeeding fiscal year or 10 percent of bond proceeds. Such amounts may be used only for the payment of maturing bonds and interest on the aforesaid bonds for which sufficient funds are not on deposit in the Revenue Bond Sinking Fund and as to which there would otherwise be default.

Funds will also be set aside into a Capital Additions and Contingencies Fund monthly in the amount of five percent (5%) of the gross revenues of the System for the preceding month, provided that such sum is available after provision is made for all reasonable expenses of administration, operation and maintenance of the System as well as payments into the above required funds. In addition to caring for extensions, additions, improvements, renewals and replacements necessary to properly operate the System, money in this fund shall also be used to pay the principal of and the interest on these bonds for the payment of which there is not sufficient money in the Revenue Bond Sinking Fund or the Revenue Bond Reserve Fund. This money, however, shall never be used for the making of improvements and extensions to the System or for payment of principal and interest on bonds if such use of said money will leave in the Capital Additions and Contingencies Fund for the making of emergency repairs or replacements less than the sum of \$10,000.

CITY OF PATTERSON, LOUISIANA

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

	Governmental Fund Types			Proprietary Fund Type Enterprise	Fiduciary Fund Type Agency	Account Groups		Totals (Memorandum Only)	
	General	Special Revenue	Debt Service Capital Projects			General Fixed Assets	Long-Term Debt	1996	1995
								\$	\$
LIABILITIES AND FUND EQUITY									
Liabilities:	\$ 40,657	\$ 1,271	\$ -	\$ 64,585	\$ -	\$ -	\$ 106,513	\$ 128,769	
Accounts payable	216	-	-	3,035	9,303	-	12,554	13,423	
Accrued liabilities	57,000	120,979	76,457	12,399	55,263	-	324,191	526,865	
Due to other funds	-	-	-	-	-	-	-	-	
Payable from restricted assets -	-	-	-	42,272	-	-	42,272	37,272	
Revenue bonds	-	-	-	12,682	-	-	12,682	13,348	
Accrued interest	-	-	-	186,730	-	-	186,730	180,440	
Customers' deposits	125,000	-	-	-	-	-	125,000	275,000	
Advances from other funds	-	-	1,719	-	-	-	63,088	77,522	
Deferred revenues	-	-	-	999,533	-	-	2,170,942	2,338,131	
General obligation bonds payable	-	-	-	-	-	-	999,533	1,041,804	
Revenue bonds payable	-	-	-	-	-	-	12,461	7,042	
Lease obligation payable	-	-	-	-	-	-	2,183,403	4,639,616	
Total liabilities	<u>222,873</u>	<u>122,250</u>	<u>137,826</u>	<u>1,321,236</u>	<u>64,566</u>	<u>-</u>	<u>4,055,966</u>	<u>4,639,616</u>	
Fund equity:									
Contributed capital (net of accumulated amortization)	-	-	-	6,888,863	-	-	6,888,863	6,601,970	
Investment in general fixed assets	-	-	-	-	-	-	1,305,362	967,534	
Retained earnings (deficit) -	-	-	-	825,468	-	-	825,468	816,763	
Reserved for revenue bond retirement	-	-	-	(1,129,068)	-	-	(1,129,068)	(1,121,300)	
Unreserved	-	-	-	(303,600)	-	-	(303,600)	(304,537)	
Total retained earnings	-	-	-	-	-	-	626,429	681,856	
Fund balances -	-	-	626,429	-	-	-	-	-	
Reserved for debt service	-	-	-	-	-	-	-	-	
Unreserved:									
Designated for subsequent years' expenditures	44,878	-	266,552	-	-	-	311,430	301,211	
Undesignated	875,095	515,685	138,029	-	-	-	1,528,809	1,371,980	
Total fund balances	<u>875,095</u>	<u>560,563</u>	<u>764,458</u>	<u>266,552</u>	<u>-</u>	<u>-</u>	<u>2,466,668</u>	<u>2,355,047</u>	
Total fund equity	<u>875,095</u>	<u>560,563</u>	<u>764,458</u>	<u>6,585,263</u>	<u>-</u>	<u>1,305,362</u>	<u>10,357,293</u>	<u>9,620,014</u>	
Total liabilities and fund equity	<u>\$1,097,968</u>	<u>\$682,813</u>	<u>\$902,284</u>	<u>\$ 7,906,499</u>	<u>\$64,566</u>	<u>\$1,305,362</u>	<u>\$14,413,259</u>	<u>\$14,259,630</u>	

The accompanying notes are an integral part of this statement.

CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements (Continued)

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

(14) Social Security System

All employees of the City of Patterson participate in the Social Security System. The City and its employees contribute a percentage of each employee's salary to the System (7.65% contributed by the City and 7.65% by the employee). The City's contribution during the year ended June 30, 1996 amounted to \$68,972.

(15) Pending Litigation

The City is not presently involved in any lawsuits which could materially affect the financial condition of the City.

(16) Segment Information for the Enterprise Fund

The City of Patterson maintains one enterprise fund with three departments which provide gas, water and sewerage services. Segment information for the year ended June 30, 1996 was as follows:

	<u>Gas Department</u>	<u>Water Department</u>	<u>Sewerage Department</u>	<u>Total Enterprise Fund</u>
Operating revenues	\$830,829	\$378,622	\$297,726	\$1,507,177
Operating expenses	<u>748,505</u>	<u>398,121</u>	<u>358,658</u>	<u>1,505,284</u>
Operating income (loss)	<u>\$ 82,324</u>	<u>\$(19,499)</u>	<u>\$(60,932)</u>	<u>\$ 1,893</u>

(17) Contributed Capital

Amounts contributed to the enterprise fund for acquisition or construction of fixed assets is recognized as contributed capital. Contributed capital generated through grants externally restricted for capital acquisitions is amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such grants. This depreciation is closed to the appropriate contributed capital account and is reflected as an adjustment to net income on the Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings.

CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements (Continued)

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:

Buildings	20 - 30 years
Improvements	10 - 30 years
Equipment	4 - 20 years

D. Basis of Accounting

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

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Sales taxes are considered as "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Ad valorem taxes are recognized as revenue in the year for which budgeted, that is, in the year in which such taxes are billed. Other major revenues that are considered susceptible to accrual include earned grant revenues and other intergovernmental revenues, charges for services and interest on investments. Franchise fees, licenses, 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, except that accumulated unpaid vacation and sick pay are not accrued and principal and interest on general long-term debt are recognized when due. 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 estimated and recorded at year end.

CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements (Continued)

(12) Dedication of Proceeds and Flow of Funds - Sales and Use Taxes

The City of Patterson collects sales taxes under three sales tax levies as follows:

- A. Proceeds of a 1% parish wide sales and use tax levied in 1966 (1996 collections \$363,093; 1995 \$337,606). Tax is collected by the St. Mary Parish Sales and Use Tax Department and is remitted to each participating municipality on a monthly basis. The City of Patterson's allocation is 4.7818% of the first \$1,500,000 of net taxes collected. 50% of any collection in excess of \$1,500,000 is divided proportionately among the participating municipalities according to their respective populations as reflected by the most recent federal census or most recent special census. Proceeds of this tax shall be used for the following purposes: construction, acquisition, improvement, maintenance and repairs of streets, capital improvements, public works and buildings (including the acquisition of sites and necessary fixtures, equipment, furnishings and appurtenances, and the payment of obligations and refunding obligations which have been or may be issued for the purpose of acquiring and improving public works and buildings); for payment or supplementing salaries of all municipal employees; for the operation of recreational facilities; for the acquisition, maintenance, repairs and payment of operating expenses of equipment, vehicles, and other machinery owned by the municipality; and for any other public purpose authorized by state law.
- B. Proceeds of a 3/4 of 1% sales and use tax levied in 1974 (1996 collections \$409,277; 1995 \$343,945). Tax is collected by the St. Mary Parish Sales and Use Tax Department and is allocated and distributed monthly as above. Proceeds are to be used for the construction, acquisition, extension, improvement, operation and maintenance of solid waste collection and disposal facilities, sewers and sewerage disposal works, and other facilities for pollution control and abatement; and to pay debt service requirements on bonds issued for any of the above-mentioned purposes. This tax is to be collected until all bonds payable shall have been paid in full in principal and interest or 1/1/99, whichever is later.

CITY OF PATTERSON, LOUISIANA
Special Revenue Fund
LCDBG

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

	1996		Variance - Favorable (Unfavorable)	1995 Actual
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Intergovernmental	\$326,332	\$326,332	\$ -	\$6,833
Miscellaneous	-	-	-	-
Total revenues	<u>326,332</u>	<u>326,332</u>	<u>-</u>	<u>6,833</u>
Expenditures:				
General Government	17	17	-	6,833
Capital outlay - Sewer Rehabilitation	<u>326,315</u>	<u>326,315</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>326,332</u>	<u>326,332</u>	<u>-</u>	<u>6,833</u>
Excess of revenues over expenditures	-	-	-	-
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements (Continued)

Governmental Funds -

General Fund

The General Fund is the general operating fund of the City. 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 funds

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

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 -

Enterprise fund

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the cost (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 City of Patterson's enterprise fund is the Utility Fund.

CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

The City of Patterson was incorporated March 11, 1907, under the provisions of the Lawrason Act. The City operated under a Mayor-Board of Aldermen form of government until December 31, 1992 at which time the City adopted a Home Rule Charter and now operates under an elected Mayor-Council, administrative-legislative form of government. The City's operations include police and fire protection, streets and drainage, parks and recreation, residential waste collection services, certain social services and general administration services. The City owns and operates an enterprise fund which provides gas, water, and sewer services.

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

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

This report includes all funds and account groups which are controlled by or dependent on the City executive and legislative branches (the Mayor and City Council). Control by or dependence on the City 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, certain governmental organizations are not part of the City and are thus excluded from the accompanying financial statements. These organizations are the volunteer fire department and the public housing authority. Although the City does provide facilities and some of their financing, no control is exercised over their operations.

B. Fund Accounting

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

CITY OF PATTERSON, LOUISIANA

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

	<u>Enterprise</u>	
	<u>1996</u>	<u>1995</u>
Cash flows from investing activities:		
Purchase of interest-bearing deposits	\$ (172,801)	\$ (171,522)
Purchase of investments	(405,196)	-
Proceeds from the sale and maturities of interest-bearing deposits	171,522	170,515
Interest on interest-bearing deposits	<u>34,342</u>	<u>37,570</u>
Net cash provided (used) by investing activities	<u>(372,133)</u>	<u>36,563</u>
 Net decrease in cash and cash equivalents	 (249,811)	 (8,998)
 Cash and cash equivalents, beginning of period	 <u>1,110,065</u>	 <u>1,119,063</u>
 Cash and cash equivalents, end of period	 \$ 860,254	 \$1,110,065
 Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
 Cash and cash equivalents, beginning of period -		
Cash - unrestricted	\$ 80,242	\$ 59,626
Interest-bearing deposits - unrestricted	-	231,394
Cash - restricted	40,165	33,650
Interest-bearing deposits - restricted	1,161,180	964,908
Less: Interest-bearing deposits with a maturity over three months	<u>(171,522)</u>	<u>(170,515)</u>
Total cash and cash equivalents	<u>1,110,065</u>	<u>1,119,063</u>
 Cash and cash equivalents, end of period -		
Cash - unrestricted	102,913	80,242
Interest-bearing deposits - unrestricted	48,635	-
Cash - restricted	281,460	40,165
Interest-bearing deposits - restricted	600,047	1,161,180
Less: Interest-bearing deposits with a maturity over three months	<u>(172,801)</u>	<u>(171,522)</u>
Total cash and cash equivalents	<u>860,254</u>	<u>1,110,065</u>
 Net decrease	 \$ (249,811)	 \$ (8,998)

The accompanying notes are an integral part of this statement.

CITY OF PATTERSON, LOUISIANA

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

	<u>Enterprise</u>	
	<u>1996</u>	<u>1995</u>
Cash flows from operating activities:		
Operating income (loss)	\$ 1,893	\$ (176,812)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities -		
Depreciation	264,295	301,189
Changes in current assets and liabilities:		
(Increase) decrease in accounts receivable	(48,821)	6,855
Decrease in prepaid insurance	4,331	7,274
Decrease in accounts payable	(4,830)	(11,561)
Increase (decrease) in accrued liabilities	143	(133)
Total adjustments	<u>215,118</u>	<u>303,624</u>
Net cash provided by operating activities	<u>217,011</u>	<u>126,812</u>
Cash flows from noncapital financing activities:		
Operating transfers in from other funds	475	13,380
Cash received from other funds	<u>124,808</u>	<u>16,191</u>
Net cash provided by noncapital financing activities	<u>125,283</u>	<u>29,571</u>
Cash flows from (used by) capital and related financing activities:		
Acquisition of plant and equipment	(439,337)	(83,569)
Principal paid on revenue bond maturities	(40,000)	(40,000)
Interest paid on revenue bonds	(80,090)	(84,890)
Increase (decrease) in customers' meter deposits	6,290	-
Capital contributed from federal grant	<u>333,165</u>	<u>6,515</u>
Net cash used by capital and related financing activities	<u>(219,972)</u>	<u>(201,944)</u>

(continued)

ENTERPRISE FUND

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

Special Revenue Fund Types			Debt Service Fund Types			Capital Projects Fund Types		
Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
\$ 565,168	\$ 621,649	\$ 56,481	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
357,582	386,650	29,068	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
13,722	20,657	6,935	31,683	44,687	13,004	4,203	5,288	1,085
<u>936,472</u>	<u>1,028,956</u>	<u>92,484</u>	<u>31,683</u>	<u>44,687</u>	<u>13,004</u>	<u>4,203</u>	<u>5,288</u>	<u>1,085</u>
12,994	13,301	(307)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	167,189	167,189	-	-	-	-
-	-	-	181,721	181,573	148	-	-	-
467,085	481,175	(14,090)	-	-	-	5,000	5,008	(8)
<u>480,079</u>	<u>494,476</u>	<u>(14,397)</u>	<u>348,910</u>	<u>348,762</u>	<u>148</u>	<u>5,000</u>	<u>5,008</u>	<u>(8)</u>
456,393	534,480	78,087	(317,227)	(304,075)	13,152	(797)	280	1,077
-	-	-	-	-	-	-	-	-
-	-	-	262,002	261,774	(228)	-	-	-
(527,541)	(506,046)	21,495	-	(1,194)	(1,194)	-	-	-
<u>(527,541)</u>	<u>(506,046)</u>	<u>21,495</u>	<u>262,002</u>	<u>260,580</u>	<u>(1,422)</u>	<u>-</u>	<u>-</u>	<u>-</u>
(71,148)	28,434	99,582	(55,225)	(43,495)	11,730	(797)	280	1,077
532,129	532,129	-	817,334	817,334	-	256,891	256,891	-
-	-	-	(9,381)	(9,381)	-	9,381	9,381	-
<u>\$ 460,981</u>	<u>\$ 560,563</u>	<u>\$ 99,582</u>	<u>\$ 752,728</u>	<u>\$ 764,458</u>	<u>\$11,730</u>	<u>\$265,475</u>	<u>\$266,552</u>	<u>\$ 1,077</u>
=====	=====	=====	=====	=====	=====	=====	=====	=====

CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements (Continued)

G. Interest-Bearing Deposits

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

H. Statement of Cash Flows

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

I. Advances To/From Other Funds

Noncurrent portions of long-term interfund loans receivable and payable are reported as "Advances to other funds" and "Advances from other funds". Advances to other funds in governmental funds are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation.

J. Bad Debts

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

K. Vacation and Sick Leave

Vacation and sick leave are recorded as expenditures of the period in which paid. Sick leave does not accumulate and is not payable at termination of employment. Vacation must be taken in the year accrued and cannot be carried over. Any liability the City might have in this regard at June 30, 1996 is considered immaterial; therefore, no liability has been recorded in the accounts.

L. Capitalization of Interest Expense

It is the policy of the City of Patterson to capitalize material amounts of interest resulting from borrowings in the course of the construction of fixed assets. For the year ended June 30, 1996, no capitalized interest expense was recorded on the books.

CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements (Continued)

The annual requirements to amortize all debt outstanding as of June 30, 1996, including interest payments of \$1,743,410, are as follows:

<u>Year ending June 30</u>	<u>General Obligation</u>	<u>Revenue</u>	<u>Total</u>
1997	\$ 338,502	\$ 121,090	\$ 459,592
1998	334,126	123,030	457,156
1999	334,671	124,580	459,251
2000	324,037	120,730	444,767
2001	262,933	121,880	384,813
2002-2006	1,235,810	623,605	1,859,415
2007-2010	<u>422,120</u>	<u>507,238</u>	<u>929,358</u>
	<u>\$3,252,199</u>	<u>\$1,742,153</u>	<u>\$4,994,352</u>

Property assessment bonds:

The City of Patterson has a contingent liability against its full faith and credit on property assessment certificates recorded in the general long-term debt group. The general credit of the government is obligated only to the extent that liens foreclosed against properties involved in the property assessment program are insufficient to retire outstanding certificates.

Assets remaining in these funds after the retirement of the outstanding obligations may be used only for the repair and maintenance of the streets improved from the proceeds of the original certificate issue.

Utility revenue bonds:

The various bond indentures contain significant limitations and restrictions as to the annual debt service requirements, maintenance of and flow of monies through various restricted accounts, minimum amounts to be maintained in various sinking funds, and minimum revenue bond coverage (see Note 11). The City is in compliance with all such significant limitations and restrictions.

Sales tax sewer public improvement bonds:

The resolution concerning the dedication of the proceeds of the 3/4 of 1% sewerage and solid waste sales tax specifies restrictions as to how the funds must be expended (see Note 12). The City is in compliance with all such significant limitations.

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CITY OF PATTERSON, LOUISIANA

Financial Report

Year Ended June 30, 1996

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

Release Date NOV 13 1996

CITY OF PATTERSON, LOUISIANA

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

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)	
					1996	1995
Revenues:						
Taxes	\$ 622,394	\$ 621,649	\$ -	\$ -	\$1,244,043	\$1,112,603
Licenses and permits	100,383	-	-	-	100,383	98,431
Intergovernmental	200,374	386,650	-	-	587,024	375,882
Charges for services	205,437	-	-	-	205,437	165,738
Fines and forfeits	99,732	-	-	-	99,732	95,197
Miscellaneous	58,603	20,657	44,687	5,288	129,235	175,079
Total revenues	<u>1,286,923</u>	<u>1,028,956</u>	<u>44,687</u>	<u>5,288</u>	<u>2,365,854</u>	<u>2,022,930</u>
Expenditures:						
Current -						
General government:						
Administrative	344,415	13,301	-	-	357,716	308,437
Mechanic shop	4,378	-	-	-	4,378	31,699
Public safety:						
Police	548,556	-	-	-	548,556	516,430
Fire	20,594	-	-	-	20,594	23,848
Streets and drainage	174,603	-	-	-	174,603	136,179
Culture and recreation	65,300	-	-	-	65,300	79,300
Sanitation and sewer	188,299	-	-	-	188,299	178,953
Debt service -						
Principal retirement	8,790	-	167,189	-	175,979	170,807
Interest and fiscal charges	220	-	181,573	-	181,793	195,151
Capital outlay	64,566	481,175	-	5,008	550,749	76,291
Emergency assistance	-	-	-	-	-	2,000
Total expenditures	<u>1,419,721</u>	<u>494,476</u>	<u>348,762</u>	<u>5,008</u>	<u>2,267,967</u>	<u>1,719,095</u>
Excess (deficiency) of revenues over expenditures						
	<u>(132,798)</u>	<u>534,480</u>	<u>(304,075)</u>	<u>280</u>	<u>97,887</u>	<u>303,835</u>
Other financing sources (uses):						
Proceeds from capital lease	14,209	-	-	-	14,209	-
Operating transfers in	244,991	-	261,774	-	506,765	542,734
Operating transfers out	-	(506,046)	(1,194)	-	(507,240)	(556,114)
Total other financing sources (uses)	<u>259,200</u>	<u>(506,046)</u>	<u>260,580</u>	<u>-</u>	<u>13,734</u>	<u>(13,380)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses						
	126,402	28,434	(43,495)	280	111,621	290,455
Fund balances, beginning	748,693	532,129	817,334	256,891	2,355,047	2,064,592
Residual Equity Transfer	-	-	(9,381)	9,381	-	-
Fund balances, ending	<u>\$ 875,095</u>	<u>\$ 560,563</u>	<u>\$ 764,458</u>	<u>\$266,552</u>	<u>\$2,466,668</u>	<u>\$2,355,047</u>

The accompanying notes are an integral part of this statement.

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1-2
GENERAL PURPOSE FINANCIAL STATEMENTS (COMBINED STATEMENTS - OVERVIEW)	
Combined balance sheet - all fund types and account groups	4-5
Combined statement of revenues, expenditures, and changes in fund balances - all governmental fund types	6
Combined statement of revenues, expenditures, and changes in fund balances - budget (GAAP basis) and actual - all governmental fund types	7-8
Comparative statement of revenues, expenses, and changes in retained earnings - proprietary fund type	9
Comparative statement of cash flows - proprietary fund type	10-11
Notes to financial statements	12-31
SUPPLEMENTAL INFORMATION	
SCHEDULE OF INDIVIDUAL FUNDS AND ACCOUNT GROUPS	
General Fund:	
Comparative balance sheet	35
Statement of revenues, expenditures, and changes in fund balance - budget (GAAP basis) and actual	36-37
Statement of revenues compared to budget (GAAP basis)	38
Statement of expenditures compared to budget (GAAP basis)	39-42
Statement of other financing sources (uses) - compared to budget (GAAP basis)	43
Special Revenue Funds:	
Combining balance sheet	45
Combining statement of revenues, expenditures, and changes in fund balances	46
Sewerage and Solid Waste Sales Tax Fund - Statement of revenues, expenditures, and changes in fund balance - budget (GAAP basis) and actual	47
Ad Valorem Tax Collection Fund - Statement of revenues, expenditures, and changes in fund balance - budget (GAAP basis) and actual	48
Fire Department Equipment Fund - Statement of revenues, expenditures, and changes in fund balance - budget (GAAP basis) and actual	49
Emergency Management Fund - Statement of revenues, expenditures, and changes in fund balance - budget (GAAP basis) and actual	50
Louisiana Community Development Block Grant Fund - Statement of revenues, expenditures, and changes in fund balance - budget (GAAP) basis) and actual	51

	Page
Debt Service Funds:	
Combining balance sheet	53
Combining statement of revenues, expenditures, and changes in fund balances	54
Capital Projects Funds:	
Combining balance sheet	56
Combining statement of revenues, expenditures, and changes in fund balances	57
Enterprise Fund:	
Comparative balance sheet	59-60
Comparative statement of revenues, expenses, and changes in retained earnings	61
Comparative statement of operating expenses by department	62-63
Comparative statement of cash flows	64-65
Schedule of changes in assets restricted for revenue bond debt service	66
Fiduciary Funds:	
Combining balance sheet	68
Combining statement of changes in assets and liabilities	69
General Fixed Assets Account Group:	
Comparative statement of general fixed assets	71
Statement of changes in general fixed assets	72
General Long-Term Debt Account Group:	
Statement of general long-term debt	74
 INTERNAL CONTROL, COMPLIANCE AND OTHER GRANT INFORMATION	
Independent Auditor's Report on Internal Control Structure Based on an Audit of General Purpose Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	76-77
Independent Auditor's Report on Compliance Based on an Audit of General Purpose Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	78
Independent Auditor's Report on Internal Control Structure used in administering Federal Financial Assistance Programs	79-81

	Page
Independent Auditor's Report on Compliance with Specific Requirements Applicable to Major Federal Financial Assistance Programs	82-83
Independent Auditor's Report on Compliance with the General Requirements Applicable to Federal Financial Assistance Programs	84-85
Independent Auditor's Report on Schedule of Federal Financial Assistance	86
Schedule of Federal Financial Assistance	87
 OTHER SUPPLEMENTARY INFORMATION	
Schedule of number of utility customers (unaudited)	89
Comparative departmental analysis of revenues and expenses - utility fund	90-91
Schedule of insurance in force (unaudited)	92
Schedule of interest-bearing deposits - all funds	93-94

DARNALL, SIKES, KOLDER, FREDERICK & RAINEY

(A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS)

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INDEPENDENT AUDITOR'S REPORT

The Honorable James L. Bernauer, Mayor
and Members of the City Council
City of Patterson, Louisiana

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We have audited the accompanying general purpose financial statements of the City of Patterson, 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 City of Patterson Louisiana's elected officials. 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; Government Auditing Standards, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Patterson, Louisiana, as of June 30, 1996, and the results of its operations and the cash flows of its proprietary fund type for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated September 12, 1996 on our consideration of the City's internal control structure and a report dated September 12, 1996 on its compliance with laws and regulations.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed as "Supplemental Information" in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the City of Patterson, Louisiana. Such

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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 financial statements taken as a whole.

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 City of Patterson, Louisiana.

Darnall, Sikes, Kolder, Frederick & Rainey
A Corporation of Certified Public Accountants

Morgan City, Louisiana
September 12, 1996

**GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)**

CITY OF PATTERSON, LOUISIANA

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

	Governmental Fund Types		Capital Projects	Proprietary Fund Type Enterprise	Fiduciary Fund Type Agency	Account Groups		Totals (Memorandum Only)	
	General	Special Revenue				Debt Service	General Fixed Assets	Long-Term Debt	1996
ASSETS AND OTHER DEBITS									
Cash	\$ 27,035	\$290,597	\$ 35,826	\$ 102,913	\$52,167	\$ -	\$ -	\$ 564,303	\$ 467,840
Interest-bearing deposits	891,166	297,897	718,024	48,635	-	-	-	2,168,502	2,266,541
Receivables:									
Taxes	64,164	38,456	-	-	-	-	-	102,620	99,322
Accounts	1,188	2,663	-	-	-	-	-	257,186	204,514
Property assessments	-	-	61,369	253,335	-	-	-	63,088	77,522
Accrued interest	3,225	483	1,305	129	-	-	-	5,242	3,291
Due from other funds	62,799	25,340	85,760	137,893	12,399	-	-	324,191	526,865
Due from other governmental units	48,391	27,377	-	-	-	-	-	75,768	43,545
Prepaid insurance	-	-	-	1,555	-	-	-	1,555	5,886
Advances to other funds	-	-	-	125,000	-	-	-	125,000	275,000
Restricted assets:									
Cash	-	-	-	281,460	-	-	-	281,460	40,165
Interest-bearing deposits	-	-	-	600,047	-	-	-	600,047	1,161,180
Accrued interest receivable	-	-	-	451	-	-	-	451	409
Investments	-	-	-	405,196	-	-	-	405,196	-
Land	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	44,294
Equipment	-	-	-	-	-	-	-	-	369,807
Utility property, plant and equipment	-	-	-	-	-	-	-	-	553,433
Accumulated depreciation	-	-	-	-	-	-	-	-	9,997,513
Construction in progress	-	-	-	10,129,191	-	-	-	10,129,191	(4,330,114)
Amount available in debt service funds	-	-	-	(4,594,408)	-	-	-	(4,594,408)	107,444
Amount to be provided for retirement of general long-term debt	-	-	-	415,102	-	-	-	415,102	681,856
							626,429	626,429	
							1,556,974	1,556,974	1,663,317
Total assets and other debits	\$1,097,968	\$682,813	\$902,284	\$ 7,906,499	\$64,566	\$1,305,362	\$ 2,183,403	\$14,413,259	\$14,259,630

(continued)

CITY OF PATTERSON, LOUISIANA

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

	<u>Enterprise</u>	
	<u>1996</u>	<u>1995</u>
Operating revenues:		
Charges for services -		
Gas sales and services	\$ 807,334	\$ 660,335
Water sales and services	357,403	334,847
Sewerage services	297,726	287,649
Delinquent charges	36,333	29,962
Commissions, transfers and reconnections	8,225	5,890
Miscellaneous	156	9,590
Total operating revenues	<u>1,507,177</u>	<u>1,328,273</u>
Operating expenses:		
Administrative	235,554	239,877
Gas department	574,984	533,416
Water department	266,299	251,898
Sewerage department	164,152	178,705
Depreciation	264,295	301,189
Total operating expenses	<u>1,505,284</u>	<u>1,505,085</u>
Operating income (loss)	<u>1,893</u>	<u>(176,812)</u>
Nonoperating revenues (expenses):		
Interest income	34,449	37,678
Interest and fiscal charges	<u>(82,152)</u>	<u>(86,818)</u>
Total nonoperating revenues (expenses)	<u>(47,703)</u>	<u>(49,140)</u>
Loss before operating transfers	(45,810)	(225,952)
Operating transfers in:		
Operating transfers in	<u>475</u>	<u>13,380</u>
Net loss	(45,335)	(212,572)
Add: Depreciation on fixed assets acquired by federal grant revenues externally restricted for capital acquisitions and construction that reduces contributed capital	<u>46,272</u>	<u>56,934</u>
Increase (decrease) in retained earnings	937	(155,638)
Retained earnings (deficit), beginning	<u>(304,537)</u>	<u>(148,899)</u>
Retained earnings (deficit), ending	<u>\$ (303,600)</u>	<u>\$ (304,537)</u>

The accompanying notes are an integral part of this statement.

CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements (Continued)

(6) Due from Other Governmental Units

Amounts due from other governmental units at June 30, 1996 consisted of the following:

Payment in lieu of taxes due from the Patterson Housing Authority	\$ 4,960
Fire insurance rebate due from the St. Mary Parish Council	12,013
Beer and tobacco taxes due from the State of Louisiana	7,563
Video poker receipts due from the State of Louisiana	7,688
COPS Fast grant funds due from the U. S. Dept. of Justice	6,327
LCDBG grant funds due from the State of Louisiana	15,364
H. A. S. Program Funds due from Patterson Housing Authority	10,253
Indian Gaming Revenue due from state	<u>11,600</u>
	<u>\$75,768</u>

(7) Restricted Assets - Proprietary Fund Type

Restricted assets consisted of the following at June 30:

	<u>1996</u>	<u>1995</u>
Revenue bond and interest sinking fund	\$ 43,077	\$ 61,307
Revenue bond reserve fund	128,388	128,388
Revenue bond capital additions and contingencies fund	704,880	677,688
Revenue bond construction fund	224,079	153,931
Customers' deposits	<u>186,730</u>	<u>180,440</u>
	<u>\$1,287,154</u>	<u>\$1,201,754</u>

(8) Changes in Fixed Assets

	<u>Balance July 1, 1995</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 1996</u>
Land	\$ 44,294	\$185,950	\$ -	\$ 230,244
Buildings	369,807	-	-	369,807
Equipment	<u>553,433</u>	<u>219,426</u>	<u>67,548</u>	<u>705,311</u>
Total general fixed assets	<u>\$967,534</u>	<u>\$405,376</u>	<u>\$67,548</u>	<u>\$1,305,362</u>

CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements (Continued)

\$1,245,000 Public Improvement Sewer Refunding Bonds, Series 1988, due in annual installments of \$70,000 to \$130,000 through December 1, 2005; interest at 7.60 to 8.40 percent; secured by levy and collection of 3/4 percent sales tax revenues.	1,005,000
\$900,000 1990 General Obligation Bonds, due in annual installments of \$20,000 to \$100,000 through March 1, 2010; interest at 6.80 to 10.10 percent; secured by levy and collection of ad valorem taxes.	815,000
\$221,885 1990 Paving certificates due in annual installments of \$22,189 through December 1, 2000; interest at 7.50 to 8.00 percent; payable from paving assessment revenues.	<u>110,942</u>
Total general obligation bonds and certificates payable	<u>\$2,170,942</u> =====
Revenue bonds:	
\$1,290,000 Utilities Revenue Bonds, Series 1990, due in annual installments of \$45,000 to \$120,000 through May 1, 2010; interest at 6.50 to 7.25 percent.	\$1,080,000
Less: Unamortized bond discount	<u>38,195</u>
Net utility revenue bonds payable	<u>\$1,041,805</u> =====

GENERAL FUND

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

CITY OF PATTERSON, LOUISIANA
General Fund

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

	1996		Variance - Favorable	1995
	Budget	Actual	(Unfavorable)	Actual
Revenues:				
Taxes	\$ 601,341	\$ 622,394	\$ 21,053	\$ 558,344
Licenses and permits	74,796	100,383	25,587	98,431
Intergovernmental	122,821	200,374	77,553	362,585
Charges for services	203,247	205,437	2,190	165,738
Fines and forfeits	88,873	99,732	10,859	95,197
Miscellaneous	35,048	58,603	23,555	92,585
Total revenues	1,126,126	1,286,923	160,797	1,372,880
Expenditures:				
Current -				
General government:				
Administrative	326,422	344,415	(17,993)	297,515
Mechanic shop	3,856	4,378	(522)	31,699
Public safety:				
Police	510,537	548,556	(38,019)	516,430
Fire	24,378	20,594	3,784	23,848
Streets and drainage	173,091	174,603	(1,512)	136,179
Culture and recreation	31,908	65,300	(33,392)	79,300
Sanitation	180,910	188,299	(7,389)	178,953
Capital outlay	49,779	64,566	(14,787)	23,346
Debt service	10,825	9,010	1,815	14,269
Total expenditures	1,311,706	1,419,721	(108,015)	1,301,539
Excess (deficiency) of revenues over expenditures	(185,580)	(132,798)	52,782	71,341

(continued)

CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements (Continued)

E. Budgets and Budgetary Accounting

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

1. The City Clerk prepares a proposed budget and submits it to the Mayor and City Council for the fiscal year no later than forty five days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public 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 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 transfers 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 City Council.
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 City Council. Such amendments were not material in relation to the original appropriations.

F. Encumbrances

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

CITY OF PATTERSON, LOUISIANA
Special Revenue Fund
Ad Valorem Tax Collection Fund

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

	1996		Variance - Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
Revenues:				
Taxes - ad valorem	\$ 199,027	\$ 200,358	\$ 1,331	\$ 197,918
Miscellaneous	<u>2,963</u>	<u>946</u>	<u>(2,017)</u>	<u>1,746</u>
Total revenues	201,990	201,304	(686)	199,664
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>201,990</u>	<u>201,304</u>	<u>(686)</u>	<u>199,664</u>
Other uses:				
Transfer to General Fund	(92,188)	(91,635)	553	(91,343)
Transfer to Public Improvement Bonds Fund	<u>(109,802)</u>	<u>(109,669)</u>	<u>133</u>	<u>(108,321)</u>
Total other uses	<u>(201,990)</u>	<u>(201,304)</u>	<u>686</u>	<u>(199,664)</u>
Excess of revenues over expenditures and other uses	-	-	-	-
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements (Continued)

Fiduciary Funds -

Agency funds

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations, but are used to account for assets held for other funds.

C. Fixed Assets and Long-Term Liabilities

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus.

All governmental fund type operations are accounted for on a spending or "financial flow" measurement focus, and only current assets and current liabilities are generally included on their balance sheets.

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

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 market value on the date donated. Estimated amounts are immaterial in relation to total fixed assets.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group.

The proprietary fund is accounted for on a cost of services or "capital maintenance" measurement focus, and all assets and all liabilities (whether current or noncurrent) associated with its activity are included on its balance sheet.

CITY OF PATTERSON, LOUISIANA
General Fund

Comparative Balance Sheet
June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
ASSETS		
Cash	\$ 27,035	\$ 39,607
Interest-bearing deposits	891,166	907,392
Receivables:		
Accounts	1,188	-
Sales tax receivable	37,334	42,414
Utility franchise taxes receivable	26,830	22,773
Accrued interest receivable	3,225	1,224
Due from other funds	62,799	106,579
Due from other governmental units	<u>48,391</u>	<u>24,316</u>
Total assets	<u>\$1,097,968</u>	<u>\$1,144,305</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 40,657	\$ 51,382
Accrued liabilities	216	590
Due to other funds	57,000	68,640
Advances from other funds	<u>125,000</u>	<u>275,000</u>
Total liabilities	222,873	395,612
Fund balance - unreserved, undesignated	<u>875,095</u>	<u>748,693</u>
Total liabilities and fund balance	<u>\$1,097,968</u>	<u>\$1,144,305</u>

CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements (Continued)

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

Land	\$107,200
Administrative equipment	214,620
Gas utility:	
System	2,198,513
Equipment	317,070
Water utility:	
System	1,567,240
Tank	160,264
Equipment	23,502
Sewerage utility:	
System	5,524,045
Equipment	16,737
Construction in progress	<u>415,102</u>
	10,544,293
Less: Accumulated depreciation	<u>4,594,408</u>
Net proprietary fund type property, plant and equipment	<u>\$ 5,949,885</u>

Construction in progress in the Utility Fund of \$415,102 at June 30, 1996 consists of the following:

	<u>Project Authorization</u>	<u>Expended to 06/30/96</u>	<u>Committed</u>	<u>Required Future Financing</u>
Hurst and Burney Lane Project	\$ 81,937	\$ 81,937	\$ -	\$ -
Louisiana Community Development Block Grant	<u>333,165</u>	<u>333,165</u>	<u>-</u>	<u>-</u>
Total construction in progress	<u>\$415,102</u>	<u>\$415,102</u>	<u>\$ -</u>	<u>\$ -</u>

(9) Capital Lease

In April 1996, the City entered into an agreement for the lease of equipment. The lease is paid in monthly installments, final payment is due in March 1998. The book value of the equipment under capital lease at June 30, 1996 as capitalized in the General Fixed Assets Account Group is \$14,209.

**SCHEDULE OF INDIVIDUAL FUNDS
AND ACCOUNT GROUPS**

CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements (Continued)

(5) Interfund Receivables/Payables

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Due to/from other funds:		
General Fund	\$ 62,799	\$ 57,000
Special Revenue Funds -		
Ad Valorem Tax Collection Fund	-	26,967
Sewerage and Solid Waste Sales Tax Fund	-	23,000
Emergency Management Fund	25,340	55,648
LCDBG Fund	-	15,364
Debt Service Funds -		
Public Improvement Bonds Fund	85,368	1,194
1990 Paving Assessment Fund	392	70,837
Sales Tax Refunding Bonds, Series 1990 Fund	-	4,426
Capital Projects Funds -		
Drainage and Relocation Fund	-	1,701
Murphy St. Paving Fund	-	392
Utility Fund	137,893	12,399
Agency Funds -		
Disbursement Fund	12,399	18,759
Payroll Fund	<u>-</u>	<u>36,504</u>
Total due to/from other funds	<u>\$324,191</u>	<u>\$324,191</u>
	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Advances to/from other funds:		
General Fund	\$ -	\$125,000
Utility Fund	<u>125,000</u>	<u>-</u>
	<u>\$125,000</u>	<u>\$125,000</u>

CITY OF PATTERSON, LOUISIANA
Special Revenue Fund
Fire Department Equipment Fund

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

	1996		Variance - Favorable (Unfavorable)	1995 Actual
	<u>Budget</u>	<u>Actual</u>		
Revenues:				
Taxes	\$ 21,099	\$ 12,013	\$ (9,086)	\$ 12,396
Intergovernmental	31,250	60,318	29,068	-
Miscellaneous	<u>4,142</u>	<u>12,081</u>	<u>7,939</u>	<u>5,329</u>
Total revenues	<u>56,491</u>	<u>84,412</u>	<u>27,921</u>	<u>17,725</u>
Expenditures:				
General government	12,977	13,284	(307)	4,089
Capital outlay - equipment	<u>140,770</u>	<u>154,860</u>	<u>(14,090)</u>	<u>8,995</u>
Total expenditures	<u>153,747</u>	<u>168,144</u>	<u>(14,397)</u>	<u>13,084</u>
Excess (deficiency) of revenues over expenditures	(97,256)	(83,732)	13,524	4,641
Fund balance, beginning	<u>168,556</u>	<u>168,556</u>	-	<u>163,915</u>
Fund balance, ending	<u>\$ 71,300</u>	<u>\$ 84,824</u>	<u>\$ 13,524</u>	<u>\$168,556</u>

CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements (Continued)

(3) Investments

The City's investments are categorized below to give an indication of the level of risk assumed by it at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments with securities held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments with securities held by the counterparty, or by its trust department or agent, but not in the City's name.

	<u>Category</u>			<u>Carrying Amount</u>	<u>Market Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
U. S. Treasury Bill	\$405,196	-	-	\$405,196	\$404,855

(4) 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 City in September or October and are actually billed to taxpayers in November or December. Billed taxes become delinquent on January 1 of the following year. The City bills and collects its own property taxes using the assessed values determined by the tax assessor of St. Mary Parish. City property tax revenues are budgeted in the year billed.

For the year ended June 30, 1996, taxes of 23.03 mills were levied on property with assessed valuations totaling \$8,577,199 and were dedicated as follows:

General corporate purposes	10.62 mills
Debt service	12.41 mills

Total taxes levied were \$197,533. The total amount of taxes receivable at June 30, 1996 was \$3,186.

CITY OF PATTERSON, LOUISIANA
Special Revenue Fund
Emergency Management Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year Ended June 30, 1996

	1996		Variance - Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
Revenues:				
Miscellaneous -				
Interest	\$ 421	\$ 558	\$ 137	\$ 605
Total revenues	421	558	137	605
Expenditures:				
Emergency assistance	-	-	-	2,000
Total expenditures	-	-	-	2,000
Excess (deficiency) of revenues over expenditures	421	558	137	(1,395)
Fund balance, beginning	44,320	44,320	-	45,715
Fund balance, ending	\$44,741	\$44,878	\$ 137	\$44,320

CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements (Continued)

(2) Cash

A. Under state law, the City may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The City may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 1996, the City has cash and interest-bearing deposits (book balances) totaling \$3,614,312, as follows:

Demand deposits	\$ 845,763
Money market accounts and time deposits	<u>2,768,549</u>
 Total	 <u>\$3,614,312</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 1996, are secured as follows:

Bank balances	\$3,782,951
	<u> </u>
Federal deposit insurance	\$ 400,000
Pledged securities (category 3)	<u>3,382,951</u>
 Total federal insurance and pledged securities	 <u>\$3,782,951</u>

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

CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements (Continued)

M. Capital Lease

A capital lease is generally defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases" as one which transfers benefits and risks of ownership to the lessee. Leases meeting the criteria of a capital lease as defined are recorded at inception as expenditures and other financial sources in governmental fund types and as assets and liabilities in the General Fixed Assets and General Long-Term Debt account groups, respectively, at the present value of the future minimum lease payments, using the interest rates stated in the leases.

N. Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the City'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.

O. Total Columns on Combined Statements - Overview

Total columns on the Combined Statements - Overview are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows 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.

P. Adoption of GASB Statement 27

During the year ended June 30, 1996, the City of Patterson adopted GASB Statement 27, Accounting for Pensions by State and Local Government Employees. Although this statement is effective for periods beginning after June 15, 1997, the Governmental Accounting Standards Board is encouraging early implementation.

SUPPLEMENTAL INFORMATION

CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements (Continued)

The following is a schedule of future minimum lease payments under the capital lease:

	<u>Equipment</u>
1997	\$ 7,502
1998	<u>5,626</u>
	13,128
Less: Amount representing interest	<u>667</u>
Present value of minimum lease payments	<u>\$12,461</u>

(10) Changes in Long-Term Debt

The following is a summary of bonds and certificates of indebtedness transactions of the City of Patterson for the year ended June 30, 1996:

	<u>General Obligation</u>	<u>Revenue</u>	<u>Total</u>
Bonds and certificates, payable July 1, 1995	\$2,338,131	\$1,120,000	\$3,458,131
Bonds and certificates retired	<u>167,189</u>	<u>40,000</u>	<u>207,189</u>
Bonds and certificates, payable June 30, 1996	<u>\$2,170,942</u>	<u>\$1,080,000</u>	<u>\$3,250,942</u>

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

General obligation bonds and certificates:

\$285,000 1980 Waterworks (Series H) serial bonds due in annual installments of \$25,000 through March 1, 2000; interest at 8 percent; secured by levy and collection of ad valorem taxes.	\$ 100,000
\$385,000 1980 Drainage (Series I) serial bonds due in annual installments of \$35,000 through March 1, 2000; interest at 8 percent; secured by levy and collection of ad valorem taxes.	140,000