

CITY OF OAKDALE, 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:				
Legislative -				
Salaries	\$ 27,600	\$ 27,600	\$ -	\$ 27,600
Retirement	1,865	1,863	2	1,518
Employee health insurance	3,175	3,326	(151)	3,855
Payroll taxes	195	195	-	191
Travel and meetings	225	149	76	195
Dues, subscriptions, and memberships	1,500	2,134	(634)	1,109
	<u>34,560</u>	<u>35,267</u>	<u>(707)</u>	<u>34,468</u>
Judicial -				
Salaries	35,433	36,198	(765)	34,653
Retirement	3,060	3,154	(94)	2,578
Employee health insurance	6,100	6,762	(662)	4,582
Payroll taxes	446	(15)	461	374
	<u>45,039</u>	<u>46,099</u>	<u>(1,060)</u>	<u>42,187</u>
Executive -				
Salaries	20,802	20,802	-	18,402
Retirement	1,405	1,404	1	1,012
Employee health insurance	2,374	2,487	(113)	3,014
Travel	1,912	2,471	(559)	2,444
	<u>26,493</u>	<u>27,164</u>	<u>(671)</u>	<u>24,872</u>
Legal -				
Salaries	18,000	18,000	-	18,000
Employee health insurance	2,375	2,487	(112)	2,939
Payroll taxes	301	283	18	374
	<u>20,676</u>	<u>20,770</u>	<u>(94)</u>	<u>21,313</u>
Financial administration -				
Salaries	82,410	84,694	(2,284)	74,193
Retirement	5,557	5,695	(138)	4,046
Employee health insurance	1,920	2,131	(211)	1,850
Payroll taxes	1,250	979	271	831
Office and operating supplies	37,000	29,520	7,480	34,531

(continued)

CITY OF OAKDALE, 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

Revenues:							
Taxes	\$34,727	\$ 21,482	\$ -	\$ -	\$ 56,209	\$ 54,812	
Miscellaneous	<u>107</u>	<u>274</u>	<u>7,110</u>	<u>1,825</u>	<u>9,316</u>	<u>4,231</u>	
Total revenues	<u>34,834</u>	<u>21,756</u>	<u>7,110</u>	<u>1,825</u>	<u>65,525</u>	<u>59,043</u>	
Expenditures:							
Debt service -							
Principal retirement	7,859	7,270	75,000	125,000	215,129	197,474	
Interest and fiscal charges	<u>25,122</u>	<u>36,718</u>	<u>63,715</u>	<u>43,161</u>	<u>168,716</u>	<u>183,193</u>	
Total expenditures	<u>32,981</u>	<u>43,988</u>	<u>138,715</u>	<u>168,161</u>	<u>383,845</u>	<u>380,667</u>	
Deficiency of revenues over expenditures	1,853	(22,232)	(131,605)	(166,336)	(318,320)	(321,624)	
Other financing sources:							
Operating transfers in (out)	<u>(3,644)</u>	<u>16,995</u>	<u>137,739</u>	<u>172,969</u>	<u>324,059</u>	<u>305,646</u>	
Excess (deficiency) of revenues and other sources over expenditures	(1,791)	(5,237)	6,134	6,633	5,739	(15,978)	
Fund balances, beginning	<u>1,852</u>	<u>12,770</u>	<u>198,817</u>	<u>94,928</u>	<u>308,367</u>	<u>324,345</u>	
Fund balances, ending	<u>\$ 61</u>	<u>\$ 7,533</u>	<u>\$ 204,951</u>	<u>\$ 101,561</u>	<u>\$ 314,106</u>	<u>\$ 308,367</u>	

CITY OF OAKDALE, LOUISIANA
Debt Service Funds

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

	General Obligation Refunding City	General Obligation Refunding Sewerage District No. 1	Sales Tax 1990 & 1992	Certificate of Indebtedness 1993	Totals 1996	Totals 1995
ASSETS						
Cash	\$ 61	\$7,533	\$ 97,706	\$101,561	\$206,861	\$207,604
Investments	-	-	103,717	-	103,717	100,763
Accrued interest receivable	-	-	3,528	-	3,528	-
Total assets	<u>\$ 61</u>	<u>\$7,533</u>	<u>\$204,951</u>	<u>\$101,561</u>	<u>\$314,106</u>	<u>\$308,367</u>
LIABILITIES AND FUND BALANCES						
Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balances:						
Reserved for debt service	<u>61</u>	<u>7,533</u>	<u>204,951</u>	<u>101,561</u>	<u>314,106</u>	<u>308,367</u>
Total liabilities and fund balances	<u>\$ 61</u>	<u>\$7,533</u>	<u>\$204,951</u>	<u>\$101,561</u>	<u>\$314,106</u>	<u>\$308,367</u>

DEBT SERVICE FUNDS

These funds are used to accumulate monies for payment of general obligation debt consisting of the following:

General Obligation Refunding Bonds - City and Sewerage District No. 1, all secured as to payment by ad valorem taxes assessed on all property and improvements in the City of Oakdale.

Certificates of Indebtedness - all secured upon the dedication and pledging of excess annual revenues of the General Fund.

Sales Tax Refunding Bonds Series 1990, dated October 1, 1990, payable from proceeds of the one percent city sales and use tax.

Sales Tax Bonds, Series 1992, dated August 1, 1992, payable from proceeds of the one percent city sales and use tax.

CITY OF OAKDALE, LOUISIANA
Special Revenue Fund
Fire Department 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

	1996		Variance - Favorable (Unfavorable)	1995 Actual
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Excess of revenues and other sources over expenditures	\$ -	\$ -	\$ -	\$ -
Fund balance, beginning	-	-	-	-
Fund balance, ending	\$ -	\$ -	\$ -	\$ -

CITY OF OAKDALE, LOUISIANA
Special Revenue Fund
Fire Department 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 taxes	\$ 68,300	\$ 70,045	\$ 1,745	\$ 68,301
Fire insurance tax	16,400	16,436	36	14,522
Intergovernmental -				
Allen Parish Police Jury	1,200	1,210	10	1,238
Miscellaneous	987	987	-	1,055
Total revenues	86,887	88,678	1,791	85,115
Expenditures:				
Public safety -				
Salaries	87,150	87,402	(252)	77,791
Fringe benefits	9,600	9,645	(45)	9,139
Office and operating supplies	3,400	3,791	(391)	3,885
Uniforms	1,500	988	512	918
Repairs and maintenance	13,000	15,116	(2,116)	7,813
Telephone and utilities	10,275	9,702	573	8,353
Training	-	601	(601)	1,927
Insurance	7,200	7,861	(661)	8,250
Gas, oil, tires, and batteries	2,100	2,441	(341)	1,462
Water - fire hydrants	1,500	1,390	110	1,280
Capital expenditures	11,780	3,343	8,437	6,858
Total expenditures	147,505	142,280	5,225	127,676
Deficiency of revenues over expenditures	(60,618)	(53,602)	7,016	(42,560)
Other financing sources:				
Operating transfers in	60,618	53,602	(7,016)	42,560

(continued)

CITY OF OAKDALE, LOUISIANA
Special Revenue Fund
Sales Tax Fund

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

	1996		Variance - Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
Revenues:				
Taxes	\$728,000	\$728,770	\$ 770	\$664,878
Miscellaneous	<u>1,600</u>	<u>2,542</u>	<u>942</u>	<u>1,981</u>
Total revenues	729,600	731,312	1,712	666,859
Expenditures:				
General government - Sales tax collection fees	<u>14,560</u>	<u>14,641</u>	<u>(81)</u>	<u>13,296</u>
Excess of revenues over expenditures	715,040	716,671	1,631	653,563
Other financing uses:				
Operating transfers out	<u>768,253</u>	<u>716,671</u>	<u>51,582</u>	<u>652,623</u>
Excess (deficiency) of revenues over expenditures and other uses	(53,213)	-	53,213	940
Fund balance, beginning	<u>129,294</u>	<u>129,294</u>	<u>-</u>	<u>128,354</u>
Fund balance, ending	\$ 76,081	\$129,294	\$53,213	\$129,294
	=====	=====	=====	=====

CITY OF OAKDALE, 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>Sales Tax Fund</u>	<u>Fire Department Fund</u>	<u>Totals</u>	
			<u>1996</u>	<u>1995</u>
Revenues:				
Taxes	\$728,770	\$ 86,481	\$ 815,251	\$ 747,701
Intergovernmental	-	1,210	1,210	1,238
Miscellaneous	<u>2,542</u>	<u>987</u>	<u>3,529</u>	<u>3,036</u>
Total revenues	<u>731,312</u>	<u>88,678</u>	<u>819,990</u>	<u>751,975</u>
Expenditures:				
Current -				
General government	14,641	-	14,641	13,296
Public safety	<u>-</u>	<u>142,280</u>	<u>142,280</u>	<u>127,676</u>
Total expenditures	<u>14,641</u>	<u>142,280</u>	<u>156,921</u>	<u>140,972</u>
Excess (deficiency) of revenues over expenditures	<u>716,671</u>	<u>(53,602)</u>	<u>663,069</u>	<u>611,003</u>
Other financing sources (uses):				
Operating transfers in	-	71,602	71,602	42,560
Operating transfers out	<u>(716,671)</u>	<u>(18,000)</u>	<u>(734,671)</u>	<u>(652,623)</u>
Total other financing sources (uses)	<u>(716,671)</u>	<u>53,602</u>	<u>(663,069)</u>	<u>(610,063)</u>
Excess of revenues and other sources over expenditures and other uses	-	-	-	940
Fund balances, beginning	<u>129,294</u>	<u>-</u>	<u>129,294</u>	<u>128,354</u>
Fund balances, ending	<u>\$ 129,294</u> =====	<u>\$ -</u> =====	<u>\$ 129,294</u> =====	<u>\$ 129,294</u> =====

CITY OF OAKDALE, LOUISIANA
Special Revenue Funds

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

	<u>Sales Tax Fund</u>	<u>Fire Department Fund</u>	<u>Totals</u>	
			<u>1996</u>	<u>1995</u>
ASSETS				
Cash	\$126,040	\$ -	\$126,040	\$ 92,098
Receivables:				
Sales tax	49,926	-	49,926	54,088
General Fund	4,124	16,633	20,757	20,102
Sales Tax Fund	<u>-</u>	<u>815</u>	<u>815</u>	<u>815</u>
Total assets	<u>\$180,090</u>	<u>\$17,448</u>	<u>\$197,538</u>	<u>\$167,103</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 3,487	\$ 3,487	\$ 4,225
Due to other funds	<u>50,796</u>	<u>13,961</u>	<u>64,757</u>	<u>33,584</u>
Total liabilities	<u>50,796</u>	<u>17,448</u>	<u>68,244</u>	<u>37,809</u>
Fund balances - unreserved and undesignated	<u>129,294</u>	<u>-</u>	<u>129,294</u>	<u>129,294</u>
Total liabilities and fund balances	<u>\$180,090</u>	<u>\$17,448</u>	<u>\$197,538</u>	<u>\$167,103</u>

SPECIAL REVENUE FUNDS

Sales Tax Fund - To account for the receipt and expenditure of funds received from the City's two sales taxes. Proceeds of the City's one percent sales tax are dedicated to (1) construction, acquiring, extending, improving, operating, and maintaining sewers and sewerage disposal works, waterworks facilities, streets, alleys, bridges, drains and drainage facilities, public buildings (2) acquiring the necessary land, equipment, and furnishings for the aforesaid public works, buildings, improvements, and facilities, and (3) paying principal and interest on any bonded or funded indebtedness of the City incurred for any of said purposes. Proceeds of the City's three-tenths of one percent sales tax are dedicated to (1) improving, maintaining, and operating the Police and Fire departments of the City, and (2) paying the costs of the acquisition of one hundred thousand dollars (\$100,000) of equipment for the Public Works Department of the City.

Fire Department Fund - To account for the operations of the Fire Department. Funding is provided by the Fire Department maintenance ad valorem tax and operating transfers from the General Fund and Sales Tax Fund.

CITY OF OAKDALE, 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		
Miscellaneous expenses	\$ 3,600	\$ 4,061	\$ (461)	\$ 3,157
Gas, oil, tires, and batteries	17,200	19,571	(2,371)	18,572
Capital expenditures	<u>141,756</u>	<u>141,569</u>	<u>187</u>	<u>13,363</u>
	<u>523,831</u>	<u>505,624</u>	<u>18,207</u>	<u>382,791</u>
Debt service:				
Principal	-	-	-	11,350
Interest	-	-	-	<u>412</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,762</u>
Total expenditures	<u>\$1,486,640</u>	<u>\$1,588,692</u>	<u>\$(102,052)</u>	<u>\$1,341,856</u>

<u>Sales Tax - 1990 and 1992</u>			<u>Certificate of Indebtedness - 1993</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>2,400</u>	<u>7,110</u>	<u>4,710</u>	<u>1,129</u>	<u>1,825</u>	<u>696</u>
<u>2,400</u>	<u>7,110</u>	<u>4,710</u>	<u>1,129</u>	<u>1,825</u>	<u>696</u>
<u>137,515</u>	<u>138,715</u>	<u>(1,200)</u>	<u>167,900</u>	<u>168,161</u>	<u>(261)</u>
(135,115)	(131,605)	3,510	(166,771)	(166,336)	435
<u>138,235</u>	<u>137,739</u>	<u>(496)</u>	<u>165,100</u>	<u>172,969</u>	<u>7,869</u>
3,120	6,134	3,014	(1,671)	6,633	8,304
<u>198,817</u>	<u>198,817</u>	<u>-</u>	<u>94,928</u>	<u>94,928</u>	<u>-</u>
<u>\$ 201,937</u>	<u>\$ 204,951</u>	<u>\$ 3,014</u>	<u>\$ 93,257</u>	<u>\$ 101,561</u>	<u>\$8,304</u>
=====	=====	=====	=====	=====	=====

CITY OF OAKDALE, 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		
Repairs and maintenance	\$ 6,000	\$ 6,516	\$ (516)	\$ 5,718
Professional services	21,000	22,850	(1,850)	25,843
Telephone	7,000	7,257	(257)	7,329
Travel and meetings	200	593	(393)	395
Printing and advertising	2,000	4,489	(2,489)	2,952
Utilities	22,000	21,076	924	16,391
Insurance	74,311	137,869	(63,558)	54,000
Miscellaneous	4,350	3,817	533	4,422
Civil service board	360	360	-	360
Heliport expenses	3,000	19,074	(16,074)	7,869
Gas, oil, tires, and batteries	1,500	1,451	49	1,313
Tax assessor fees	3,500	3,504	(4)	3,406
LMA Convention	1,500	130	1,370	1,989
Litigation expense	-	-	-	3,416
Computer maintenance agreement	8,400	3,496	4,904	9,134
Christmas lighting	1,000	854	146	784
Industrial buildings expenses	<u>5,960</u>	<u>9,809</u>	<u>(3,849)</u>	<u>18,078</u>
	<u>290,218</u>	<u>366,164</u>	<u>(75,946)</u>	<u>278,850</u>
Total general government	<u>416,986</u>	<u>495,464</u>	<u>(78,478)</u>	<u>401,690</u>
Public safety:				
Salaries	312,000	326,015	(14,015)	290,170
Retirement	28,000	28,509	(509)	25,445
Employee health insurance	19,400	17,209	2,191	23,032
Payroll taxes	3,740	4,701	(961)	3,327
Office and operating supplies	30,592	15,831	14,761	7,073
Repairs and maintenance	18,000	22,690	(4,690)	24,087
Telephone	4,200	4,473	(273)	3,321
Witness fees	6,400	7,475	(1,075)	8,875

(continued)

CITY OF OAKDALE, LOUISIANA
Fiduciary Fund
Master Bank Fund

Comparative Balance Sheets
June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
ASSETS		
Cash	\$ (2,432)	\$ 17,986
Due from General Fund	201,570	321,372
Due from Fire Department Fund	13,961	12,568
Due from Sales Tax Fund	<u>49,981</u>	<u>20,201</u>
Total assets	<u>\$263,080</u> =====	<u>\$372,127</u> =====
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ -	\$ 32,369
Other accrued liabilities	40,775	6,527
Due to Utility Fund	<u>222,305</u>	<u>333,231</u>
Total liabilities	<u>263,080</u>	<u>372,127</u>
Fund balance	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$263,080</u> =====	<u>\$372,127</u> =====

CITY OF OAKDALE, LOUISIANA
General Fund

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

	1996		Variance - Favorable	1995
	<u>Budget</u>	<u>Actual</u>	<u>(Unfavorable)</u>	<u>Actual</u>
Miscellaneous:				
Interest income	\$ 8,800	\$ 9,438	\$ 638	\$ 13,383
Rental income	89,800	83,678	(6,122)	87,776
Care of prisoners	500	1,521	1,021	411
Sale of surplus equipment	2,000	2,449	449	1,200
Miscellaneous	<u>11,583</u>	<u>42,806</u>	<u>31,223</u>	<u>42,890</u>
	<u>112,683</u>	<u>139,892</u>	<u>27,209</u>	<u>145,660</u>
 Total revenues	 \$752,338	 \$804,888	 \$ 52,550	 \$709,322
	=====	=====	=====	=====

CITY OF OAKDALE, LOUISIANA
General Fund

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

	1996		Variance - Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
Revenues:				
Taxes	\$ 366,979	\$ 324,306	\$(42,673)	\$ 307,519
Licenses and permits	131,149	169,719	38,570	146,074
Intergovernmental	111,402	125,235	13,833	67,723
Charges for services	9,175	12,814	3,639	6,286
Fines and forfeits	20,950	32,922	11,972	36,060
Miscellaneous	<u>112,683</u>	<u>139,892</u>	<u>27,209</u>	<u>145,660</u>
Total revenues	<u>752,338</u>	<u>804,888</u>	<u>52,550</u>	<u>709,322</u>
Expenditures:				
Current -				
General government	416,986	495,464	(78,478)	401,690
Public safety	487,832	528,014	(40,182)	487,693
Health and recreation	57,991	59,590	(1,599)	57,920
Public works	523,831	505,624	18,207	382,791
Debt service	-	-	-	<u>11,762</u>
Total expenditures	<u>1,486,640</u>	<u>1,588,692</u>	<u>(102,052)</u>	<u>1,341,856</u>
Deficiency of revenues over expenditures	<u>(734,302)</u>	<u>(783,804)</u>	<u>(49,502)</u>	<u>(632,534)</u>
Other financing sources (uses):				
Operating transfers in	799,000	818,881	19,881	667,472
Operating transfers out	<u>(27,462)</u>	<u>(34,646)</u>	<u>(7,184)</u>	<u>(18,653)</u>
Total other financing sources	<u>771,538</u>	<u>784,235</u>	<u>12,697</u>	<u>648,819</u>
Excess of revenues and other sources over expenditures and other uses	37,236	431	36,805	16,285
Fund balance, beginning	<u>16,285</u>	<u>16,285</u>	-	-
Fund balance, ending	<u>\$ 53,521</u>	<u>\$ 16,716</u>	<u>\$ 36,805</u>	<u>\$ 16,285</u>

CITY OF OAKDALE, LOUISIANA
General Fund

Comparative Balance Sheets
June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
ASSETS		
Cash	\$162,708	\$245,167
Accounts receivable	98,786	60,282
Prepaid expenditures	16,716	16,285
Due from other funds:		
Utility System Fund	<u>91,997</u>	<u>87,441</u>
Total assets	<u>\$370,207</u>	<u>\$409,175</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 90,392	\$ 47,080
Other accrued liabilities	40,772	-
Due to other funds -		
Sales tax fund	4,124	4,124
Fire department	16,633	15,978
Capital projects	-	4,336
Master Bank	<u>201,570</u>	<u>321,372</u>
Total liabilities	<u>353,491</u>	<u>392,890</u>
Fund balance		
Reserved for prepaid expenditures	<u>16,716</u>	<u>16,285</u>
Total liabilities and fund balance	<u>\$370,207</u>	<u>\$409,175</u>

GENERAL FUND

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

SCHEDULES OF INDIVIDUAL FUNDS AND ACCOUNT GROUPS

SUPPLEMENTAL INFORMATION

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements (Continued)

Note 19 Statement of Cash Flows

Below is a reconciliation of cash and cash equivalents per the statement of cash flows and the balance sheet:

Cash and cash equivalents	\$242,936
Investments	<u>164,180</u>
	\$347,116
	=====

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements (Continued)

Note 16 Excess of Expenditures over Appropriations

The following individual governmental fund had expenditures, including operating transfers out, exceeding appropriations as approved in the budget.

	<u>Expenditures</u>	<u>Appropriations</u>	<u>Allowed Variance</u>	<u>Excess</u>
General Fund	\$1,623,338	\$1,514,102	\$75,705	\$33,531
	=====	=====	=====	=====

Note 17 Compensation of Town Officials

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

Bobby Abrusley, Mayor	\$20,802
Aldermen:	
Charlene Bell	5,050
Virgil Chamberlin, Sr.	6,000
Ocie Pickens	5,400
Roy Gordon	5,500
George A. Ashy II	<u>5,650</u>
	\$48,402
	=====

Note 18 Leases

The City leases City-owned land and buildings. These leases are classified as operating leases. The terms of the various leases are all one year or less, with no automatic renewal clauses contained in the lease agreements. Under the terms of the lease agreements, there are no contingent rentals, and the City received minimum lease payments totaling \$83,678 during the year ended June 30, 1996. The cost of land and buildings rented totaled \$2,981,004. These items are included in the General Fixed Assets Account Group and, accordingly, no depreciation is recorded.

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements (Continued)

Note 15 Pension Plans

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

A. Municipal Employees' Retirement System

The system, established by provisions of Louisiana Revised Statute 11:1731, requires eligible employees to contribute 9.25% of their annual covered salary to the system while the City is required to contribute at the statutory rate of 6.75% of the total annual covered salary. The City's contributions to the system for the years ended June 30, 1996, 1995, 1994, were \$39,223, \$29,729, and \$33,053, respectively.

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

B. Municipal Police Employees' Retirement System

The system, established by provisions of Louisiana Revised Statute 11:2211, requires eligible employees to contribute 7.5% of their annual covered salary to the system while the City is required to contribute at the statutory rate of 9.0% of the total annual covered salary. The City's contributions to the system for the years ended June 30, 1996, 1995, and 1994, were \$27,699, \$24,899, and \$20,418, respectively.

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

C. Louisiana State Employees' Retirement System

The system, established by provisions of Louisiana Revised Statute 11:401, requires eligible employees to contribute 11.5% of their annual covered salary to the system while the City is required to contribute at the statutory rate of 11.9% of the total annual covered salary. The City's contributions to the system for the years ended June 30, 1996, 1995, and 1994, were \$1,411, \$1,208 and \$1,201, respectively.

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements (Continued)

Note 14 Special Revenue Funds - Sales Tax (Continued)

B. Flow of Funds - Restrictions on Use

Under the terms of the Sales Tax Refunding Bonds, Series 1990, and Sales Tax Bonds, Series 1992, all proceeds derived from the levy and collection of the City's one percent sales tax will be deposited in the Sales Tax Fund, a separate and special bank account established and maintained by the City. Out of the proceeds of the tax on deposit in the Sales Tax Fund, after the reasonable and necessary costs and expenses of collection and administration of the tax have been paid, monies remaining are to be used in the following order of priority and for the following express purposes:

1. The establishment and maintenance of a Sales Tax Bond Sinking Fund - 1990 for the payment of bonds and interest as they mature. Monthly transfers of sums equal to one-sixth of the interest falling due on the next interest payment date and one-twelfth of the bond principal falling due on the next principal payment date are to be made to this fund on or before the twentieth day of each month.
2. The establishment and maintenance of a Sales Tax Bond Reserve Fund - 1990. The Reserve Fund is to be retained solely for the purpose of paying the principal and interest on bonds payable from the aforesaid Sinking Fund as to which there would otherwise be default. The Reserve Fund is required to be funded in an amount equal to the lesser of (i) 10 percent of the original proceeds of the bonds or (ii) the highest combined principal and interest requirements in any succeeding bond year. The City, simultaneously upon delivery of the bonds, transferred into the Reserve Fund from the bond proceeds a sum equal to the reserve requirement of \$68,000.
3. Any money remaining after making the above required payments may be used for any purpose for which the imposition of the sales tax is authorized or for the purpose of retiring bonds in advance of their maturity.

The City complied with the provisions of the sales tax revenue bond indenture for the year ended June 30, 1996.

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements (Continued)

Note 13 Enterprise Fund - Operations

The City operates a utility system consisting of a water production and distribution system, and a sewerage transmission and treatment plant. Following is a condensed summary of operations of the Utility System Enterprise Fund.

	<u>Water Department</u>	<u>Sewerage Department</u>	<u>Total Enterprise Fund</u>
Operating revenues	\$528,005	\$ 394,662	\$922,667
Operating expenses	<u>218,344</u>	<u>616,918</u>	<u>835,262</u>
Operating income (loss)	\$309,661 =====	\$(222,256) =====	\$ 87,405 =====

Note 14 Special Revenue Funds - Sales Tax

A. Sales Tax Ordinances

Proceeds of the one percent sales tax are to be used for the purpose of constructing, acquiring, extending, improving, operating and maintaining sewers and sewerage disposal works, waterworks facilities, streets, alleys, bridges, drains and drainage facilities; public buildings, purchasing and acquiring the necessary land, equipment and furnishings for the aforesaid public works, buildings, improvements and facilities; title to which shall be in the public, or for any one or more said purposes; and for the purpose of paying principal and interest on any bonded or funded indebtedness of the City incurred for any of the said purposes.

Proceeds of the three-tenths of one percent sales tax are dedicated for the purpose of improving, maintaining, and operating the Police and Fire Departments of the City, and for the purpose of paying the costs of the acquisition of equipment for the Department of Public Works.

The City received 21.4 percent of sales tax revenues from one taxpayer.

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements (Continued)

Note 10 Reserved Retained Earnings - Enterprise Fund

Changes in reserved retained earnings during the year were as follows:

	<u>Sewer Plant Replacement</u>
Balance, beginning of year	\$102,746
Interest earned on investment	3,947
Net transfers to operating	<u>(13,481)</u>
Balance, end of year	\$ 93,212 =====

Note 11 Reserved Fund Balances - Governmental Fund Types

Reserved fund balances in governmental fund types consisted of the following at June 30, 1996:

General Fund:	
Reserved for prepaid expenditures	\$16,716 =====
Debt Service Funds:	
Reserved for debt service	\$314,106 =====
Capital Projects:	
Reserved for capital projects	\$502,336 =====

Note 12 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 the taxpayers in October or November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

The City bills and collects its own property taxes using the assessed values determined by the tax assessor of Allen Parish.

For the year ended June 30, 1996, taxes of 17.40 mills were levied on property with assessed valuations totaling \$12,131,730 and were dedicated as follows:

General corporate purposes	7.00 mills
Fire department	5.77 mills
Debt service	4.63 mills

Total taxes levied were \$211,092.

CITY OF OAKDALE, 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		
Utilities	\$ 12,000	\$ 11,718	\$ 282	\$ 10,444
Insurance	23,000	25,528	(2,528)	25,122
Uniform expense	2,000	10,042	(8,042)	3,558
Personnel training	2,400	2,498	(98)	105
Care of prisoners	10,000	8,504	1,496	10,191
Gas, oil, tires, and batteries	15,000	15,876	(876)	12,377
Capital expenditures	-	27,429	(27,429)	37,852
Miscellaneous	1,100	(484)	1,584	714
	<u>487,832</u>	<u>528,014</u>	<u>(40,182)</u>	<u>487,693</u>
 Health and Recreation:				
Salaries	30,000	29,107	893	28,565
Retirement	1,520	1,517	3	1,176
Payroll taxes	940	821	119	582
Office and operating supplies	4,000	6,257	(2,257)	5,681
Repairs and maintenance	2,400	3,228	(828)	2,926
Utilities	10,000	11,246	(1,246)	10,361
Insurance	1,500	1,702	(202)	1,962
Coroner	3,000	3,200	(200)	3,000
Gas, oil, tires, and batteries	2,011	1,964	47	2,951
Miscellaneous	2,620	548	2,072	716
	<u>57,991</u>	<u>59,590</u>	<u>(1,599)</u>	<u>57,920</u>
 Public works:				
Salaries	170,000	153,558	16,442	162,303
Retirement	10,500	8,897	1,603	7,596
Employee health insurance	6,400	5,985	415	9,687
Payroll taxes	3,155	3,026	129	3,333
Office and operating supplies	50,000	55,913	(5,913)	44,962
Repairs and maintenance	42,000	35,064	6,936	41,452
Utilities	60,100	55,714	4,386	56,388
Insurance	19,120	22,266	(3,146)	21,978

(continued)

GENERAL LONG-TERM DEBT ACCOUNT GROUP

DARNALL, SIKES, KOLDER, FREDERICK & RAINEY

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Independent Auditor's Report on Compliance with the Specific Requirements Applicable to Nonmajor Federal Financial Assistance Program Transactions

The Honorable Mayor Robert Abrusley
and Members of the Board of Aldermen
City of Oakdale, Louisiana

We have audited the financial statements of the City of Oakdale, Louisiana, primary government, as of and for the year ended June 30, 1996, and have issued our report thereon dated October 4, 1996.

In connection with our audit of the financial statements of the City of Oakdale, Louisiana, and with our consideration of the City of Oakdale, Louisiana's control structure used to administer federal financial assistance programs, as required by Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments," we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended June 30, 1996. As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed; and eligibility; that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the City of Oakdale, Louisiana's compliance with these requirements. 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 preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the City of Oakdale, 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.

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

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

Eunice, Louisiana
October 4, 1996

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Independent Auditor's Report on Schedule of Federal Financial Assistance

The Honorable Mayor Robert Abrusley
and Members of the Board of Aldermen
City of Oakdale, Louisiana

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113 East Bridge Street
Breaux Bridge, LA 70517
(318) 332-4320
404 Pere Megret
Abbeville, LA 70510
(318) 893-5470
2011 MacArthur Drive
Building 1
Alexandria, LA 71301
(318) 445-5564

We have audited the financial statements of the City of Oakdale, Louisiana, primary government, as of and for the year ended June 30, 1996, and have issued our report thereon dated October 4, 1996. These financial statements are the responsibility of the City of Oakdale, Louisiana's management. 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 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 financial statements of the City of Oakdale, 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 primary government 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

Eunice, Louisiana
October 4, 1996

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CITY OF OAKDALE, LOUISIANA

Schedule of Federal Financial Assistance
Year Ended June 30, 1996

<u>Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Contract Number</u>	<u>Cash at July 1, 1995</u>	<u>Receipts or Revenue Recognized</u>	<u>Disbursements/ Expenditures</u>	<u>Cash at June 30, 1996</u>
<u>U.S. Department of Housing and Urban Development:</u>						
Passed through the Louisiana Community Development Block Grant	14.219	N/A	\$-0-	\$41,291	\$41,291	\$-0-
Passed through the Louisiana Community Development Block Grant	14.219	N/A	\$-0-	\$78,313	\$78,313	\$-0-

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements (Continued)

Note 9 Long-Term Debt (Continued)

Subtotal brought forward	\$1,827,056
Refunding Bonds, Series 1993A, dated 4/1/93, original issue of \$200,000, retired annually in various installment amounts, interest rate at 6% per annum, final maturity at 8/1/97	90,000
Refunding Bonds, Series 1993B, dated 4/1/93, original issue of \$155,000, retired annually in various installment amounts, interest rate at 6.5% per annum, final maturity at 8/1/97	70,000
Certificate of Indebtedness, Series 1996, dated 5/1/96, original issue of \$500,000, retired annually in various installment amounts, interest rate at 5.5% per annum, final maturity 5/1/2006	<u>500,000</u>
	<u>\$2,487,056</u>

Revenue Bonds and Certificates:

Certificate of Indebtedness, Series 1992, dated 1/1/92, original issue of \$825,000, retired annually in various installment amounts, interest rate at 7% to 9% per annum, final maturity at 1/1/02	<u>\$400,000</u>
---	------------------

The annual requirements to amortize all debt outstanding as of June 30, 1996, including interest payments of \$1,261,703 are as follows:

<u>Year Ending June 30,</u>	<u>General Obligation and Other Long-Term Debt</u>	<u>Revenue</u>	<u>Total</u>
1997	\$ 449,100	\$158,750	\$ 607,850
1998	439,801	68,750	508,551
1999	410,297	70,060	480,357
2000	406,364	70,860	477,224
2001	409,394	71,130	480,524
Beyond	<u>1,523,403</u>	<u>70,850</u>	<u>1,594,253</u>
Total	<u>\$3,638,359</u>	<u>\$510,400</u>	<u>\$4,148,759</u>

Inadequate Segregation of Accounting Functions

Finding:

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

Recommendation:

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

Response:

No response is considered necessary.

A material weakness is a reportable condition in which the design or operation of 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.

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 reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe the reportable condition described above is a material weakness.

We also noted other matters involving the internal control structure and its operation that we have reported to the management of the City of Oakdale, Louisiana, in a separate letter dated October 4, 1996.

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

Darnall, Sikes, Kolder, Frederick & Rainey

A Corporation of Certified Public Accountants

Eunice, Louisiana
October 4, 1996

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:

Accounting

Revenue/receipts
Expenditures/disbursements
Payroll

Administrative

General requirements

Political Activity
Davis-Bacon Act
Administrative requirements
Federal financial reports
Allowable costs/cost principles
Drug-free Workplace Act
Civil rights
Cash management

Specific requirements

Types of services allowed
Eligibility

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 Oakdale, Louisiana, had no major federal financial assistance programs and expended 100% of its total federal financial assistance under the following nonmajor federal financial assistance program: United States Department of Housing and Urban Development, Community Development Block Grants/Small Cities 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 general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the aforementioned nonmajor programs. 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.

We noted a certain matter involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the City of Oakdale, Louisiana's ability to administer federal financial assistance programs in accordance with applicable laws and regulations.

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Independent Auditor's Report on Internal Control Structure used in Administering Federal Financial Assistance Programs

The Honorable Mayor Robert Abrusley
and Members of the Board of Aldermen
City of Oakdale, Louisiana

We have audited the financial statements of the City of Oakdale, Louisiana, primary government, as of and for the year ended June 30, 1996, and have issued our report thereon dated October 4, 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 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.

In planning and performing our audit for the year ended June 30, 1996, we considered the internal control structure of the City of Oakdale, Louisiana, in order to determine our auditing procedures for the purpose of expressing our opinion on the City of Oakdale, Louisiana's financial statements 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 financial statements in a separate report dated October 4, 1996.

The management of the City of Oakdale, Louisiana, primary government, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, 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 that 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

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CITY OF OAKDALE, LOUISIANA
Capital Projects Fund
Street Improvements Fund

Balance Sheet
June 30, 1996

ASSETS

Cash	\$ 2,160
Investments	<u>502,336</u>
Total assets	\$504,496 =====

LIABILITIES AND FUND BALANCE

Liabilities:

Fund balance	
Unreserved	\$ 2,160
Reserved	<u>502,336</u>
Total liabilities and fund balance	\$504,496 =====

SINGLE AUDIT SECTION

INTERNAL CONTROL, COMPLIANCE

AND

OTHER GRANT INFORMATION

CITY OF OAKDALE, LOUISIANA

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

	<u>Number of Customers</u> <u>water and sewer</u>
Metered or estimated:	
July, 1995	2303
August, 1995	2404
September, 1995	2395
October, 1995	2406
November, 1995	2406
December, 1995	2407
January, 1996	2396
February, 1996	2385
March, 1996	2382
April, 1996	2388
May, 1996	2391
June, 1996	2384

CITY OF OAKDALE, LOUISIANA
Debt Service Funds

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

	General Obligation Refunding - City			General Obligations Refunding - Sewerage District No. 1		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:						
Taxes - ad valorem	\$ 20,176	\$ 34,727	\$14,551	\$ 32,614	\$ 21,482	\$(11,132)
Miscellaneous	100	107	7	260	274	14
Total revenues	20,276	34,834	14,558	32,874	21,756	(11,118)
Expenditures:						
Debt service -						
Principal, interest, fiscal charges and advance refunding escrow	32,981	32,981	-	43,988	43,988	-
Excess (deficiency) of revenues over expenditures	(12,705)	1,853	14,558	(11,114)	(22,232)	(11,118)
Other financing sources:						
Operating transfers in (out)	-	(3,644)	(3,644)	-	16,995	16,995
Excess (deficiency) of revenues and other sources over expenditures	(12,705)	(1,791)	10,914	(11,114)	(5,237)	5,877
Fund balances, beginning	1,852	1,852	-	12,770	12,770	-
Fund balances, ending	\$(10,853)	\$ 61	\$10,914	\$ 1,656	\$ 7,533	\$ 5,877

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

Combining Statement of General Long-Term Debt
June 30, 1996

	Sales Tax	Ad Valorem Taxes	Fund Revenue	Total
AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT				
Amount available in debt service funds for debt retirement	\$204,951	\$ 7,593	\$ 101,562	\$ 314,106
Amounts to be provided from				
Sales and use tax	630,049	-	-	630,049
Ad valorem taxes	-	539,463	-	539,463
General Fund Revenue	-	-	1,055,615	1,055,615
	\$835,000	\$547,056	\$1,157,177	\$2,539,233
Total available and to be provided	\$835,000	\$547,056	\$1,157,177	\$2,539,233
GENERAL LONG-TERM DEBT				
Bonds payable	\$835,000	\$547,056	\$1,105,000	\$2,487,056
Estimated liabilities for claims and judgements	-	-	52,177	52,177
	\$835,000	\$547,056	\$1,157,177	\$2,539,233
	\$835,000	\$547,056	\$1,157,177	\$2,539,233

DARNALL, SIKES, KOLDER, FREDERICK & RAINEY

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Stephen R. Dischler, MBA, CPA

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

The Honorable Mayor Robert Abrusley
and Members of the Board of Aldermen
City of Oakdale, Louisiana

We have audited the financial statements of the City of Oakdale, Louisiana, primary government, as of and for the year ended June 30, 1996, and have issued our report thereon dated October 4, 1996.

We have applied procedures to test City of Oakdale, 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: Political activity, civil rights, cash management, federal financial reports, allowable costs/cost principles, Drug-Free Workplace Act, administrative requirements, and Davis-Bacon Act.

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 City of Oakdale, 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 Oakdale, 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.

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

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

Eunice, Louisiana
October 4, 1996

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CITY OF OAKDALE, LOUISIANA
General Fixed Assets Account Group

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

	Land	Buildings	Improvements other than Buildings	Equipment	Automobiles and Trucks	Total
General Fixed Assets, July 1, 1995	<u>\$496,783</u>	<u>\$4,409,943</u>	<u>\$159,315</u>	<u>\$606,213</u>	<u>\$762,115</u>	<u>\$6,434,369</u>
Additions	-	-	-	145,003	23,995	168,998
General Fund Revenues	-	-	-	84,094	6,610	90,704
Deductions	-	-	-	<u>3,270</u>	-	<u>3,270</u>
General Fund Revenues	-	-	-	<u>87,364</u>	<u>6,610</u>	<u>93,974</u>
Federal and State Grants	-	-	-	-	-	-
Total deductions	-	-	-	-	-	-
General Fixed Assets, June 30, 1996	<u>\$496,783</u>	<u>\$4,409,943</u>	<u>\$159,315</u>	<u>\$663,852</u>	<u>\$779,500</u>	<u>\$6,509,393</u>

STATEMENT OF GENERAL FIXED ASSETS
BY FUNCTION

	\$294,390	\$2,472,475	\$ 12,762	\$179,260	\$ 39,869	\$2,998,756
General government	40,000	148,624	36,172	201,889	579,692	1,006,377
Public safety	157,393	1,778,844	110,381	50,881	-	2,097,499
Recreation	<u>5,000</u>	<u>10,000</u>	-	<u>231,822</u>	<u>159,939</u>	<u>406,761</u>
Public works	<u>\$496,783</u>	<u>\$4,409,943</u>	<u>\$159,315</u>	<u>\$663,852</u>	<u>\$779,500</u>	<u>\$6,509,393</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

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

CITY OF OAKDALE, LOUISIANA
 Capital Projects Fund
 Street Improvements Fund

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental revenue	\$ 46,464	\$ 25,000	\$ (21,464)
Miscellaneous	<u>1,200</u>	<u>2,746</u>	<u>1,546</u>
Total revenues	<u>47,664</u>	<u>27,746</u>	<u>(19,918)</u>
Expenditures:			
Current -			
Capital outlay	<u>546,464</u>	<u>23,250</u>	<u>523,214</u>
Excess (deficiency) of revenues over expenditures	<u>(498,800)</u>	<u>4,496</u>	<u>503,296</u>
Other financing sources:			
Proceeds from bonds	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Excess of revenues and other sources over expenditures	1,200	504,496	503,296
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, ending	<u>\$ 1,200</u>	<u>\$504,496</u>	<u>\$ 503,296</u>

CITY OF OAKDALE, LOUISIANA
General Fixed Assets Account Group

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

	<u>1996</u>	<u>1995</u>
General fixed assets, at cost:		
Land	\$ 496,783	\$ 496,783
Buildings	4,409,943	4,409,943
Improvements other than buildings	159,315	159,315
Equipment	663,852	606,213
Automobiles and trucks	<u>779,500</u>	<u>762,115</u>
Total general fixed assets	<u>\$6,509,393</u>	<u>\$6,434,369</u>
Investment in general fixed assets:		
Property acquired from -		
General obligation bonds	\$1,156,320	\$1,156,320
General Fund Revenue	1,614,745	1,536,452
Federal and state grants	3,579,403	3,582,672
Contributions from the public	83,925	83,925
Estimated value of assets acquired prior to June 30, 1972	<u>75,000</u>	<u>75,000</u>
Total investment in general fixed assets	<u>\$6,509,393</u>	<u>\$6,434,369</u>

ENTERPRISE FUND

Utility Fund - To account for the provision of water and sewerage services to the residents of the City and some adjacent areas. All activities necessary to provide these services are accounted for in this fund, including, but not limited to: administration, operation, maintenance, financing and related debt service, and billing and collections.

CITY OF OAKDALE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Balance Sheets
June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
ASSETS		
Current assets:		
Cash	\$ -	\$ 28,628
Accounts receivables	111,397	93,373
Other receivables	41,970	18,228
Due from Master Bank Fund	222,305	333,231
Prepaid expenses	<u>2,736</u>	<u>-</u>
Total current assets	<u>378,408</u>	<u>473,460</u>
Restricted assets:		
Customers' deposit accounts	91,551	73,696
Debt service account	85,730	64,597
Construction account	76,617	74,826
Sewer plant replacement accounts	93,212	102,746
Rural development grant	<u>6</u>	<u>2,671</u>
Total restricted assets	<u>347,116</u>	<u>318,536</u>
Property, plant and equipment, at cost, net of accumulated depreciation (1996 - \$3,760,786; 1995 - \$3,469,558)	<u>4,979,878</u>	<u>5,179,213</u>
Other assets:		
Bond issuance costs - net	<u>4,175</u>	<u>7,853</u>
Total assets	<u>\$5,709,577</u>	<u>\$5,979,062</u>

	<u>1996</u>	<u>1995</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Current liabilities (payable from current assets) -		
Certificates of indebtedness	\$ 39,270	\$ 55,403
Accounts payable	43,986	53,180
Other current liabilities	1,015	935
Due to General Fund	<u>91,997</u>	<u>87,441</u>
Total current liabilities (payable from current assets)	<u>176,268</u>	<u>196,959</u>
Current liabilities (payable from restricted assets) -		
Payable from customers' deposit accounts:		
Customers' deposits	55,326	54,675
Payable from debt service accounts:		
Certificates of indebtedness	<u>85,730</u>	<u>64,597</u>
Total current liabilities (payable from restricted assets)	<u>141,056</u>	<u>119,272</u>
Long-term liabilities -		
Certificates of indebtedness payable	<u>275,000</u>	<u>400,000</u>
Total liabilities	<u>592,324</u>	<u>716,231</u>
Fund equity:		
Contributed capital	<u>5,089,347</u>	<u>5,147,630</u>
Retained earnings -		
Reserved for sewer plant replacement	93,212	102,746
Unreserved	<u>(65,306)</u>	<u>12,455</u>
Total retained earnings	<u>27,906</u>	<u>115,201</u>
Total fund equity	<u>5,117,253</u>	<u>5,262,831</u>
 Total liabilities and fund equity	 <u>\$5,709,577</u> =====	 <u>\$5,979,062</u> =====

CITY OF OAKDALE, LOUISIANA

Comparative Statements of Revenues, Expenses, and Changes in Retained Earnings
 Enterprise Fund
 Utility Fund
 Years Ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Operating revenues:		
Utility sales - net	\$ 850,806	\$ 824,690
Service and miscellaneous charges	<u>71,861</u>	<u>58,151</u>
Total operating revenues	<u>922,667</u>	<u>882,841</u>
Operating expenses:		
Salaries	160,020	143,571
Fringe benefits	17,792	16,807
Supplies	66,704	38,156
Repairs and maintenance	80,475	48,887
Auto and truck expenses	8,057	8,573
Utilities	132,131	138,253
Insurance	12,402	15,421
Bad debts	3,496	4,255
Other	62,958	43,313
Depreciation	<u>291,227</u>	<u>284,795</u>
Total operating expenses	<u>835,262</u>	<u>742,031</u>
Operating income	<u>87,405</u>	<u>140,810</u>
Nonoperating revenues (expenses):		
Special assistance	165,710	162,456
Interest earned	10,597	10,187
Interest expense	(42,379)	(52,650)
Grant expenses	<u>(41,291)</u>	<u>(12,503)</u>
Total nonoperating revenues	<u>92,637</u>	<u>107,490</u>
Income before operating transfers	180,042	248,300
Operating transfers out	<u>(445,226)</u>	<u>(395,572)</u>
Net loss before the add back of depreciation on federal grants	(265,184)	(147,272)
Add: Depreciation on fixed assets acquired by capital grants that reduces contributed capital from capital grants	<u>177,889</u>	<u>177,815</u>
Net (decrease) increase in retained earnings	(87,295)	30,543
Retained earnings, beginning	<u>115,201</u>	<u>84,658</u>
Retained earnings, ending	\$ 27,906 =====	\$ 115,201 =====

CITY OF OAKDALE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statements of Operating Expenses By Department
Years Ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Water department:		
Salaries	\$ 36,175	\$ 47,144
Fringe benefits	6,368	5,271
Supplies	32,047	19,066
Repairs and maintenance	18,817	19,023
Auto and truck expenses	5,248	5,136
Utilities	56,671	53,705
Insurance	4,367	6,529
Bad debts	3,496	4,255
Other	12,359	10,948
Depreciation	<u>42,796</u>	<u>40,806</u>
Total water department	<u>218,344</u>	<u>211,883</u>
 Sewer department:		
Salaries	123,845	96,427
Fringe benefits	11,424	11,536
Supplies	34,657	19,090
Repairs and maintenance	61,658	29,864
Auto and truck expenses	2,809	3,437
Utilities	75,460	84,548
Insurance	8,035	8,892
Other	50,599	32,365
Depreciation	<u>248,431</u>	<u>243,989</u>
Total sewer department	<u>616,918</u>	<u>530,148</u>
 Total operating expenses	 \$835,262 =====	 \$742,031 =====

CITY OF OAKDALE, LOUISIANA
Enterprise Fund
Utility Fund

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

	<u>1996</u>	<u>1995</u>
Cash flows from operating activities:		
Operating income	\$ <u>87,405</u>	\$ <u>140,810</u>
Adjustments to reconcile operating income to net cash provided by operating activities -		
Depreciation	291,227	284,795
Amortization	3,678	5,313
Changes in assets and liabilities:		
Prepaid expense	(2,736)	-
Customers receivables	(18,024)	23,621
Due from Master Bank	117,018	(9,314)
Other receivables	(10,214)	16,874
Accounts payable	(9,194)	(1,372)
Other current liabilities	80	(464)
Due to General Fund	4,556	4,624
Total adjustments	<u>376,391</u>	<u>324,077</u>
Net cash provided by operating activities	<u>463,796</u>	<u>464,887</u>
Cash flows from noncapital financing activities:		
Government subsidies	152,182	149,953
Increase in customer deposits - net	651	3,919
Operating transfer out	<u>(451,318)</u>	<u>(395,572)</u>
Net cash used by noncapital financing activities	<u>(298,485)</u>	<u>(241,700)</u>
Cash flows from capital and related financing activities:		
Contributed capital	119,604	25,742
Acquisition of property, plant and equipment	(91,893)	(81,283)
Grant expenditures	(41,291)	-
Repayments of revenue bonds and other indebtedness	(120,000)	(112,378)
Interest paid on long-term debt	<u>(42,379)</u>	<u>(52,650)</u>
Net cash used by capital and related financing activities	<u>(175,959)</u>	<u>(220,569)</u>
Cash flows from investing activities:		
Proceeds from the maturity of investments	100,750	95,590
Purchase of investments	(104,180)	(100,444)
Interest received on investments	<u>10,597</u>	<u>10,859</u>
Net cash provided by investing activities	<u>7,167</u>	<u>6,005</u>
Net decrease (increase) in cash and cash equivalents	(3,481)	8,623
Cash and cash equivalents, beginning of period	<u>246,417</u>	<u>237,794</u>
Cash and cash equivalents, end of period	<u>\$ 242,936</u>	<u>\$ 246,417</u>

FIDUCIARY FUND

Master Bank Fund - To account for the operating checking account used by the City.

CAPITAL PROJECTS FUND

Street Improvements Fund - To account for the financing and improvement of certain streets within the City.

OTHER SUPPLEMENTARY DATA

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CITY OF OAKDALE, LOUISIANA

Annual 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 DEC 18 1996

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CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements (Continued)

Note 9 Long-Term Debt

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

	<u>1995</u>	<u>Additions</u>	<u>Deletions</u>	<u>1996</u>
General obligation bonds	\$2,202,185	\$500,000	\$215,129	\$2,487,056
Revenue bonds	<u>520,000</u>	<u>-</u>	<u>120,000</u>	<u>400,000</u>
	<u>\$2,722,185</u>	<u>\$500,000</u>	<u>\$335,129</u>	<u>\$2,887,056</u>

General obligation bonds and certificates of indebtedness:

General Obligation Refunding Bonds, dated 4/11/89, original issue of \$259,687, retired annually in various installment amounts, interest rate at 11% per annum, final maturity at 4/1/09	\$ 200,526
General Obligation Refunding Bonds of Sewerage District No. 1, dated 4/11/89, original issue of \$365,150, retired annually in various installment amounts, interest rate at 11% per annum, final maturity at 4/1/14	326,530
Sales Tax Refunding Bonds, Series 1990, dated 10/1/90, original issue of \$680,000, retired annually in various installment amounts, interest rate at 6.5% to 7.7% per annum, final maturity at 2/1/04	495,000
Sales Tax Bonds, Series 1992, dated 8/1/92, original issue of \$400,000, retired annually in various installment amounts, interest rate at 5.3% to 10% per annum, final maturity at 2/1/04	340,000
Certificates of Indebtedness, Series 1993, dated 4/1/93, original issue of \$600,000, retired annually in various installment amounts, interest rate at 6% per annum, final maturity at 4/1/01	<u>445,000</u>
Subtotal carried forward	<u>\$1,827,056</u>

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Independent Auditor's Report

The Honorable Mayor Robert Abrusley
and Members of the Board of Aldermen
City of Oakdale, Louisiana

We have audited the accompanying primary government financial statements of the City of Oakdale, Louisiana, as of June 30, 1996, and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the City's management. 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 and 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 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.

A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as component units. In our opinion, the primary government financial statements present fairly, in all material respects, the financial position of the primary government of City of Oakdale, Louisiana, as of June 30, 1996, and the results of its operations and cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with generally accepted accounting principles.

However, the primary government financial statements, because they do not include the financial data of component units of the City of Oakdale, Louisiana, do not purport to, and do not, present fairly the financial position of the City of Oakdale, Louisiana, as of June 30, 1996, and the results of its operations and cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with generally accepted accounting principles.

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SOCIETY OF LOUISIANA
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Our audit was made for the purpose of forming an opinion on the 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 financial statements of the City of Oakdale, Louisiana. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the 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 an unqualified opinion on the financial statements of the City of Oakdale, Louisiana was expressed.

In accordance with Government Auditing Standards, we have also issued a report dated October 4, 1996, on our consideration of the City of Oakdale, Louisiana's internal control structure and a report dated October 4, 1996, on its compliance with laws and regulations.

Darnall, Sikes, Kolder, Frederick & Rainey

A Corporation of Certified Public Accountants

Eunice, Louisiana
October 4, 1996

DARNALL, SIKES, KOLDER, FREDERICK & RAINEY

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

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

The Honorable Mayor Robert Abrusley
and Members of the Board of Aldermen
City of Oakdale, Louisiana

We have audited the financial statements of the City of Oakdale, Louisiana, primary government, as of and for the year ended June 30, 1996, and have issued our report thereon dated October 4, 1996.

We have 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 and 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.

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

In planning and performing our audit of the financial statements of the City of Oakdale, 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

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expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

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

Inadequate Segregation of Accounting Functions

Finding:

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

Recommendation:

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

Response:

No response is considered necessary.

Inadequate Controls Pertinent to Police Department Activities

Finding:

During the course of our audit work, it came to our attention that a bank account maintained by the Police Department which was used to deposit bonding fees and pay for various law enforcement activities had never been accounted for by the City. Consequently, control procedures being utilized by the City were not being followed with regard to this account (primarily relating to the purchase order and authorization of expenditures areas).

Recommendation:

The City should, at a minimum, require proper authorization of all expenditures, require monthly reconciliations of cash receipts, reconcile the bank account on a monthly basis, and include the account and its activities within the City's accounting records.

Response:

The Mayor, once this fact was brought to his attention, has informed the acting Chief of Police and the City Clerk of the above recommendations. The recommendations were adopted immediately.

A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be a material weakness as defined above. However, we believe the reportable conditions described above are material weaknesses.

We also noted other matters involving the internal control structure and its operation that we have reported to the management of the City of Oakdale, Louisiana, in a separate letter dated October 4, 1996.

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

Darnall, Sikes, Kolder, Frederick & Rainey

A Corporation of Certified Public Accountants

Eunice, Louisiana
October 4, 1996

DARNALL, SIKES, KOLDER, FREDERICK & RAINEY

(A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS)

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

The Honorable Mayor Robert Abrusley
and Members of the Board of Aldermen
City of Oakdale, Louisiana

We have audited the financial statements of the City of Oakdale, Louisiana, primary government, as of and for the year ended June 30, 1996, and have issued our report thereon dated October 4, 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 Circular A-128, "Audits of State and Local Governments." Those standards and 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.

Compliance with laws, regulations, contracts, and grants applicable to the City of Oakdale, Louisiana, is the responsibility of the City of Oakdale, Louisiana's management. As part of obtaining reasonable assurance about whether the 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 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 management. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

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

Eunice, Louisiana
October 4, 1996

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PRIMARY GOVERNMENT FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

CITY OF OAKDALE, LOUISIANA

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

	Governmental Fund Types				Fiduciary		Account Groups		Totals	
	General	Special Revenue	Debt Service	Capital Projects	Proprietary Fund Type Enterprise	Fund Type Master Bank	General Fixed Assets	General Long-Term Debt	(Memorandum Only)	
									1996	1995
ASSETS AND OTHER DEBITS										
Cash	\$162,708	\$126,040	\$206,861	\$ 2,160	\$ -	\$ (2,432)	\$ -	\$ -	\$ 495,337	\$ 591,483
Receivables	98,786	49,926	-	-	153,367	-	-	-	302,079	225,971
Prepaid expenditures	16,716	-	-	-	2,736	-	-	-	19,452	16,285
Investments	-	-	103,717	502,336	-	-	-	-	606,053	100,763
Due from other funds	91,997	21,572	-	-	222,305	265,512	-	-	601,386	800,066
Restricted assets	-	-	-	-	347,116	-	-	-	347,116	318,536
Fixed assets - net, where applicable, of accumulated depreciation	-	-	-	-	4,979,878	-	6,509,393	-	11,489,271	11,613,582
Other assets	-	-	3,528	-	4,175	-	-	-	7,703	7,853
Amount available in debt service funds	-	-	-	-	-	-	-	314,106	314,106	308,367
Amount to be provided for retirement of general long-term debt	-	-	-	-	-	-	-	2,225,127	2,225,127	1,893,818
Total assets and other debits	\$370,207	\$197,538	\$314,106	\$504,496	\$5,709,577	\$263,080	\$6,509,393	\$2,539,233	\$16,407,630	\$15,876,724
LIABILITIES AND FUND EQUITY										
Liabilities:	\$ 90,392	\$ 3,487	\$ -	\$ -	\$ 43,986	\$ -	\$ -	\$ -	\$ 137,865	\$ 141,190
Accounts and contracts payable	40,772	-	-	-	1,015	40,775	-	-	82,562	7,462
Other current liabilities	222,327	64,757	-	-	91,997	222,305	-	-	601,386	800,066
Due to other funds	-	-	-	-	55,326	-	-	-	55,326	54,675
Liabilities payable from restricted assets	-	-	-	-	-	-	-	2,487,056	2,487,056	2,202,185
Bonds payable	-	-	-	-	-	-	-	-	-	-
Estimated liabilities for claims and judgements	-	-	-	-	-	-	-	52,177	52,177	-
Certificates and notes payable	-	-	-	-	400,000	-	-	-	400,000	520,000
Total liabilities	353,491	68,244	-	-	592,324	263,080	-	2,539,233	3,816,372	3,725,578
Equity and other credits:	-	-	-	-	-	-	6,509,393	-	6,509,393	6,434,369
Investment in general fixed assets	-	-	-	-	-	-	-	-	5,089,347	5,147,630
Contributed capital	-	-	-	-	5,089,347	-	-	-	93,212	102,746
Retained earnings (accumulated deficit) - Reserved	-	-	-	-	(65,306)	-	-	-	(65,306)	12,455
Unreserved Fund balances - Reserved for capital projects	-	-	-	502,336	-	-	-	-	502,336	-
Reserved for prepaid expenditures	16,716	-	-	-	-	-	-	-	16,716	16,285
Reserved for debt service	-	-	314,106	-	-	-	-	-	314,106	308,367
Unreserved - undesignated	-	129,294	-	2,160	-	-	-	-	131,454	129,294
Total equity and other credits	16,716	129,294	314,106	504,496	5,117,253	-	6,509,393	-	12,591,258	12,151,146
Total liabilities and fund equity	\$370,207	\$197,538	\$314,106	\$504,496	\$5,709,577	\$263,080	\$6,509,393	\$2,539,233	\$16,407,630	\$15,876,724

The accompanying notes are an integral part of this statement.

CITY OF OAKDALE, 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	\$ 324,306	\$ 815,251	\$ 56,209	\$ -	\$1,195,766	\$1,110,032
Licenses and permits	169,719	-	-	-	169,719	146,074
Intergovernmental	125,235	1,210	-	25,000	151,445	108,961
Charges for services	12,814	-	-	-	12,814	6,286
Fines and forfeits	32,922	-	-	-	32,922	36,060
Miscellaneous	139,892	3,529	9,316	2,746	155,483	152,927
Total revenues	<u>804,888</u>	<u>819,990</u>	<u>65,525</u>	<u>27,746</u>	<u>1,718,149</u>	<u>1,560,340</u>
Expenditures:						
Current -						
General government	495,464	14,641	-	-	510,105	414,986
Public safety	528,014	142,280	-	-	670,294	615,369
Health and recreation	59,590	-	-	-	59,590	57,920
Public works	505,624	-	-	-	505,624	382,791
Capital outlay	-	-	-	23,250	23,250	91,170
Debt service -	-	-	215,129	-	215,129	208,824
Principal retirement	-	-	168,716	-	168,716	183,605
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>1,588,692</u>	<u>156,921</u>	<u>383,845</u>	<u>23,250</u>	<u>2,152,708</u>	<u>1,954,665</u>
Excess (deficiency) of revenues over expenditures	<u>(783,804)</u>	<u>663,069</u>	<u>(318,320)</u>	<u>4,496</u>	<u>(434,559)</u>	<u>(394,325)</u>
Other financing sources (uses):						
Operating transfers in	818,881	71,602	324,059	-	1,214,542	1,066,848
Operating transfers out	(34,646)	(734,671)	-	-	(769,317)	(671,276)
Proceeds from bond issuance	-	-	-	500,000	500,000	-
Total other financing sources (uses)	<u>784,235</u>	<u>(663,069)</u>	<u>324,059</u>	<u>500,000</u>	<u>945,225</u>	<u>395,572</u>
Excess of revenues and other sources over expenditures and other uses	431	-	5,739	504,496	510,666	1,247
Fund balances, beginning	<u>16,285</u>	<u>129,294</u>	<u>308,367</u>	<u>-</u>	<u>453,946</u>	<u>452,699</u>
Fund balances, ending	<u>\$ 16,716</u>	<u>\$ 129,294</u>	<u>\$ 314,106</u>	<u>\$504,496</u>	<u>\$ 964,612</u>	<u>\$ 453,946</u>

The accompanying notes are an integral part of this statement.

CITY OF OAKDALE, LOUISIANA

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

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:						
Taxes	\$ 366,979	\$ 324,306	\$ (42,673)	\$ 812,700	\$ 815,251	\$ 2,551
Licenses and permits	131,149	169,719	38,570	-	-	-
Intergovernmental	111,402	125,235	13,833	1,200	1,210	10
Charges for services	9,175	12,814	3,639	-	-	-
Fines and forfeits	20,950	32,922	11,972	-	-	-
Miscellaneous	112,683	139,892	27,209	2,587	3,529	942
Total revenues	<u>752,338</u>	<u>804,888</u>	<u>52,550</u>	<u>816,487</u>	<u>819,990</u>	<u>3,503</u>
Expenditures:						
Current -						
General government	416,986	495,464	(78,478)	14,560	14,641	(81)
Public safety	487,832	528,014	(40,182)	147,505	142,280	5,225
Health and recreation	57,991	59,590	(1,599)	-	-	-
Public works	523,831	505,624	18,207	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service -						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>1,486,640</u>	<u>1,588,692</u>	<u>(102,052)</u>	<u>162,065</u>	<u>156,921</u>	<u>5,144</u>
Excess (deficiency) of revenues over expenditures	<u>(734,302)</u>	<u>(783,804)</u>	<u>(49,502)</u>	<u>654,422</u>	<u>663,069</u>	<u>8,647</u>
Other financing sources (uses):						
Operating transfers in	79,900	818,881	19,881	72,618	71,602	(1,016)
Operating transfers out	(27,462)	(34,646)	(7,184)	(780,253)	(734,671)	45,582
Proceeds from bond issuance	-	-	-	-	-	-
Total other financing sources (uses)	<u>52,438</u>	<u>784,235</u>	<u>12,697</u>	<u>(707,635)</u>	<u>(663,069)</u>	<u>44,566</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	37,236	431	36,805	(53,213)	-	53,213
Fund balances, beginning	<u>16,285</u>	<u>16,285</u>	<u>-</u>	<u>129,294</u>	<u>129,294</u>	<u>-</u>
Fund balances, ending	<u>\$ 53,521</u>	<u>\$ 16,716</u>	<u>\$ 36,805</u>	<u>\$ 76,081</u>	<u>\$ 129,294</u>	<u>\$53,213</u>

The accompanying notes are an integral part of this statement.

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements (Continued)

Note 6 Restricted Assets

Restricted assets, at June 30, 1996, consisted of the following:

	Cash and Cash <u>Equivalents</u>	<u>Investments</u>	<u>Total</u>
Customers' deposit accounts	\$ 69,858	\$ 21,693	\$ 91,551
Debt service account	85,730	-	85,730
Construction account	76,617	-	76,617
Sewer plant replacement accounts	10,725	82,487	93,212
Rural Development Grant	<u>6</u>	<u>-</u>	<u>6</u>
	\$242,936	\$104,180	\$347,116
	=====	=====	=====

Note 7 Fixed Assets

A summary of changes in general fixed assets follows:

	<u>7/01/95</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/96</u>
Land	\$ 496,783	\$ -	\$ -	\$ 496,783
Buildings	4,409,943	-	-	4,409,943
Improvements other than building	159,315	-	-	159,315
Equipment	606,213	145,003	87,364	663,852
Automobiles and trucks	<u>762,115</u>	<u>23,995</u>	<u>6,610</u>	<u>779,500</u>
Total general fixed assets	\$6,434,369	\$168,998	\$93,974	\$6,509,393
	=====	=====	=====	=====

<u>Debt Service Funds</u>			<u>Capital Projects Fund</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
\$ 52,790	\$ 56,209	\$ 3,419	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	46,464	25,000	(21,464)
-	-	-	-	-	-
<u>3,889</u>	<u>9,316</u>	<u>5,427</u>	<u>1,200</u>	<u>2,746</u>	<u>1,546</u>
<u>56,679</u>	<u>65,525</u>	<u>8,846</u>	<u>47,664</u>	<u>27,746</u>	<u>(19,918)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	546,464	23,250	523,214
215,129	215,129	-	-	-	-
<u>167,255</u>	<u>168,716</u>	<u>(1,461)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>382,384</u>	<u>383,845</u>	<u>(1,461)</u>	<u>546,464</u>	<u>23,250</u>	<u>523,214</u>
<u>(325,705)</u>	<u>(318,320)</u>	<u>7,385</u>	<u>(498,800)</u>	<u>4,496</u>	<u>503,296</u>
303,335	324,059	20,724	-	-	-
-	-	-	<u>500,000</u>	<u>500,000</u>	<u>-</u>
<u>303,335</u>	<u>324,059</u>	<u>20,724</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
22,370	5,739	28,109	1,200	504,496	503,296
<u>308,367</u>	<u>308,367</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 330,737</u>	<u>\$ 314,106</u>	<u>\$28,109</u>	<u>\$ 1,200</u>	<u>\$504,496</u>	<u>\$503,296</u>
=====	=====	=====	=====	=====	=====

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements (Continued)

Note 7 Fixed Assets (Continued)

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

Land	\$ 70,543
Water department	1,964,035
Sewer department	6,625,131
General and administrative	<u>80,955</u>
	8,740,664
Less: accumulated depreciation	<u>3,760,786</u>
Net Utility Fund property, plant and equipment	\$4,979,878

In the Utility System Enterprise Fund, the following useful lives are used to compute depreciation on fixed assets:

Waterworks:	
Wells	20 years
Storage tanks	40 years
Lines and meters	50 years
Other equipment	4-10 years
Sewerage System:	
Treatment plant	20 years
Pump stations	10-20 years
Lines	50 years
Other equipment	3-10 years

Depreciation for the Utility System Enterprise Fund amounted to \$291,227 for the fiscal year.

Interest costs incurred in the Utility System Enterprise Fund amounted to \$42,379 for the fiscal year.

Note 8 Liabilities Payable From Restricted Assets

Liabilities payable from restricted assets at June 30, 1996, consisted of the following:

Payable from customers' deposit accounts:	
Customers' deposits	\$ 55,326
Payable from debt service account:	
Certificates of indebtedness	<u>85,730</u>
	\$141,056

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements (Continued)

Note 4 Receivables

Receivables at June 30, 1996, consisted of the following:

General Fund:	
Accrued franchise taxes receivable	\$ 44,237
Video Poker/Gaming Revenue	42,327
Other receivables	3,540
Taxes receivable	8,682
Utility System Enterprise Fund:	
Accounts receivable - customers	75,690
Accounts receivable - other governmental entities	41,970
Other receivables	35,707
Special Revenue Funds:	
Sales tax receivable	<u>49,926</u>
	<u>\$302,079</u>

Accounts receivable - customers in the Enterprise fund is shown net of allowance for doubtful accounts of \$20,314 at June 30, 1996.

Note 5 Due From/to Other Funds

Amounts due from or to other funds at June 30, 1996, consisted of the following:

	<u>Due From</u> <u>Other Funds</u>	<u>Due to</u> <u>Other Funds</u>
General Fund	\$ 91,997	\$222,327
Special Revenue Funds:		
Sales Tax Fund	4,124	50,796
Fire Department Fund	17,448	13,961
Utility System Enterprise Fund	222,305	91,997
Master Bank Fund	<u>265,512</u>	<u>222,305</u>
	<u>\$601,386</u>	<u>\$601,386</u>

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements (Continued)

Note 3 Cash and Interest-Bearing Deposits

Under state law, the City may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The City may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 1996, the City has cash and interest-bearing deposits (book balances) totaling \$1,448,506 as follows:

Demand deposits	\$ 737,684
Time deposits	<u>710,822</u>
Total	<u>\$1,448,506</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	<u>\$1,511,230</u>
Federal deposit insurance	\$ 488,808
Pledged securities (Category 3)	<u>1,256,665</u>
Total	<u>1,745,473</u>
Excess	<u>\$ 234,243</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 OAKDALE, LOUISIANA

Notes to Financial Statements (Continued)

Note 1 Summary of Significant Accounting Policies (Continued)

O. Comparative Data

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

P. Adoption of GASB Statement #27

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

Note 2 Legal Compliance - Budgets

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

- A. The City Clerk prepares a proposed budget and submits same to the Mayor and Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
- B. 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.
- C. A public hearing is held on the proposed budget after publication of the call for the hearing.
- D. After holding the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance.

Budgets for all Governmental Fund types are adopted consistent with state law which provides, in part, that appropriations for the fund cannot exceed estimated revenues plus fund balance. State law requires a budget amendment for General and Special Revenue Funds when revenue collections plus projected revenue collections for the remainder of the year, within a fund, are failing to meet estimated annual budgeted revenues by five percent or more, or when actual expenditures plus projected expenditures are exceeding budgeted expenditures by five percent or more.

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements (Continued)

Note 1 Summary of Significant Accounting Policies (Continued)

J. Bond Issuance Costs

In governmental fund types, bond issuance costs are recognized in the current period. Bond issuance costs for the proprietary fund type are deferred and amortized over the term of the bonds using the effective interest method. Bond issuance costs are recorded as deferred charges.

K. Compensated Absences

Vacation and sick leave not used within the fiscal year does not accrue; therefore, no liability for compensated absences is reflected in the financial statements.

L. Long-Term Obligations

Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financing resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in that fund.

M. Fund Equity

Contributed capital recorded in the proprietary fund represents capital grants or contributions from developers, customers, or other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

N. Memorandum Only - Total Columns

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

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements (Continued)

Note 1 Summary of Significant Accounting Policies (Continued)

1. Utility services earned between billing cycles are not recognized as revenue until actually billed. Such amounts would not be material to the financial statements.
2. Purchases of various operating supplies are regarded as expenditures at the time purchased. Inventories, if any, are not material.

D. Budgets

Operating budgets of proposed expenditures and the means of financing them were adopted for all governmental funds, consistent with generally accepted accounting principles. Budgeted amounts are as originally adopted or as amended by the Board of Aldermen. Budgetary amendments involving the transfer of funds from one fund to another require approval of the Board of Aldermen. All budgetary appropriations lapse at the end of each fiscal year.

E. Encumbrances

The City does not use the encumbrance method of accounting.

F. Cash and Investments

Cash includes amounts on hand and in demand deposits. Investments are stated at cost.

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

G. Short-Term Interfund Receivables/Payables

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

H. Restricted Assets

Certain Utility System Enterprise Fund assets are classified as restricted assets because their use is limited by applicable bond covenants or action of the Board of Aldermen. "Customers

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements (Continued)

Note 1 Summary of Significant Accounting Policies (Continued)

Fiduciary Fund Type -

Master Bank Account

The Master Bank account is used to account for the operating checking account used by the City.

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

The proprietary fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included in contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined, and "available" means the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Those revenues susceptible to accrual are property taxes, franchise taxes, grants, interest revenue, and charges for services. Fines, permits, and license revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The accrual basis of accounting is utilized by the proprietary fund. Under this method, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, with the following exceptions:

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements (Continued)

Note 1 Summary of Significant Accounting Policies (Continued)

Governmental Fund Types -

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 fund

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

Proprietary Fund Type -

Enterprise fund

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

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies

The City of Oakdale, Louisiana, is an incorporated municipality under the provisions of the Lawrason Act. The City operates under a Mayor-Board of Aldermen form of government.

The financial statements of the City of Oakdale, Louisiana have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units, except for the omission of all component units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the City's accounting policies are described below.

A. Reporting Entity

The City of Oakdale, Louisiana, is a municipal corporation governed by an elected board. These financial statements present only the financial activity of the City of Oakdale, Louisiana, (the primary government). They do not include the data of the component units necessary for reporting in conformity with generally accepted accounting principles.

B. Fund Accounting

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

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

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

CITY OF OAKDALE, LOUISIANA
 Comparative Statements of Cash Flows
 Enterprise Fund
 Utility Fund
 Years Ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Cash flows from operating activities:		
Operating income	\$ 87,405	\$ 140,810
Adjustments to reconcile operating income to net cash provided by operating activities -		
Depreciation	291,227	284,795
Amortization	3,678	5,313
Changes in assets and liabilities:		
Prepaid expense	(2,736)	-
Customers receivables	(18,024)	23,621
Due from Master Bank	117,018	(9,314)
Other receivables	(10,214)	16,874
Accounts payable	(9,194)	(1,372)
Other current liabilities	80	(464)
Due to General Fund	4,556	4,624
Total adjustments	<u>376,391</u>	<u>324,077</u>
Net cash provided by operating activities	<u>463,796</u>	<u>464,887</u>
Cash flows from noncapital financing activities:		
Government subsidies	152,182	149,953
Increase in customer deposits - net	651	3,919
Operating transfer out	<u>(451,318)</u>	<u>(395,572)</u>
Net cash used by noncapital financing activities	<u>(298,485)</u>	<u>(241,700)</u>
Cash flows from capital and related financing activities:		
Contributed capital	119,604	25,742
Acquisition of property, plant and equipment	(91,893)	(81,283)
Grant expenditures	(41,291)	-
Repayments of revenue bonds and other indebtedness	(120,000)	(112,378)
Interest paid on long-term debt	<u>(42,379)</u>	<u>(52,650)</u>
Net cash used by capital and related financing activities	<u>(175,959)</u>	<u>(220,569)</u>
Cash flows from investing activities:		
Proceeds from the maturity of investments	100,750	95,590
Purchase of investments	(104,180)	(100,444)
Interest received on investments	10,597	10,859
Net cash provided by investing activities	<u>7,167</u>	<u>6,005</u>
Net decrease (increase) in cash and cash equivalents	(3,481)	8,623
Cash and cash equivalents, beginning of period	<u>246,417</u>	<u>237,794</u>
Cash and cash equivalents, end of period	\$ 242,936	\$ 246,417
	=====	=====

The accompanying notes are an integral part of this statement.

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements (Continued)

Note 1 Summary of Significant Accounting Policies (Continued)

Deposit Accounts" report funds received from customers for utility deposits. The "Debt Service Account" segregates resources accumulated for debt service payments of the certificates of indebtedness over the next twelve months. The "Construction Account" segregates the proceeds of the certificates of indebtedness that are restricted for expansion of the sewerage treatment plant. "Sewer Plant Replacement Accounts" report resources set aside for future replacement of the City's sewerage treatment plant.

I. Fixed Assets

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisitions and construction are reflected as expenditures in governmental funds, and the related assets are reported in the General Fixed Assets Account Group. All purchased fixed assets are valued at historical costs where records are available and at estimated historical costs where no historical records exist. Fixed assets with estimated historical costs of \$75,000 are included in the General Fixed Assets Account Group. Estimated historical costs were determined by management by comparison to costs of similar fixed assets acquired in the same general time frame for which historical cost records were available. Donated fixed assets are valued at their estimated fair market value on the date received.

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

Assets in the General Fixed Assets Account Group are not depreciated. Depreciation of buildings, equipment, and vehicles in the proprietary fund type is computed using the straight-line method.

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

CITY OF OAKDALE, LOUISIANA

Comparative Statements of Revenues, Expenses, and Changes in Retained Earnings
Enterprise Fund
Utility Fund
Years Ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Operating revenues:		
Utility sales - net	\$ 850,806	\$ 824,690
Service and miscellaneous charges	71,861	58,151
Total operating revenues	<u>922,667</u>	<u>882,841</u>
Operating expenses:		
Salaries	160,020	143,571
Fringe benefits	17,792	16,807
Supplies	66,704	38,156
Repairs and maintenance	80,475	48,887
Auto and truck expenses	8,057	8,573
Utilities	132,131	138,253
Insurance	12,402	15,421
Bad debts	3,496	4,255
Other	62,958	43,313
Depreciation	291,227	284,795
Total operating expenses	<u>835,262</u>	<u>742,031</u>
Operating income	<u>87,405</u>	<u>140,810</u>
Nonoperating revenues (expenses):		
Special assistance	165,710	162,456
Interest earned	10,597	10,187
Interest expense	(42,379)	(52,650)
Grant expenses	(41,291)	(12,503)
Total nonoperating revenues	<u>92,637</u>	<u>107,490</u>
Income before operating transfers	180,042	248,300
Operating transfers out	<u>(445,226)</u>	<u>(395,572)</u>
Net loss before the add back of depreciation on federal grants	(265,184)	(147,272)
Add: Depreciation on fixed assets acquired by capital grants that reduces contributed capital from capital grants	<u>177,889</u>	<u>177,815</u>
Net increase (decrease) in retained earnings	(87,295)	30,543
Retained earnings, beginning	<u>115,201</u>	<u>84,658</u>
Retained earnings, ending	\$ 27,906 =====	\$ 115,201 =====

The accompanying notes are an integral part of this statement.