

CITY OF ABBEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

	Municipal Employees' Retirement System <u>Plan B</u>	Municipal Police Employees' Retirement System	Firefighters' Retirement System
Pension Benefit Obligation	\$ 32,761,741	\$736,148,201	\$295,008,215
Net assets available	<u>45,416,793</u>	<u>739,788,365</u>	<u>297,278,415</u>
Unfunded Pension Benefit Obligation	<u>\$(12,655,052)</u>	<u>\$ (3,640,164)</u>	<u>\$ (2,270,200)</u>
System's actuarially determined required employer contributions	\$ 584,113	\$ 9,210,805	\$ 4,063,669
City of Abbeville Contributions	<u>30,136</u>	<u>52,740</u>	<u>30,405</u>
Percentage of System Total	5.16% =====	.57% =====	.75% =====

Historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's comprehensive annual financial report. The City does not guarantee the benefits granted by the System.

D. Related Party Investments -

During and as of the plan years ending June 30, 1995, none of the Employees' Retirement Systems held securities issued by the City of Abbeville.

(14) Segment Information for the Enterprise Fund:

The City of Abbeville maintains an Enterprise Fund with departments which provide electric, water and sewerage services. Segment information for the year ended December 31, 1995 is as follows:

	Electric <u>Department</u>	Water <u>Department</u>	Sewerage <u>Department</u>	Total Enterprise <u>Fund</u>
Operating revenues	\$9,575,749	\$ 462,435	\$ 655,121	\$10,693,305
Operating expenses	<u>6,084,567</u>	<u>908,174</u>	<u>987,317</u>	<u>7,980,058</u>
Operating Income (loss)	<u>\$3,491,182</u>	<u>\$(445,739)</u>	<u>\$(332,196)</u>	<u>\$ 2,713,247</u>

CITY OF ABBEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

(15) Louisiana Energy and Power Authority:

By referendum on October 22, 1983, the City of Abbeville elected to join the Louisiana Energy and Power Authority (LEPA), and an appointment was made by the City Council to the LEPA board of directors. LEPA, a statewide public power authority which is a political subdivision of the State of Louisiana, was created by an act of the state legislature in April of 1979 for the purpose of helping all of Louisiana's municipal electric systems to work together to provide firm, stable sources of electrical energy to their citizen/users at the lowest cost possible.

On June 28, 1985, the City entered into a power sales contract for electricity with LEPA with service commencing on March 1, 1986. The original agreement was to expire on April 30, 1994, however, on September 1, 1992, the City signed a contract extension which lengthens the original contract until December 31, 2000.

(16) Risk Management Fund:

On December 30, 1986, the City passed a resolution allowing its workmen's compensation, business automobile and general liability insurance policies to expire and established a Risk Management Fund (an internal service fund) for the accumulation of monies and subsequent disbursement of loss claims. Therefore, the City is exposed to material judgment in favor of tort and workmen's compensation claimants together with legal interest thereon. The City has since procured excess coverage with substantial deductibles. The Risk Management Fund's retained earnings designated for claims amounted to \$380 at December 31, 1995.

(17) Employee Health Insurance Fund:

On November 30, 1990 the City established a partially self-funded internal service fund to accumulate monies for the payment of health care claims of the City employees and their dependents. An integral part of this self-funded health insurance program is the procurement of both specific and aggregate Stop-Loss insurance. The employee Health Insurance Fund's retained earnings designated for claims amounted to \$59,509 at December 31, 1995.

CITY OF ABBEVILLE, LOUISIANA  
Notes to Financial Statements (Continued)

(18) Post Employment Benefits:

A. Cobra -

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City provides health care benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured monthly for the actual month covered. This program is offered for a duration of 18 months after the termination date.

B. Pension Benefits -

The City is committed to pensions for five retired police officers or their beneficiaries who retired before the City began participating in the Municipal Police Employees' Retirement System of Louisiana. These pensions are financed out of current general fund operations. The total pension costs for the year ended December 31, 1995 is \$22,789.

(19) Commitments and Contingencies:

Litigation

There are several lawsuits presently pending against the City of Abbeville. The City's legal counsel and elected officials are of the opinion that any unfavorable outcome in these cases would not materially affect the financial statements.

Grant Audits

The City receives federal and state grants for specific purposes that are subject to review and audit by federal and state agencies. Such audits could result in a request for reimbursement by these agencies for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of City management, such disallowances, if any, will not be significant to the City's financial statements.

Utility Relocation Grants

In prior years, the City utilized federal funding under Act 319 to pay its share of the cost to relocate electric, water and sewer facilities to accommodate the expansion of Highway 14. As part of the funding agreement the City is prohibited from locating additional longitudinal facilities within any right-of-way owned by the State of Louisiana until the City reimburses the Department of Transportation the full amount of costs expended on the City's behalf, which amounted to \$397,895.

SCHEDULES OF INDIVIDUAL FUNDS AND ACCOUNT GROUPS

CITY OF ABBEVILLE, LOUISIANA

General Fund

The general fund is the general operating fund of the City. It is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

CITY OF ABBEVILLE, LOUISIANA

General Fund

Comparative Balance Sheet  
December 31, 1995 and 1994

ASSETS	<u>1995</u>	<u>1994</u>
Cash	\$ 64,374	\$ 59,325
Interest-bearing deposits	136,511	69,559
Receivables:		
Accounts	6,358	10,054
Ad valorem taxes	48,248	33,526
Due from other funds	288,053	-
Due from other governmental units	117,009	69,797
Inventory	<u>1,195</u>	<u>6,511</u>
Total assets	<u>\$661,748</u>	<u>\$248,772</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 84,578	\$ 60,589
Retainages payable	3,116	-
Accrued salaries payable	23,788	27,531
Other accrued liabilities	15,494	14,043
Due to other funds	470,000	-
Due to other governmental units	<u>6,814</u>	<u>6,814</u>
Total liabilities	603,790	108,977
Fund Balance:		
Reserved for inventory	1,195	6,511
Unreserved - undesignated	<u>56,763</u>	<u>133,284</u>
Total fund balance	<u>57,958</u>	<u>139,795</u>
Total liabilities and fund balance	<u>\$661,748</u>	<u>\$248,772</u>

CITY OF ABBEVILLE, LOUISIANA

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance  
 Budget (GAAP Basis) and Actual  
 For the Year Ended December 31, 1995  
 With Comparative Totals for Year Ended December 31, 1994

	1995		Variance Favorable (Unfavorable)	1994 Actual
	Budget	Actual		
<b>Revenues:</b>				
Taxes	\$ 180,000	\$ 183,698	\$ 3,698	\$ 184,721
Licenses and permits	379,000	399,437	20,437	354,043
Intergovernmental	303,000	359,569	56,569	253,181
Charges for services	33,000	35,189	2,189	27,888
Fines	61,500	67,836	6,336	72,103
Other revenues	157,500	167,011	9,511	233,589
Total revenues	<u>1,114,000</u>	<u>1,212,740</u>	<u>98,740</u>	<u>1,125,525</u>
<b>Expenditures:</b>				
Current -				
General government	1,057,000	1,042,853	14,147	909,330
Public safety -				
Police	1,370,000	1,505,311	(135,311)	1,141,487
Fire	992,000	1,004,132	(12,132)	931,316
Highways and street	770,000	1,052,137	(282,137)	729,915
Culture and recreation	198,000	183,593	14,407	161,377
Total expenditures	<u>4,387,000</u>	<u>4,788,026</u>	<u>(401,026)</u>	<u>3,873,425</u>
Excess (deficiency) of revenues over expenditures	<u>(3,273,000)</u>	<u>(3,575,286)</u>	<u>(302,286)</u>	<u>(2,747,900)</u>
<b>Other financing sources (uses):</b>				
Operating transfers in	3,250,000	3,493,723	243,723	2,840,714
Operating transfers out	(500)	(274)	226	(204)
Total other financing sources (uses)	<u>3,249,500</u>	<u>3,493,449</u>	<u>243,949</u>	<u>2,840,510</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(23,500)</u>	<u>(81,837)</u>	<u>(58,337)</u>	<u>92,610</u>
Fund balance, beginning	<u>139,795</u>	<u>139,795</u>	<u>-</u>	<u>47,185</u>
Fund balance, ending	<u>\$ 116,295</u> =====	<u>\$ 57,958</u> =====	<u>\$(58,337)</u> =====	<u>\$ 139,795</u> =====



CITY OF ABBEVILLE, LOUISIANA

General Fund

Statement of Revenues Compared to Budget (GAAP Basis)  
For the Year Ended December 31, 1995  
With Comparative Totals for Year Ended December 31, 1994

	1995		Variance Favorable (Unfavorable)	1994 Actual
	Budget	Actual		
<b>Taxes:</b>				
Ad valorem	\$ 163,000	\$ 163,198	\$ 198	\$ 152,708
Housing authority payment in lieu of taxes	12,000	15,330	3,330	27,143
Chain store	5,000	5,170	170	4,870
Total Taxes	<u>180,000</u>	<u>183,698</u>	<u>3,698</u>	<u>184,721</u>
<b>Licenses and permits:</b>				
Occupational	355,500	371,590	16,090	325,523
Beer and liquor	20,000	23,429	3,429	23,424
Building	3,000	3,648	648	4,711
Other	500	770	270	385
Total Licenses and Permits	<u>379,000</u>	<u>399,437</u>	<u>20,437</u>	<u>354,043</u>
<b>Intergovernmental:</b>				
Federal -				
Summer food service program	35,500	35,686	186	48,633
Airport	43,000	46,965	3,965	-
Main street	15,000	15,256	256	-
Community forestry	-	3,600	3,600	-
Cops fast	-	3,041	3,041	-
Task force	-	1,381	1,381	-
Drug awareness	2,000	2,021	21	1,912
State of Louisiana -				
Revenue sharing	30,000	35,681	5,681	37,234
Tobacco taxes	54,500	54,563	63	53,945
Beer taxes	23,000	25,816	2,816	26,453
Video poker	60,000	91,424	31,424	54,602
Grants	11,000	14,775	3,775	4,308
Vermilion Parish Police Jury -				
Fire insurance tax	29,000	29,360	360	26,094
Total intergovernmental	<u>303,000</u>	<u>359,569</u>	<u>56,569</u>	<u>253,181</u>
<b>Charges for services:</b>				
Rentals	<u>33,000</u>	<u>35,189</u>	<u>2,189</u>	<u>27,888</u>
<b>Fines:</b>				
City court fines	<u>61,500</u>	<u>67,836</u>	<u>6,336</u>	<u>72,103</u>
<b>Other revenues:</b>				
Franchise fees - Entex	63,500	63,726	226	63,490
Franchise fees - Cable TV	13,000	12,997	(3)	12,993
Franchise fees - Bell South	52,500	52,934	434	50,549
Interest	2,500	3,884	1,384	1,815
Witness fees	8,000	9,927	1,927	14,532
Other sources	18,000	23,543	5,543	90,210
Total other revenues	<u>157,500</u>	<u>167,011</u>	<u>9,511</u>	<u>233,589</u>
Total revenues	<u>\$1,114,000</u>	<u>\$1,212,740</u>	<u>\$98,740</u>	<u>\$1,125,525</u>



CITY OF ABBEVILLE, LOUISIANA

General Fund

Statement of Expenditures Compared to Budget (GAAP Basis)  
For the Year Ended December 31, 1995  
With Comparative Totals for Year Ended December 31, 1994

	1995		Variance Favorable (Unfavorable)	1994 Actual
	Budget	Actual		
General Government:				
Administrative -				
Salaries	\$ 217,000	\$ 212,561	\$ 4,439	\$ 195,246
Coroner's inquest fees	10,000	9,032	968	4,128
Dues and subscriptions	4,500	5,965	(1,465)	5,576
Equipment operating expense	9,500	8,809	691	8,504
General insurance	12,500	12,305	195	12,474
Employees' insurance	73,000	72,788	212	51,517
Janitorial	13,500	13,664	(164)	14,003
Legal and accounting	82,000	70,625	11,375	73,012
Maintenance and repairs	16,000	15,506	494	14,489
Other professional fees	2,000	3,049	(1,049)	2,318
Travel and convention expenses	3,500	2,808	692	6,840
Miscellaneous	50,600	46,962	3,638	51,449
Rental	6,000	5,737	263	6,216
Retirement	8,700	6,552	2,148	6,755
Office supplies	18,000	16,803	1,197	25,078
Postage	16,000	13,769	2,231	12,145
Publications	7,500	5,675	1,825	6,241
Payroll taxes	18,700	17,886	814	16,511
Tax roll preparation	5,000	4,996	4	4,853
Telephone	12,000	12,615	(615)	17,936
Uniforms	7,500	7,347	153	4,026
Utilities	13,000	12,916	84	11,738
Electricity for traffic lights	7,000	6,932	68	6,856
Grass cutting	13,000	13,756	(756)	10,582
Rabies and rodent control	15,000	13,250	1,750	15,500
Employee drug testing	6,500	7,514	(1,014)	758
Summer food service program	36,000	35,427	573	49,497
Main street project	36,000	33,481	2,519	46,774
Total administrative	<u>720,000</u>	<u>688,730</u>	<u>31,270</u>	<u>681,022</u>
City Court -				
Salaries	49,000	48,358	642	47,276
Payroll taxes	4,000	3,122	878	3,298
Rental	4,500	4,550	(50)	-
Telephone	500	690	(190)	-
Employees' insurance	28,000	27,850	150	18,742
Utilities	3,500	3,186	314	3,126
Retirement	4,000	3,647	353	3,489
Witness fees	7,500	7,630	(130)	8,225
Miscellaneous	1,000	902	98	1,168
Legal	50,000	47,155	2,845	46,912
Total city court	<u>152,000</u>	<u>147,090</u>	<u>4,910</u>	<u>132,236</u>

(continued)

CITY OF ABBEVILLE, LOUISIANA

General Fund

Statement of Expenditures Compared to Budget (GAAP Basis) - Continued  
 For the Year Ended December 31, 1995  
 With Comparative Totals for Year Ended December 31, 1994

	1995		Variance Favorable (Unfavorable)	1994 Actual
	Budget	Actual		
<b>Motor Pool -</b>				
Salaries	\$ 30,000	\$ 28,698	\$ 1,302	\$ 28,888
Equipment operating expense	5,500	5,843	(343)	2,159
General insurance	6,500	6,149	351	6,245
Employees' insurance	6,000	5,996	4	4,330
Supplies	1,800	2,319	(519)	1,064
Payroll taxes	2,500	2,195	305	2,209
Retirement	1,200	899	301	1,002
Miscellaneous	500	349	151	412
Telephone	1,500	1,461	39	1,651
<b>Total motor pool</b>	<b>55,500</b>	<b>53,909</b>	<b>1,591</b>	<b>47,960</b>
<b>Civil Service -</b>				
Salaries	18,800	18,710	90	18,411
Employees' insurance	5,000	5,110	(110)	3,691
Payroll taxes	1,300	1,294	6	1,270
Supplies and publication	900	1,270	(370)	-
Medical services	2,500	3,170	(670)	1,486
Retirement	700	534	166	596
Telephone	500	227	273	210
Uniforms	300	246	54	502
Legal fees	2,500	1,189	1,311	4,643
Miscellaneous	2,000	1,741	259	884
<b>Total civil service</b>	<b>34,500</b>	<b>33,491</b>	<b>1,009</b>	<b>31,693</b>
<b>Airport expenses -</b>				
Utilities	9,000	8,885	115	6,471
Grass cutting	6,000	5,680	320	4,676
Equipment operating expense	2,000	1,558	442	929
Miscellaneous	7,000	5,716	1,284	1,544
Supplies	2,500	1,790	710	115
Professional services	57,500	54,196	3,304	2,684
Capital outlay	11,000	41,808	(30,808)	-
<b>Total airport</b>	<b>95,000</b>	<b>119,633</b>	<b>(24,633)</b>	<b>16,419</b>
<b>Total general government</b>	<b>1,057,000</b>	<b>1,042,853</b>	<b>14,147</b>	<b>909,330</b>

(continued)

CITY OF ABBEVILLE, LOUISIANA

General Fund

Statement of Expenditures Compared to Budget (GAAP Basis)  
For the Year Ended December 31, 1995  
With Comparative Totals for Year Ended December 31, 1994

	1995		Variance Favorable (Unfavorable)	1994 Actual
	Budget	Actual		
Public Safety:				
Police -				
Salaries	\$ 656,000	\$ 652,386	\$ 3,614	\$ 620,342
Equipment operating expense	62,000	59,677	2,323	57,512
General insurance	160,500	310,328	(149,828)	145,634
Employees' insurance	132,000	130,691	1,309	101,359
Uniforms	9,000	8,520	480	9,028
Supplies	27,000	27,607	(607)	24,893
Janitorial	6,500	6,500	-	6,250
Prisoners' board	180,000	181,011	(1,011)	26,565
Prisoners' medical	-	-	-	1,632
Utilities	12,000	10,478	1,522	14,111
Telephone	9,000	7,951	1,049	8,837
Dog expenses	1,000	915	85	998
Dare program	5,500	4,626	874	6,066
Schools and convention	10,000	9,328	672	8,007
Miscellaneous	12,000	9,112	2,888	24,241
Payroll taxes	8,500	6,988	1,512	7,705
Retirement	55,000	53,637	1,363	51,828
Maintenance and repairs	1,000	353	647	1,522
Police pension	23,000	22,789	211	22,379
Special investigation expense	-	2,414	(2,414)	2,578
Total police	<u>1,370,000</u>	<u>1,505,311</u>	<u>(135,311)</u>	<u>1,141,487</u>
Fire -				
Salaries	652,000	669,180	(17,180)	631,166
Equipment operating expense	10,000	9,137	863	11,462
General insurance	18,500	18,446	54	18,734
Employees' insurance	136,000	136,171	(171)	100,695
Uniforms	6,000	5,454	546	5,922
Supplies	8,000	6,049	1,951	7,113
Utilities	14,000	13,806	194	13,995
Telephone	4,000	3,439	561	3,559
Maintenance and repairs	500	636	(136)	994
Water hydrant rent	28,500	28,200	300	28,200
Miscellaneous	10,000	9,859	141	11,263
Payroll taxes	60,000	59,037	963	55,753
Retirement	43,000	41,180	1,820	41,257
Rental	-	2,425	(2,425)	-
Schools and conventions	1,500	1,113	387	1,203
Total fire	<u>992,000</u>	<u>1,004,132</u>	<u>(12,132)</u>	<u>931,316</u>
Total public safety	<u>2,362,000</u>	<u>2,509,443</u>	<u>(147,443)</u>	<u>2,072,803</u> (continued)

CITY OF ABBEVILLE, LOUISIANA

General Fund

Statement of Expenditures Compared to Budget (GAAP Basis) - Continued  
 For the Year Ended December 31, 1995  
 With Comparative Totals for Year Ended December 31, 1994

	1995		Variance Favorable (Unfavorable)	1994 Actual
	Budget	Actual		
Highways and Streets:				
Salaries	\$ 281,000	\$ 272,295	\$ 8,705	\$ 276,503
Equipment operating expense	40,500	40,973	(473)	59,128
General insurance	215,500	515,200	(299,700)	195,607
Employees' insurance	75,000	75,115	(115)	51,065
Utilities	5,000	4,602	398	5,307
Small tools and supplies	4,000	3,323	677	2,712
Maintenance materials	22,000	20,413	1,587	18,987
Grass cutting	6,000	5,302	698	5,514
Miscellaneous	12,000	10,560	1,440	9,165
Retirement	10,500	7,185	3,315	8,560
Payroll taxes	22,000	20,875	1,125	21,119
Electricity for street lights	76,500	76,294	206	76,248
Total highways and streets	770,000	1,052,137	(282,137)	729,915
Culture and Recreation:				
Parks -				
Salaries	82,000	78,236	3,764	68,895
Equipment operating expenses	16,000	13,592	2,408	13,927
Supplies	17,200	16,128	1,072	9,993
Repairs and maintenance	7,300	6,581	719	5,329
General insurance	12,500	12,297	203	12,489
Employees' insurance	14,000	13,618	382	9,737
Retirement	2,500	1,849	651	1,729
Payroll taxes	5,000	4,392	608	3,451
Utility and telephone	18,900	16,385	2,515	13,855
Miscellaneous	2,100	1,720	380	5,333
Total parks	177,500	164,798	12,702	144,738
Tourist Information Center -				
Salaries	11,000	10,398	602	9,652
Employee insurance	3,000	3,031	(31)	2,189
Payroll taxes	1,000	795	205	738
Uniforms	300	246	54	489
Telephone	600	525	75	78
Utilities	1,500	1,330	170	1,851
Miscellaneous	2,600	2,180	420	1,330
Retirement	500	290	210	312
Total tourist information	20,500	18,795	1,705	16,639
Total culture and recreation	198,000	183,593	14,407	161,377
Total expenditures	\$4,387,000	\$4,788,026	\$(401,026)	\$3,873,425

CITY OF ABBEVILLE, LOUISIANA

Special Revenue Funds

SALES TAX FUND - To account for the receipt and disbursement of proceeds of the City's 1% sales and use tax. These taxes are dedicated as described in the Notes to the Financial Statements.

PUBLIC IMPROVEMENT (SEWER FUND) - To account for the receipt and disposition of ad valorem taxes dedicated to public improvement of sewer facilities.

MAINTENANCE AND OPERATION - FIRE DEPARTMENT FUND - To account for the receipt and disbursement of proceeds from the Vermilion Parish Police Jury to be used for the purpose of constructing, acquiring, improving and/or maintaining fire department facilities and equipment.

CITY OF ABBEVILLE, LOUISIANA

Special Revenue Funds

Combining Balance Sheet  
December 31, 1995

With Comparative Totals for December 31, 1994

	Sales Tax Fund	Public Improvement Sewer Fund	Maintenance And Operation - Fire Department Fund	Totals	
				1995	1994
<b>ASSETS</b>					
Interest-bearing deposits	\$296,550	\$ 32,456	\$80,462	\$ 409,468	\$347,613
Investments	425,000	140,000	-	565,000	405,000
Receivables:					
Ad valorem taxes	-	12,039	-	12,039	8,366
Sales tax	108,474	-	-	108,474	112,550
Other	3,622	802	-	4,424	2,160
Due from other funds	32,340	-	-	32,340	-
Due from other governments	19,147	-	-	19,147	91,863
<b>Total assets</b>	<b>\$885,133</b>	<b>\$185,297</b>	<b>\$80,462</b>	<b>\$1,150,892</b>	<b>\$967,552</b>
	=====	=====	=====	=====	=====
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 37,963	\$ -	\$ -	\$ 37,963	\$ 46,999
Retainages payable	-	-	-	-	11,094
Accrued salaries payable	101	-	-	101	90
Other accrued liabilities	118	-	-	118	93
Due to other funds	280,000	12,340	-	292,340	-
Deferred revenue	13,010	-	-	13,010	-
<b>Total liabilities</b>	<b>331,192</b>	<b>12,340</b>	<b>-</b>	<b>343,532</b>	<b>58,276</b>
Fund balances:					
Unreserved -					
Designated for future expenditures	-	-	-	-	86,550
Undesignated	553,941	172,957	80,462	807,360	822,726
<b>Total fund balances</b>	<b>553,941</b>	<b>172,957</b>	<b>80,462</b>	<b>807,360</b>	<b>909,276</b>
<b>Total liabilities and fund balance</b>	<b>\$885,133</b>	<b>\$185,297</b>	<b>\$80,462</b>	<b>\$1,150,892</b>	<b>\$967,552</b>
	=====	=====	=====	=====	=====

CITY OF ABBEVILLE, LOUISIANA

Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance  
 For the Year Ended December 31, 1995  
 With Comparative Totals for the Year Ended December 31, 1994

	Sales Tax Fund	Public Improvement Sewer Fund	Maintenance And Operation - Fire Department Fund	Totals	
				1995	1994
<b>Revenues:</b>					
Taxes	\$1,395,205	\$ 40,724	\$ -	\$1,435,929	\$1,323,841
Intergovernmental	26,122	-	69,636	95,758	618,645
Other revenues	35,765	11,001	1,328	48,094	116,707
Total revenues	<u>1,457,092</u>	<u>51,725</u>	<u>70,964</u>	<u>1,579,781</u>	<u>2,059,193</u>
<b>Expenditures:</b>					
Current -					
General government	87,544	-	-	87,544	158,933
Public safety -					
Police	107,127	-	-	107,127	86,476
Fire	17,894	-	-	17,894	12,333
Highways and streets	234,437	-	-	234,437	354,236
Culture and recreation	107,929	-	-	107,929	178,898
Total expenditures	<u>554,931</u>	<u>-</u>	<u>-</u>	<u>554,931</u>	<u>790,876</u>
Excess of revenues over expenditures	<u>902,161</u>	<u>51,725</u>	<u>70,964</u>	<u>1,024,850</u>	<u>1,268,317</u>
<b>Other financing sources (uses):</b>					
Operating transfers in	-	-	-	-	-
Operating transfers out	(869,864)	-	-	(869,864)	(472,102)
Total other financing sources (uses)	<u>(869,864)</u>	<u>-</u>	<u>-</u>	<u>(869,864)</u>	<u>(472,102)</u>
Excess of revenues and other financing sources over expenditures and other financing uses	32,297	51,725	70,964	154,986	796,215
Fund balances, beginning	679,396	220,382	9,498	909,276	761,462
Residual equity transfers to Utility System Fund	(157,752)	(99,150)	-	(256,902)	(648,401)
Fund balances, ending	<u>\$ 553,941</u> =====	<u>\$ 172,957</u> =====	<u>\$80,462</u> =====	<u>\$ 807,360</u> =====	<u>\$ 909,276</u> =====



CITY OF ABBEVILLE, LOUISIANA

Special Revenue Funds  
Sales Tax Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget (GAAP Basis) and Actual  
For the Year Ended December 31, 1995  
With Comparative Totals for the Year Ended December 31, 1994

	1995		Variance Favorable (Unfavorable)	1994 Actual
	Budget	Actual		
Revenues:				
Sales taxes	\$1,382,000	\$1,395,205	\$ 13,205	\$1,285,730
Intergovernmental -				
Federal Grant -				
Jean Lafitte	11,000	10,348	(652)	98,859
Home rehabilitation	-	-	-	78,000
FEMA	-	-	-	7,339
Utility relocation	-	-	-	330,864
State Grant -				
Park improvements	-	-	-	43,000
Facade	14,000	14,000	-	-
Other	1,000	1,774	774	7,258
Other revenues -				
Interest on investments	26,000	29,765	3,765	15,689
Other sources	6,000	6,000	-	95,046
Total revenues	<u>1,440,000</u>	<u>1,457,092</u>	<u>17,092</u>	<u>1,961,785</u>
Expenditures:				
Current -				
General government	101,000	87,544	13,456	158,933
Public safety -				
Police	115,000	107,127	7,873	86,476
Fire	20,000	17,894	2,106	12,333
Highways and streets	300,000	234,437	65,563	354,236
Culture and recreation	127,000	107,929	19,071	178,898
Total expenditures	<u>663,000</u>	<u>554,931</u>	<u>108,069</u>	<u>790,876</u>
Excess of revenues over expenditures	777,000	902,161	125,161	1,170,909
Other financing uses:				
Operating transfers out	<u>(676,500)</u>	<u>(869,864)</u>	<u>(193,364)</u>	<u>(472,102)</u>
Excess (deficiency) of revenues over expenditures and other financing uses	100,500	32,297	(68,203)	698,807
Fund balance, beginning	679,396	679,396	-	539,140
Residual equity transfers to utility system fund	<u>(130,000)</u>	<u>(157,752)</u>	<u>(27,752)</u>	<u>(558,551)</u>
Fund balance, ending	\$ 649,896	\$ 553,941	\$(95,955)	\$ 679,396
	=====	=====	=====	=====

CITY OF ABBEVILLE, LOUISIANA

Special Revenue Funds  
Sales Tax Fund

Statement of Expenditures Compared to Budget (GAAP Basis)  
For the Year Ended December 31, 1995  
With Comparative Totals for the Year Ended December 31, 1994

	1995		Variance Favorable (Unfavorable)	1994 Actual
	Budget	Actual		
<b>General Government:</b>				
<b>Administrative -</b>				
Salaries	\$ 15,000	\$ 13,942	\$ 1,058	\$ 12,590
Payroll taxes	1,500	1,066	434	963
Postage and printing	3,000	2,100	900	2,100
Employees' insurance	3,000	3,031	(31)	2,189
General insurance	6,500	6,149	351	6,245
Retirement	500	397	103	403
Professional services	15,000	15,277	(277)	15,537
Repairs and maintenance	8,000	7,310	690	5,608
Miscellaneous	-	301	(301)	4,465
Capital outlay - Equipment	15,000	15,868	(868)	15,238
Total administrative	<u>67,500</u>	<u>65,441</u>	<u>2,059</u>	<u>65,338</u>
<b>City Court -</b>				
Capital outlay - Equipment	2,000	2,300	(300)	774
Total city court	<u>2,000</u>	<u>2,300</u>	<u>(300)</u>	<u>774</u>
<b>Motor Pool -</b>				
Repairs and maintenance	1,500	-	1,500	1,110
Total motor pool	<u>1,500</u>	<u>-</u>	<u>1,500</u>	<u>1,110</u>
<b>Risk Management -</b>				
Professional services	4,000	2,171	1,829	-
Capital outlay - Equipment	-	-	-	628
Total risk management	<u>4,000</u>	<u>2,171</u>	<u>1,829</u>	<u>628</u>
<b>Airport -</b>				
Repairs and maintenance	1,000	693	307	958
Capital outlay - Equipment	4,000	1,968	2,032	7,495
Total airport	<u>5,000</u>	<u>2,661</u>	<u>2,339</u>	<u>8,453</u>
<b>Facade/Home Rehabilitation Project -</b>				
Expenditures	21,000	14,971	6,029	82,630
Total home rehabilitation project	<u>21,000</u>	<u>14,971</u>	<u>6,029</u>	<u>82,630</u>
Total general government	<u>101,000</u>	<u>87,544</u>	<u>13,456</u>	<u>158,933</u>

(Continued)

CITY OF ABBEVILLE, LOUISIANA

Special Revenue Funds  
Sales Tax Fund

Statement of Expenditures Compared to Budget (GAAP Basis) - Continued  
For the Year Ended December 31, 1995  
With Comparative Totals for the Year Ended December 31, 1994

	1995		Variance Favorable (Unfavorable)	1994 Actual
	Budget	Actual		
Public Safety:				
Police -				
Repairs and maintenance	\$ 27,000	\$ 25,311	\$ 1,689	\$ 9,680
Capital outlay -				
Buildings and improvements	-	-	-	16,123
Equipment	<u>88,000</u>	<u>81,816</u>	<u>6,184</u>	<u>60,673</u>
Total police	<u>115,000</u>	<u>107,127</u>	<u>7,873</u>	<u>86,476</u>
Fire -				
Repairs and maintenance	2,000	2,623	(623)	5,461
Small tools and equipment	2,000	1,421	579	4,276
Capital outlay -				
Equipment	<u>16,000</u>	<u>13,850</u>	<u>2,150</u>	<u>2,596</u>
Total fire	<u>20,000</u>	<u>17,894</u>	<u>2,106</u>	<u>12,333</u>
Total public safety	<u>135,000</u>	<u>125,021</u>	<u>9,979</u>	<u>98,809</u>
Highways and Streets:				
Street department -				
Repairs and maintenance	72,000	70,363	1,637	64,840
Street and drainage				
improvements	213,000	148,224	64,776	273,132
Street signs	7,500	9,424	(1,924)	5,389
Small tools and equipment	7,500	6,426	1,074	8,709
Capital outlay -				
Equipment	-	-	-	2,166
Total highway and streets	<u>300,000</u>	<u>234,437</u>	<u>65,563</u>	<u>354,236</u>
Culture and Recreation:				
Parks -				
Jean Lafitte Project -				
Tourism and promotional	-	-	-	9,365
Capital outlay -				
Improvements other than				
buildings	15,000	10,348	4,652	70,648
Tourist Center improvements	7,000	5,852	1,148	-
Repairs and maintenance	9,000	9,709	(709)	6,139
Capital outlay -				
Equipment	5,500	4,362	1,138	6,188
Improvement other than				
building	<u>90,500</u>	<u>77,658</u>	<u>12,842</u>	<u>86,558</u>
Total culture and recreation	<u>127,000</u>	<u>107,929</u>	<u>19,071</u>	<u>178,898</u>
Total expenditures	<u>\$663,000</u>	<u>\$554,931</u>	<u>\$108,069</u>	<u>\$790,876</u>
	=====	=====	=====	=====

CITY OF ABBEVILLE, LOUISIANA

Special Revenue Funds  
Public Improvement (Sewer) Fund

Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget (GAAP Basis) and Actual  
For the Year Ended December 31, 1995  
With Comparative Totals for the Year Ended December 31, 1994

	1995		Variance Favorable (Unfavorable)	1994 Actual
	Budget	Actual		
Revenues:				
Taxes -				
Ad valorem taxes	\$ 40,000	\$ 40,724	\$ 724	\$ 38,111
Other revenues -				
Interest on investments	10,000	11,001	1,001	5,575
Total revenues	<u>50,000</u>	<u>51,725</u>	<u>1,725</u>	<u>43,686</u>
Expenditures:				
Current -				
General Government -				
Bad debts	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	50,000	51,725	1,725	43,686
Fund balance, beginning	220,382	220,382	-	266,546
Residual equity transfers To Utility System Fund	<u>(100,000)</u>	<u>(99,150)</u>	<u>850</u>	<u>(89,850)</u>
Fund balance, ending	<u>\$170,382</u> =====	<u>\$172,957</u> =====	<u>\$2,575</u> =====	<u>\$220,382</u> =====

CITY OF ABBEVILLE, LOUISIANA

Debt Service Fund

PUBLIC IMPROVEMENT 2/01/65 - To accumulate monies for payment of the 1965 Public Improvement General Obligation Bonds represented by three remaining issuances totaling \$500,000. These are serial bonds due in annual installments, plus interest, through maturity at various dates. Debt service is financed by the levy of a specific ad valorem tax.

CITY OF ABBEVILLE, LOUISIANA

Debt Service Fund  
Public Improvement - 2/01/65

Comparative Balance Sheet  
December 31, 1995 and 1994

	<u>1995</u>	<u>1994</u>
ASSETS		
Interest bearing deposits	\$ -	\$37,355
Receivables:		
Ad valorem taxes	<u>-</u>	<u>433</u>
Total assets	\$ -	\$37,788
	=====	=====
FUND BALANCES		
Fund balances		
Reserved for debt service	\$ -	\$37,788
	=====	=====

CITY OF ABBEVILLE, LOUISIANA

Debt Service Fund  
Public Improvement - 2/01/65

Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget (GAAP Basis) and Actual  
For the Year Ended December 31, 1995  
With Comparative Totals for the Year Ended December 31, 1994

	1995		Variance Favorable (Unfavorable)	1994 Actual
	Budget	Actual		
Revenues:				
Taxes -				
Ad Valorem taxes	\$ -	\$ -	\$-	\$ 1,974
Other revenues -				
Interest on investments	47	47	-	1,055
Total revenues	<u>47</u>	<u>47</u>	<u>-</u>	<u>3,029</u>
Expenditures:				
Principal retirement	37,000	37,000	-	36,000
Interest	185	185	-	1,036
Paying agent's fees	650	650	-	1,927
Total expenditures	<u>37,835</u>	<u>37,835</u>	<u>-</u>	<u>38,963</u>
Excess (deficiency) of revenues over expenditures	(37,788)	(37,788)	-	(35,934)
Fund balance, beginning	<u>37,788</u>	<u>37,788</u>	<u>-</u>	<u>73,722</u>
Fund balance, ending	\$ - =====	\$ - =====	\$- =====	\$37,788 =====



CITY OF ABBEVILLE, LOUISIANA

Capital Projects Fund

1992 LCDBG WATER EXTENSION FUND - To account for the construction of water system extensions to Eaton Subdivision. This project is being primarily funded by 1992 Louisiana Community Development Block Grant Funds. The City must provide funds for 10% of construction costs.

1993 LCDBG DISASTER RECOVERY FUND - To account for costs associated with rehabilitation of the City's Sewer System. This project is being funded by 1993 Louisiana Community Development Block Grant Funds.

CITY OF ABBEVILLE, LOUISIANA  
 Capital Projects Funds  
 Combining Balance Sheet  
 December 31, 1995  
 With Comparative Totals for December 31, 1994

	1992 LCDBG Water Extension Fund	1993 LCDBG Disaster Recovery Fund	<u>Totals</u>	
			<u>1995</u>	<u>1994</u>
<b>ASSETS</b>				
Due from other funds	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
	=====	=====	=====	=====
<b>LIABILITIES AND FUND BALANCE</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Retainage payable	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance:</b>				
Unreserved - Undesignated	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities and fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
	=====	=====	=====	=====

CITY OF ABBEVILLE

Capital Projects Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
 For the Year Ended December 31, 1995  
 With Comparative Totals for the Year Ended December 31, 1994

	1992 LCDBG Water Extension Fund	1993 LCDBG Disaster Recovery Fund	Totals	
			1995	1994
Revenues:				
Intergovernmental - Federal Grant	\$ -	\$440,677	\$440,677	\$116,955
Expenditures:				
Capital outlay	<u>-</u>	<u>457,082</u>	<u>457,082</u>	<u>128,456</u>
Excess (deficiency) of revenues over expenditures	-	(16,405)	(16,405)	(11,501)
Other financing sources:				
Operating transfer in	<u>-</u>	<u>16,405</u>	<u>16,405</u>	<u>11,501</u>
Excess (deficiency) of revenues and other financing sources over expenditures	-	-	-	-
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, ending	\$ - =====	\$ - =====	\$ - =====	\$ - =====

CITY OF ABBEVILLE

Capital Projects Fund  
1992 LCDBG Water Extension Fund

Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget (GAAP Basis) and Actual  
For the Year Ended December 31, 1995  
With Comparative Totals for the Year Ended December 31, 1994

	1995		Variance Favorable (Unfavorable)	1994 Actual
	Budget	Actual		
Revenues:				
Intergovernmental - Federal Grant	\$ -	\$ -	\$ -	\$ 84,837
Expenditures:				
Capital outlay	-	-	-	96,338
Excess (deficiency) of revenues over expenditures	-	-	-	(11,501)
Other financing sources:				
Operating transfer in	-	-	-	11,501
Excess (deficiency) of revenues and other financing sources over expenditures	-	-	-	-
Fund balance, beginning	-	-	-	-
Fund balance, ending	\$ -	\$ -	\$ -	\$ -
	=====	=====	=====	=====

CITY OF ABBEVILLE

Capital Projects Fund  
1993 LCDBG Water Extension Fund

Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget (GAAP Basis) and Actual  
For the Year Ended December 31, 1995  
With Comparative Totals for the Year Ended December 31, 1994

	1995		Variance Favorable (Unfavorable)	1994 Actual
	Budget	Actual		
Revenues:				
Intergovernmental - Federal Grant	\$441,000	\$440,677	\$(323)	\$ 32,118
Expenditures:				
Capital outlay	<u>457,500</u>	<u>457,082</u>	<u>418</u>	<u>32,118</u>
Excess (deficiency) of revenues over expenditures	(16,500)	(16,405)	95	-
Other financing sources:				
Operating transfer in	<u>16,500</u>	<u>16,405</u>	<u>(95)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures	-	-	-	-
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, ending	<u>\$ -</u> =====	<u>\$ -</u> =====	<u>\$ -</u> =====	<u>\$ -</u> =====

CITY OF ABBEVILLE, LOUISIANA

Enterprise Fund

UTILITY SYSTEM FUND - To account for the provisions of electric, water, sewerage, and sanitation services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

CITY OF ABBEVILLE, LOUISIANA

Enterprise Fund  
Utility System Fund

Comparative Balance Sheet  
December 31, 1995 and 1994

ASSETS	<u>1995</u>	<u>1994</u>
Current assets:		
Cash	\$ 7,743	\$ 42,637
Interest-bearing deposits	392,102	502,253
Investment	35,000	-
Accounts receivable -		
Customers' utility	1,183,571	1,128,070
Other	10,325	400
Due from other funds	280,000	-
Inventory	192,680	157,597
Prepaid insurance	4,185	3,908
Total current assets	<u>2,105,606</u>	<u>1,834,865</u>
Restricted assets:		
1988 refunding bonds sinking fund -		
Interest-bearing deposits	79,716	86,261
1988 refunding bonds reserve fund -		
Interest-bearing deposits	1,500	1,500
Investment	808,000	808,000
1988 refunding bonds capital additions and contingencies fund -		
Interest-bearing deposits	-	100,000
Investment	250,000	150,000
1992 certificates of indebtedness sinking fund -		
Interest-bearing deposits	88,790	84,472
Arbitrage Rebate Fund -		
Cash	-	939
Franchise fund -		
Interest-bearing deposits	-	2,593
Customers' deposits -		
Cash	13,012	33,185
Interest-bearing deposits	18,080	37,691
Investment	350,000	300,000
Total restricted assets	<u>1,609,098</u>	<u>1,604,641</u>
Property, plant and equipment:		
Property, plant and equipment at cost, net of accumulated depreciation (1995-\$13,493,353, 1994-\$12,868,047)	<u>11,892,226</u>	<u>12,408,244</u>
Total property, plant and equipment	<u>11,892,226</u>	<u>12,408,244</u>
Intangible assets:		
Unamortized bond issuance cost, net of cumulative amortization (1995-\$97,740, 1994-\$83,280)	<u>113,801</u>	<u>128,261</u>
Total assets	<u>\$15,720,731</u>	<u>\$15,976,011</u>



LIABILITIES AND FUND EQUITY	<u>1995</u>	<u>1994</u>
Liabilities:		
Current Liabilities (payable from current assets) -		
Accounts payable	\$ 418,782	\$ 380,980
State sales tax payable	22,273	21,056
Accrued salaries payable	6,089	5,644
Other accrued liabilities	15,701	14,088
Due to other funds	<u>307,000</u>	<u>10,000</u>
Total current liabilities (payable from current assets)	<u>769,845</u>	<u>431,768</u>
Current Liabilities (payable from restricted assets) -		
1988 refunding bonds payable, net of unamortized discount (1995-\$13,026, 1994-\$13,026)	356,974	506,974
1992 certificates of indebtedness payable, net of unamortized discount (1995-\$1,400, 1994-\$1,400)	63,600	58,600
Accrued interest payable	43,156	47,116
Customers' deposits	<u>381,092</u>	<u>370,876</u>
Total current liabilities (payable from restricted assets)	<u>844,822</u>	<u>983,566</u>
Long-term liabilities:		
1988 refunding bonds payable, net of unamortized discount (1995-\$91,188, 1994-\$104,215)	4,993,812	5,350,785
1992 certificates of indebtedness payable, net of unamortized discount (1995-\$7,350, 1994-\$8,750)	<u>457,650</u>	<u>521,250</u>
Total long-term liabilities	<u>5,451,462</u>	<u>5,872,035</u>
Total liabilities	<u>7,066,129</u>	<u>7,287,369</u>
Fund equity:		
Contributed capital -		
Municipality	4,526,736	4,269,833
Federal grants	3,916,010	4,006,110
State grants	2,461	4,923
Donations	2,537	2,537
Retained earnings -		
Reserved for revenue bond retirement	764,276	616,543
Unreserved	<u>(557,418)</u>	<u>(211,304)</u>
Total fund equity	<u>8,654,602</u>	<u>8,688,642</u>
Total liabilities and fund equity	<u>\$15,720,731</u>	<u>\$15,976,011</u>

CITY OF ABBEVILLE, LOUISIANA

Enterprise Fund  
Utility Fund

Comparative Statement of Revenues, Expenses and Changes in Retained Earnings  
For the Years Ended December 31, 1995 and 1994

	<u>1995</u>	<u>1994</u>
Operating revenues:		
Charges for services -		
Electric sales and related charges	\$ 9,451,853	\$ 8,997,420
Water sales	456,452	438,093
Sewer services	646,709	608,455
Sanitation services	-	195,668
Other revenues	138,291	154,135
Total operating revenues	<u>10,693,305</u>	<u>10,393,771</u>
Operating expenses:		
Electric power purchased	4,928,274	4,809,087
Electric department expenses	690,717	574,159
Water department expenses	670,845	632,931
Sewer department expenses	544,649	583,333
Sanitation department expenses	-	173,945
General and administrative expenses	372,652	354,135
Depreciation expense	772,921	807,866
Total operating expenses	<u>7,980,058</u>	<u>7,935,456</u>
Operating income	<u>2,713,247</u>	<u>2,458,315</u>
Nonoperating revenues (expenses):		
Interest income	114,993	61,140
Federal grant - FEMA	-	50,759
Interest expense	(463,570)	(498,266)
Paying agents fees	(889)	(941)
Amortization of bond issuance cost	(14,459)	(14,459)
Loss on disposition of assets	-	(14,443)
Total nonoperating revenues (expenses)	<u>(363,925)</u>	<u>(416,210)</u>
Income before operating transfers	<u>2,349,322</u>	<u>2,042,105</u>

(continued)

CITY OF ABBEVILLE, LOUISIANA

Enterprise Fund  
Utility Fund

Comparative Statement of Revenues, Expenses and Changes in Retained Earnings  
For the Years Ended December 31, 1995 and 1994

	<u>1995</u>	<u>1994</u>
Operating transfers in (out):		
Operating transfers in	\$ 853,459	\$ 460,601
Operating transfers out	<u>(3,493,723)</u>	<u>(2,840,767)</u>
Total operating transfers in (out)	<u>(2,640,264)</u>	<u>(2,380,166)</u>
Net income (loss)	(290,942)	(338,061)
Add: Depreciation on fixed assets acquired by capital grants externally restricted for capital acquisitions and construction that reduces contributed capital	<u>92,561</u>	<u>102,899</u>
Increase (decrease) in retained earnings	<u>(198,381)</u>	<u>(235,162)</u>
Retained earnings, beginning	405,239	640,401
Retained earnings, ending	<u>\$ 206,858</u>	<u>\$ 405,239</u>

CITY OF ABBEVILLE, LOUISIANA

Enterprise Fund  
Utility Fund

Comparative Statement of Cash Flows  
For the Years Ended December 31, 1995 and 1994

	<u>1995</u>	<u>1994</u>
Cash flows from operating activities:		
Operating income	\$ <u>2,713,247</u>	\$ <u>2,458,315</u>
Adjustments to reconcile operating income to net cash provided by operating activities -		
Depreciation	772,921	807,866
Changes in current assets and liabilities:		
(Increase) decrease in accounts receivable	(55,501)	107,057
(Increase) decrease in other receivables	(9,925)	-
(Increase) decrease in due from other funds	(280,000)	-
(Increase) decrease in inventory	(35,083)	(3,427)
(Increase) decrease in prepaid insurance	(277)	-
Increase (decrease) in accounts payable	37,802	(26,533)
Increase (decrease) in state sales tax payable	1,217	(1,413)
Increase (decrease) in accrued salaries payable	445	(1,228)
Increase (decrease) in other accrued liabilities	1,613	(3,029)
Increase (decrease) in due to other funds	<u>297,000</u>	<u>(20,000)</u>
Total adjustments	<u>730,212</u>	<u>859,293</u>
Net cash provided by operating activities	<u>3,443,459</u>	<u>3,317,608</u>
Cash flows from noncapital financing activities:		
Receipt of federal grant - FEMA	-	50,759
Operating transfers in from other funds	573,459	609,437
Operating transfers out to other funds	<u>(3,213,723)</u>	<u>(2,840,767)</u>
Net cash (used) by noncapital financing activities	<u>(2,640,264)</u>	<u>(2,180,571)</u> (continued)

CITY OF ABBEVILLE, LOUISIANA

Enterprise Fund  
Utility Fund

Comparative Statement of Cash Flows  
For the Years Ended December 31, 1995 and 1994

	<u>1995</u>	<u>1994</u>
Cash flows from capital and related financing activities:		
Acquisition of plant and equipment	\$ (256,902)	\$ (858,239)
Principal paid on revenue bond maturities	(520,000)	(480,000)
Interest paid on revenue bonds	(417,873)	(449,072)
Principal paid on certificates of indebtedness	(60,000)	(55,000)
Interest paid on certificates of indebtedness	(35,230)	(38,338)
Increase (decrease) in customer meter deposits	10,216	6,245
Capital contributed from municipality and other government entities	256,902	858,239
Paying agents' fees	<u>(889)</u>	<u>(941)</u>
Net cash (used) by capital and related financing activities	<u>(1,023,776)</u>	<u>(1,017,106)</u>
Cash flows from investing activities:		
Purchase of investments	(185,000)	(1,133,000)
Interest on interest-bearing deposits and investments	<u>114,993</u>	<u>61,140</u>
Net cash provided (used) by investing activities	<u>(70,007)</u>	<u>(1,071,860)</u>
Net increase (decrease) in cash and cash equivalents	(290,588)	(951,929)
Cash and cash equivalents, beginning	<u>891,531</u>	<u>1,843,460</u>
Cash and cash equivalents, ending	\$ 600,943	\$ 891,531

(continued)

CITY OF ABBEVILLE, LOUISIANA

Enterprise Fund  
Utility Fund

Comparative Statement of Cash Flows  
For the Years Ended December 31, 1995 and 1994

	<u>1995</u>	<u>1994</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents, beginning:		
Cash - unrestricted	\$ 42,637	\$ 27,535
Interest-bearing deposits - unrestricted	502,253	349,420
Cash - restricted	34,124	31,581
Interest-bearing deposits - restricted	<u>312,517</u>	<u>1,434,924</u>
Total cash and cash equivalents	<u>\$891,531</u>	<u>\$1,843,460</u>
Cash and cash equivalents, ending:		
Cash - unrestricted	\$ 7,743	\$ 42,637
Interest-bearing deposits - unrestricted	392,102	502,253
Cash - restricted	13,012	34,124
Interest-bearing deposits - restricted	<u>188,086</u>	<u>312,517</u>
Total cash and cash equivalents	<u>\$600,943</u>	<u>\$ 891,531</u>

CITY OF ABBEVILLE, LOUISIANA

Enterprise Fund  
Utility Fund

Comparative Statement of Miscellaneous Revenues  
For the Years Ended December 31, 1995 and 1994

	<u>1995</u>	<u>1994</u>
Other revenues:		
Penalties	\$102,650	\$113,111
Reconnection fees	12,684	4,250
Electric permits	4,005	4,855
Water and sewerage permits	4,205	5,552
Recovery of bad debts	5,564	19,999
Other sources	<u>9,183</u>	<u>6,368</u>
Total miscellaneous revenues	<u>\$138,291</u>	<u>\$154,135</u>



CITY OF ABBEVILLE, LOUISIANA

Enterprise Fund  
Utility Fund

Comparative Statement of Operating Expenses  
For the Years Ended December 31, 1995 and 1994

	<u>1995</u>	<u>1994</u>
Electric department (excluding electric power purchased):		
Salaries	\$191,330	\$150,644
Maintenance and repairs - System	270,266	229,539
Employees' insurance	33,210	24,193
General insurance	87,800	56,790
Equipment operating expense	36,100	47,406
Miscellaneous repairs and supplies	44,369	40,604
Small tools and supplies	3,319	5,562
Payroll taxes	14,680	11,529
Retirement	3,879	3,009
Miscellaneous	5,764	4,883
Depreciation	<u>300,577</u>	<u>306,789</u>
Total electric department	<u>\$991,294</u>	<u>\$880,948</u>
	=====	=====
Water department:		
Salaries	\$238,025	\$224,472
Maintenance and repairs - System	67,271	77,255
Electricity for pumps	19,686	17,187
Employees' insurance	43,899	34,698
General insurance	71,887	53,611
Equipment operating expense	20,486	22,395
Utilities	82,281	83,906
Telephone	4,782	4,915
Small tools and supplies	92,278	84,902
Retirement	5,900	5,954
Payroll taxes	18,199	17,193
School and conventions	1,311	743
Miscellaneous	4,840	5,700
Depreciation	<u>113,581</u>	<u>125,333</u>
Total water department	<u>\$784,426</u>	<u>\$758,264</u>
	=====	=====
Sewerage Department:		
Salaries	\$150,626	\$138,887
Maintenance and repairs - System	91,660	166,489
Electricity for pumps	41,456	35,907
Employees' insurance	31,101	24,217
General insurance	44,556	27,679
Equipment operating expense	14,334	22,840
Retirement	4,637	4,065
Utilities	84,585	82,720
Telephone	800	805
Small tools and supplies	60,729	59,041
Payroll taxes	11,516	10,622
Schools and conventions	971	630
Miscellaneous	7,678	9,431
Depreciation	<u>318,920</u>	<u>308,511</u>
Total sewerage department	<u>\$863,569</u>	<u>\$891,844</u>
	=====	=====

(continued)

CITY OF ABBEVILLE, LOUISIANA

Enterprise Fund  
Utility Fund

Comparative Statement of Operating Expenses  
For the Years Ended December 31, 1995 and 1994

	<u>1995</u>	<u>1994</u>
Sanitation department:		
Salaries	\$ -	\$102,135
Equipment operating expense	-	18,984
Employees' insurance	-	16,764
General insurance	-	21,879
Retirement	-	2,991
Payroll taxes	-	8,044
Small tools and supplies	-	94
Miscellaneous	-	3,054
Depreciation	-	15,595
Total sanitation department	<u>\$ -</u>	<u>\$189,540</u>
General and Administrative:		
Salaries	\$177,227	\$174,210
Employees' insurance	44,691	30,930
General insurance	12,305	12,489
Accounting services	17,660	15,960
Office expense	23,154	18,010
Postage	13,085	10,600
Payroll taxes	13,551	13,325
Utilities	3,351	3,441
Miscellaneous	11,343	13,543
Professional services	15,422	2,081
Collection fees	1,465	11,108
Bad debts	22,767	33,814
Telephone	4,318	4,535
Equipment operating expense	3,769	1,094
Retirement	5,445	5,910
Donated services	3,099	3,085
Depreciation	39,843	51,638
Total general administrative	<u>\$412,495</u>	<u>\$405,773</u>

CITY OF ABBEVILLE, LOUISIANA

Enterprise Fund  
Utility Fund

Schedule of Changes in Assets Restricted for Revenue Bond Debt Service  
For the Year Ended December 31, 1995

	1988 Refunding Bonds Sinking Fund	1988 Refunding Bonds Reserve Fund	Capital Additions And Contingencies Fund	1992 Certificate Of Indebtedness Sinking Fund	Cash With Paying Agents	Total
CASH AND INVESTMENTS DECEMBER 31, 1994	\$ 86,261	\$809,500	\$250,000	\$ 84,472	\$ -	\$1,230,233
Cash receipts:						
Transfer from operating account	922,512	-	-	98,284	-	1,020,796
Transfer from sinking fund	-	-	-	-	1,035,103	1,035,103
Interest on investments	9,204	48,813	12,321	1,564	-	71,902
Total cash receipts	931,716	48,813	12,321	99,848	1,035,103	2,125,801
TOTAL CASH AND INVESTMENTS AVAILABLE	1,017,977	858,313	262,321	184,320	1,033,103	3,356,034
Cash disbursements:						
Principal payments	-	-	-	-	580,000	580,000
Interest payments	-	-	-	-	453,103	453,103
Transfers to paying agents	937,873	-	-	95,230	-	1,033,103
Paying agents' fees	388	-	-	300	-	688
Transfer to operating account	-	48,813	12,321	-	-	64,134
Total disbursements	938,261	48,813	12,321	95,530	1,033,103	2,128,028
CASH AND INVESTMENTS DECEMBER 31, 1995	\$ 79,716	\$809,500	\$250,000	\$ 88,790	\$ -	\$1,228,006

CITY OF ABBEVILLE, LOUISIANA

Internal Service Funds

RISK MANAGEMENT FUND - To account for the accumulation of self-insurance funds designated for the adjudication and satisfaction of claims made against the City.

EMPLOYEE HEALTH INSURANCE FUND - To account for the accumulation of funds from self-insurance sources and from employees dedicated to the satisfaction of health care claims made by employees and their dependents.

CITY OF ABBEVILLE, LOUISIANA

Internal Service Funds

Combining Balance Sheet  
December 31, 1995

With Comparative Totals for December 31, 1994

	<u>Risk Management Fund</u>	<u>Employee Health Insurance Fund</u>	<u>Totals</u>	
			<u>1995</u>	<u>1994</u>
<b>ASSETS</b>				
Current assets:				
Cash	\$ -	\$ 4,392	\$ 4,392	\$ -
Interest-bearing deposits	258,370	105,362	363,732	243,732
Receivables:				
Other	18,203	20,839	39,042	131,932
Due from other funds	<u>477,000</u>	<u>-</u>	<u>477,000</u>	<u>10,000</u>
Total assets	<u>\$753,573</u>	<u>\$130,593</u>	<u>\$884,166</u>	<u>\$385,664</u>
	=====	=====	=====	=====
<b>LIABILITIES AND FUND EQUITY</b>				
Liabilities:				
Current liabilities:				
Accounts payable	\$744,475	\$ 71,084	\$815,559	\$350,536
Accrued salaries payable	279	-	279	291
Other accrued liabilities	386	-	386	287
Due to other funds	<u>8,053</u>	<u>-</u>	<u>8,053</u>	<u>-</u>
Total liabilities	753,193	71,084	824,277	351,114
Fund equity:				
Retained earnings - designated for claims	<u>380</u>	<u>59,509</u>	<u>59,889</u>	<u>34,550</u>
Total liabilities and fund equity	<u>\$753,573</u>	<u>\$130,593</u>	<u>\$884,166</u>	<u>\$385,664</u>
	=====	=====	=====	=====

CITY OF ABBEVILLE, LOUISIANA

Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Retained Earnings  
For the Year Ended December 31, 1995  
With Comparative Totals for the Year Ended December 31, 1994

	Risk Management Fund	Employee Health Insurance Fund	Totals	
			1995	1994
<b>Operating revenues:</b>				
Charges for services -				
Premiums	\$1,097,233	\$706,608	\$1,803,841	\$1,151,416
Other revenues -				
Subrogation recoveries	81,141	20,839	101,980	304,446
Total operating revenues	<u>1,178,374</u>	<u>727,447</u>	<u>1,905,821</u>	<u>1,455,862</u>
<b>Cost of services rendered:</b>				
Claims	813,572	525,068	1,338,640	920,027
<b>Administrative Costs:</b>				
Plan administration/legal fees	75,700	-	75,700	92,939
Salaries	40,345	-	40,345	35,895
Employee insurance	10,413	-	10,413	6,164
Other insurance	233,010	167,917	400,927	416,610
Payroll taxes	3,087	-	3,087	2,744
Retirement	1,292	-	1,292	1,122
Schools and Conventions	2,377	-	2,377	2,433
Office supplies	1,868	-	1,868	1,488
Telephone	635	-	635	557
Uniforms	345	-	345	1,001
Miscellaneous	13,212	-	13,212	9,716
Total cost of services rendered	<u>1,195,856</u>	<u>692,985</u>	<u>1,888,841</u>	<u>1,490,696</u>
Operating income (loss)	(17,482)	34,462	16,980	(34,834)
<b>Nonoperating revenues:</b>				
Interest income	6,477	1,608	8,085	6,038
Income (loss) before operating transfers	(11,005)	36,070	25,065	(28,796)
Operating transfers in	274	-	274	257
Net income (loss)	(10,731)	36,070	25,339	(28,539)
Retained earnings, beginning	11,111	23,439	34,550	63,089
Retained earnings, ending	\$ 380	\$ 59,509	\$ 59,889	\$ 34,550
	=====	=====	=====	=====

CITY OF ABBEVILLE, LOUISIANA

Internal Service Funds

Combining Statement of Cash Flows  
For the Year Ended December 31, 1995  
With Comparative Totals for the Year Ended December 31, 1994

	Risk Management Fund	Employee Health Insurance Fund	Totals	
			1995	1994
Cash flows from operating activities:				
Operating income (loss)	\$(17,482)	\$ 34,462	\$ 16,980	\$(34,834)
Adjustments to reconcile operating income to net cash provided by operating activities -				
Changes in current assets and liabilities:				
(Increase) decrease in accounts receivable	(4,142)	97,032	92,890	(130,807)
(Increase) decrease in due from other funds	(467,000)	-	(467,000)	60,000
Increase (decrease) in accounts payable	567,665	(102,642)	465,023	115,391
Increase (decrease) in accrued salaries payable	(12)	-	(12)	23
Increase (decrease) in other accrued liabilities	99	-	99	(75)
Increase (decrease) in due to other funds	8,053	-	8,053	-
Total adjustments	<u>104,663</u>	<u>(5,610)</u>	<u>99,053</u>	<u>44,532</u>
Net cash provided (used) by operating activities	87,181	28,852	116,033	9,698
Cash flows from noncapital financing activities:				
Operating transfers in from other funds	274	-	274	257
Cash flows from investing activities:				
Interest collected on interest- bearing deposits	<u>6,477</u>	<u>1,608</u>	<u>8,085</u>	<u>6,038</u>
Net increase (decrease) in cash and cash equivalents	93,932	30,460	124,392	15,993
Cash and cash equivalents, beginning	<u>164,438</u>	<u>79,294</u>	<u>243,732</u>	<u>227,739</u>
Cash and cash equivalents, ending	<u>\$258,370</u> =====	<u>\$109,754</u> =====	<u>\$368,124</u> =====	<u>\$243,732</u> =====

CITY OF ABBEVILLE, LOUISIANA

Agency Fund

PAYROLL FUND - To account for the payment of the City payroll and disbursement of all withholdings. Monies are provided by the various funds which incurred the salaries expense.



CITY OF ABBEVILLE, LOUISIANA

Agency Fund  
Payroll Fund

Comparative Balance Sheet  
December 31, 1995 and 1994

	<u>1995</u>	<u>1994</u>
<b>ASSETS</b>		
Cash	\$ -	\$ -
Interest-bearing deposits	41,309	24,929
Receivables:		
Other	<u>-</u>	<u>-</u>
Total assets	<u>\$41,309</u>	<u>\$24,929</u>
<b>LIABILITIES</b>		
Accrued liabilities	<u>\$41,309</u>	<u>\$24,929</u>
Total liabilities	<u>\$41,309</u>	<u>\$24,929</u>

CITY OF ABBEVILLE, LOUISIANA

Agency Fund  
Payroll Fund

Statement of Changes in Assets and Liabilities  
For the Year Ended December 31, 1995

	Balance December 31, 1994	Additions	Deductions	Balance December 31, 1995
<b>ASSETS</b>				
Cash	\$ -	\$3,025,286	\$3,025,286	\$ -
Interest-bearing deposits	24,929	971,660	955,280	41,309
Receivables:				
Other	-	5,345	5,345	-
Total assets	<u>\$24,929</u>	<u>\$4,002,291</u>	<u>\$3,985,911</u>	<u>\$41,309</u>
<b>LIABILITIES</b>				
Accrued liabilities	\$24,929	\$2,026,151	\$2,009,771	\$41,309
Due to other funds	-	3,025,926	3,025,926	-
Total liabilities	<u>\$24,929</u>	<u>\$5,052,077</u>	<u>\$5,035,697</u>	<u>\$41,309</u>

CITY OF ABBEVILLE, LOUISIANA  
General Fixed Assets Account Group

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

CITY OF ABBEVILLE, LOUISIANA

Comparative Statement of General Fixed Assets  
December 31, 1995 and 1994

	<u>1995</u>	<u>1994</u>
General fixed assets, at cost:		
Land	\$ 483,101	\$ 480,101
Buildings	2,315,011	2,311,022
Improvements other than buildings	10,006,493	9,934,465
Equipment	<u>2,050,873</u>	<u>1,977,865</u>
Total general fixed assets	\$14,855,478 =====	\$14,703,453 =====
Investment in general fixed assets:		
Property acquired prior to 1/1/75 *	\$ 4,917,257	\$ 4,923,142
Property acquired after 1/1/75* from -		
General fund revenues	479,397	467,203
Sales tax revenues	4,602,214	4,465,110
Ad valorem tax revenues	262,850	262,850
Revenue sharing funds	775,547	775,547
Capital Projects fund revenues and transfers	787,974	787,974
Vermilion Parish Police Jury fire protection revenue	401,191	401,191
State grants	325,088	325,088
Federal grants	2,302,460	2,293,848
Donations	<u>1,500</u>	<u>1,500</u>
Total investment in general fixed assets	\$14,855,478 =====	\$14,703,453 =====

\* Records reflecting source from which assets were acquired were not maintained prior to 1/1/75.

CITY OF ABBEVILLE, LOUISIANA

Statement of Changes in General Fixed Assets  
For the Year Ended December 31, 1995

	<u>Land</u>	<u>Buildings</u>	<u>Improvements Other Than Buildings</u>	<u>Equipment</u>	<u>Total</u>
General fixed assets - December 31, 1994	<u>\$480,101</u>	<u>\$2,311,022</u>	<u>\$ 9,934,465</u>	<u>\$1,977,865</u>	<u>\$14,703,453</u>
Additions:					
Sales tax revenue	3,000	3,989	51,222	106,339	164,550
General fund revenue	-	-	13,309	-	13,309
Federal Grants	-	-	8,612	-	8,612
Total additions	<u>3,000</u>	<u>3,989</u>	<u>73,143</u>	<u>106,339</u>	<u>186,471</u>
Total balances and additions	<u>483,101</u>	<u>2,315,011</u>	<u>10,007,608</u>	<u>2,084,204</u>	<u>14,889,924</u>
Deductions:					
Assets disposed of	-	-	1,115	33,331	34,446
General fixed assets - December 31, 1995	<u>\$483,101</u>	<u>\$2,315,011</u>	<u>\$10,006,493</u>	<u>\$2,050,873</u>	<u>\$14,855,478</u>

CITY OF ABBEVILLE, LOUISIANA  
General Long-term Debt Account Group

To account for unmatured principal amounts on general long-term debt expected to be financed from governmental type funds. Payment of maturing obligations, including interest, are accounted for in the debt service funds.

CITY OF ABBEVILLE, LOUISIANA

Comparative Statement of General Long-term Debt  
December 31, 1995 and 1994

	<u>1995</u>	<u>1994</u>
Amount Available and to Be Provided for the Retirement of General Long Term Debt		
Amount available in debt service fund for debt retirement	\$ -	\$37,788
Amount to be provided for general long-term debt	<u>185,742</u>	<u>(788)</u>
Total Available and To Be Provided	<u>\$185,742</u>	<u>\$37,000</u>
 General Long-term Debt Payable		
Compensated absences payable	\$185,742	\$ -
Bonds payable	<u>\$185,742</u>	<u>37,000</u>
	<u>=====</u>	<u>=====</u>

SINGLE AUDIT SECTION



# DARNALL, SIKES, KOLDER, FREDERICK & RAINEY

(A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS)

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## Independent Auditor's Report on the Internal Control Structure Used in Administering Federal Financial Assistance Programs

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(318) 232-3312

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Suite 301  
Morgan City, LA 70380  
(504) 384-6264

408 W. Cotton Street  
Ville Platte, LA 70586  
(318) 363-2792

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Breaux Bridge, LA 70517  
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404 Pere Megret  
Abbeville, LA 70510  
(318) 893-5470

1231 E. Laurel Avenue  
Eunice, LA 70535  
(318) 457-4146

The Honorable R. Brady Broussard, Mayor  
and Members of the City Council  
City of Abbeville, Louisiana

We have audited the primary government financial statements of the City of Abbeville, Louisiana, for the year ended December 31, 1995, and have issued our report thereon dated May 1, 1996. We have also audited the compliance of the City of Abbeville, Louisiana, with requirements applicable to major federal financial assistance programs and have issued our report thereon dated May 1, 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 and about whether the City of Abbeville, Louisiana, complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audit for the year ended December 31, 1995, we considered the City's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the City's financial statements and on the compliance of the City of Abbeville, Louisiana, with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the financial statements in a separate report dated May 1, 1996.

The management of the City of Abbeville, 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, 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 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.

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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
- Billings
- Revenue/Receipts
- Purchases/Disbursements
- Accounts Payable
- Payroll/Personnel
- Property, Plant and Equipment Reporting

<u>General</u>	<u>Administrative</u>	<u>Specific</u>
Political Activity		Types of services allowed or unallowed
Davis Bacon Act		Eligibility
Civil Rights		Claims for advances and reimbursements
Cash Management		Amounts claimed or used for matching
Federal Financial Reports		
Drug Free Workplace		
Administrative Requirements		

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 December 31, 1995, the City of Abbeville, Louisiana, expended 79% of its total federal financial assistance under major federal financial assistance programs.

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

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the component unit financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

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## CITY OF ABBEVILLE, LOUISIANA

Financial Report

Year Ended December 31, 1995

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 8-7-96

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## INDEPENDENT AUDITOR'S REPORT

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The Honorable R. Brady Broussard, Mayor,  
and Members of the City Council  
City of Abbeville, Louisiana

We have audited the accompanying primary government financial statements of the City of Abbeville, Louisiana, as of and for the year ended December 31, 1995, as listed in the table of contents. These financial statements are the responsibility of the City of Abbeville, 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.

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 the City of Abbeville, Louisiana, as of December 31, 1995, and the results of its operations and cash flows of its proprietary fund types 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 Abbeville, Louisiana, do not purport to, and do not, present fairly the financial position of the City of Abbeville, Louisiana, as of December 31, 1995, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

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In accordance with Government Auditing Standards, we have also issued a report dated May 1, 1996 on our consideration of the City of Abbeville, Louisiana's internal control structure and a report dated May 1, 1996 on its compliance with laws and regulations.

Our audit was conducted for the purpose of forming an opinion on the primary government financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the primary government financial statements of the City of Abbeville, Louisiana. Such information 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 primary government financial statements taken as a whole, except that:

1. We have not audited the insurance coverage data and we express no opinion on it, and
2. Information as to the number of metered utility customers is based on unaudited data obtained from the City's records, on which we express no opinion.

The financial information for the preceding year which is included for comparative purposes was taken from the financial report for that year in which we expressed an unqualified opinion on the primary government financial statements of the City of Abbeville, Louisiana.

*Darnall, Sikes, Kolder, Frederick & Rainey*

A Corporation of Certified Public Accountants

Abbeville, Louisiana  
May 1, 1996



# DARNALL, SIKES, KOLDER, FREDERICK & RAINEY

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

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The Honorable R. Brady Broussard, Mayor  
and Members of the City Council  
City of Abbeville, Louisiana

We have audited the primary government financial statements of the City of Abbeville, Louisiana for the year ended December 31, 1995, and have issued our report thereon dated May 1, 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 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.

The management of the City of Abbeville, 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 Abbeville, Louisiana, for the year ended December 31, 1995, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

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

Finding: Utility Customers' Deposits

An analysis of Utility System internal controls revealed that utility subsidiary listings of customer deposits were not being reconciled to general ledger totals on a monthly basis. This procedure could represent a breakdown in control procedures and could lead to lost revenues for the City.

Response:

The City is in the process of establishing reconciliation procedures.

Finding: Failure to Make Timely Deposits of Bond Receipts

An analysis of internal controls over cash revealed that bond fees collected by the Police Department were not being deposited in a timely manner. Since cash is an asset inherently susceptible to theft or misuse, failure to make daily deposits exposes the City to potential losses.

Response:

When this finding was noted in the previous year audit, the City's officials requested that the Police Chief deposit all bond fees he collected in a timely manner. The City has had no success in its attempt to enforce the Police Chief's compliance in this matter. The Chief of Police is responsible for collecting bond fees and for making timely deposits. The mayor and council have no supervisory authority over the elected Chief of Police.

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 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 material weaknesses as defined above. However, we believe none of the reportable conditions described above is a material weakness.

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

Abbeville, Louisiana  
May 1, 1996

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

*Darnall, Sikes, Kolder, Frederick & Rainey*

A Corporation of Certified Public Accountants

Abbeville, Louisiana  
May 1, 1996



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

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The Honorable R. Brady Broussard, Mayor  
and Members of the City Council  
City of Abbeville, Louisiana 70510

We have audited the primary government financial statements of the City of Abbeville, Louisiana, as of and for the year ended December 31, 1995, and have issued our report thereon dated May 1, 1996.

We have applied procedures to test the City of Abbeville, 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 December 31, 1995:

Political Activity  
Davis-Bacon Act  
Civil Rights  
Cash Management  
Federal Financial Reports  
Drug Free Workplace  
Administrative Requirements

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Single Audits of State and Local Governments". Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the City of Abbeville, 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 Abbeville, Louisiana, had not complied, in all material respects, 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

Abbeville, Louisiana  
May 1, 1996

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

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The Honorable R. Brady Broussard, Mayor  
and Members of the City Council  
City of Abbeville, Louisiana 70510

We have audited the primary government financial statements of the City of Abbeville, Louisiana, as of and for the year ended December 31, 1995 and have issued our report thereon dated May 1, 1996.

We have also audited the City of Abbeville, Louisiana's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance, for the year ended December 31, 1995. The management of the City of Abbeville, Louisiana, is responsible for the City of Abbeville, Louisiana's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

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

In our opinion, the City of Abbeville, Louisiana, complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; claims for advances and reimbursements; and amounts claimed or used or matching that are applicable to each of its major federal financial assistance programs for the year ended December 31, 1995.

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

Abbeville, Louisiana  
May 1, 1996

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Independent Auditor's Report on Compliance  
With Specific Requirements Applicable to Nonmajor  
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The Honorable R. Brady Broussard, Mayor  
and Members of the City Council  
City of Abbeville, Louisiana 70510

We have audited the primary government financial statements of the City of Abbeville, Louisiana, as of and for the year ended December 31, 1995 and have issued our report thereon dated May 1, 1996.

In connection with our audit of the December 31, 1995 financial statements of the City of Abbeville, Louisiana, and with our consideration of the City of Abbeville, Louisiana's internal control structure used to administer federal financial assistance programs, as required by Office of Management and Budget 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 December 31, 1995. 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, eligibility, claims for advances and reimbursements and amounts claimed or used for matching 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 Abbeville, 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 Abbeville, Louisiana, had not complied, in all material respects, 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

Abbeville, Louisiana  
May 1, 1996

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SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS



# DARNALL, SIKES, KOLDER, FREDERICK & RAINEY

(A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS)

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## Independent Auditor's Report on Schedule of Federal Financial Assistance

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(504) 384-6264

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Ville Platte, LA 70586  
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113 East Bridge Street  
Breaux Bridge, LA 70517  
(318) 332-4020

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

1231 E. Laurel Avenue  
Eunice, LA 70535  
(318) 457-4146

The Honorable R. Brady Broussard, Mayor  
And Members of The City Council  
City of Abbeville, Louisiana 70510

We have audited the primary government financial statements of the City of Abbeville, Louisiana, as of and for the year ended December 31, 1995, and have issued our report thereon dated May 1, 1996. These financial statements are the responsibility of the City's elected officials. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget 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 Abbeville, 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 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

Abbeville, Louisiana  
May 1, 1996

MEMBER OF  
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CITY OF ABBEVILLE, LOUISIANA

Schedule of Federal Financial Assistance  
For the Year Ended December 31, 1995

<u>Federal Grantor/Pass Through Grantor/Program Name</u>	<u>CFDA #</u>	<u>Grant Funds Earned</u>	<u>Grant Funds Expended</u>
United States Department of Agriculture Food and Nutrition Service Passed through Louisiana Department of Education Summer Food Service Program	10.559	\$ 35,686	\$ 35,686
United States Department of Agriculture Forest Service Passed through Louisiana Department of Agriculture and Forestry Cooperative Forestry Assistance	10.664	3,600	3,600
United States Department of Housing and Urban Development Passed through Louisiana Office of Community Development Sewer Rehabilitation	14.219	440,677	440,677 *
United States Department of the Interior National Park Service Historic Preservation Fund Grants-In-Aid	15.904	15,256	15,256
United States Department of the Interior National Park Service - Jean Lafitte Historic Park Grant	N/A	10,348	10,348
United States Department of Justice Office of Justice Programs Passed through Louisiana Commission on Law Enforcement Drug Abuse Resistance Education Program	16.579	2,021	2,021
United States Department of Justice Office of Justice Programs Passes Through Louisiana Commission on Law Enforcement Multi-Jurisdictional Task Force	16,579	1,381	1,381
United States Department of Justice Office of Justice Programs Community Oriented Policing Services	16.726	3,041	3,041
United States Department of Transportation Federal Aviation Administration Airport Improvement Program	20.106	<u>46,965</u>	<u>46,965</u>
Total		<u>\$558,975</u>	<u>\$558,975</u>

\* Denotes a major federal financial assistance program.



OTHER SUPPLEMENTARY INFORMATION

CITY OF ABBEVILLE, LOUISIANA

Enterprise Fund  
Utility System Fund

Comparative Departmental Analysis of Revenues and Expenses  
For the Years Ended December 31, 1995 and 1994

	Electric		Water	
	1995	1994	1995	1994
Operating revenues:				
Charges for services	\$9,451,853	\$8,997,420	\$ 456,452	\$ 438,093
Other revenues	123,896	135,436	5,983	6,594
Total operating revenues	<u>9,575,749</u>	<u>9,132,856</u>	<u>462,435</u>	<u>\$ 444,687</u>
Operating expenses:				
Salaries	191,330	150,644	238,025	224,472
Payroll taxes	14,680	11,529	18,199	17,193
Employees' insurance	33,210	24,193	43,899	34,698
Retirement	3,879	3,009	5,900	5,954
Maintenance and repairs-Systems	270,266	229,539	67,271	77,255
Equipment operating expense	36,100	47,406	20,486	22,395
Electricity for pumps	-	-	19,686	17,187
Utilities	-	-	82,281	83,906
Miscellaneous repairs, tools & sup.	47,688	46,166	92,278	84,902
General insurance	87,800	56,790	71,887	53,611
Miscellaneous	5,764	4,883	10,933	11,358
Electric power purchased	4,928,274	4,809,087	-	-
Professional services	-	-	-	-
Office expense, postage and computer processing	-	-	-	-
Bad debts and collection fees	-	-	-	-
Donated services	-	-	-	-
Depreciation	300,577	306,789	113,581	125,333
Allocation of general and administrative expenses	164,999	105,501	123,748	97,386
Total operating expenses	<u>6,084,567</u>	<u>5,795,536</u>	<u>908,174</u>	<u>855,650</u>
Operating income (loss)	<u>\$3,491,182</u>	<u>\$3,337,320</u>	<u>\$(445,739)</u>	<u>\$(410,963)</u>

Sewerage		Sanitation		General And Administrative		Totals	
1995	1994	1995	1994	1995	1994	1995	1994
\$ 646,709	\$ 608,455	\$ -	\$195,668	\$ -	\$ -	\$10,555,014	\$10,239,636
8,412	9,159	-	2,946	-	-	138,291	154,135
<u>655,121</u>	<u>617,614</u>	<u>-</u>	<u>198,614</u>	<u>-</u>	<u>-</u>	<u>10,693,305</u>	<u>10,393,771</u>
150,626	138,887	-	102,135	177,227	174,210	757,208	790,348
11,516	10,622	-	8,044	13,551	13,325	57,946	60,713
31,101	24,217	-	16,764	44,691	30,930	152,901	130,802
4,637	4,065	-	2,991	5,445	5,910	19,861	21,929
91,660	166,489	-	-	-	-	429,197	473,283
14,334	22,840	-	18,984	3,769	1,094	74,689	112,719
41,456	35,907	-	-	-	-	61,142	53,094
84,585	82,720	-	-	7,669	7,976	174,535	174,602
60,729	59,041	-	94	-	-	200,695	190,203
44,556	27,679	-	21,879	12,305	12,489	216,548	172,448
9,449	10,866	-	3,054	11,343	13,543	37,489	43,704
-	-	-	-	-	-	4,928,274	4,809,087
-	-	-	-	17,660	15,960	17,660	15,960
-	-	-	-	51,661	30,691	51,661	30,691
-	-	-	-	24,232	44,922	24,232	44,922
-	-	-	-	3,099	3,085	3,099	3,085
318,920	308,511	-	15,595	39,843	51,638	772,921	807,866
<u>123,748</u>	<u>101,443</u>	<u>-</u>	<u>101,443</u>	<u>(412,495)</u>	<u>(405,773)</u>	<u>-</u>	<u>-</u>
<u>987,317</u>	<u>993,287</u>	<u>-</u>	<u>290,983</u>	<u>-</u>	<u>-</u>	<u>7,980,058</u>	<u>7,935,456</u>
<u>\$(332,196)</u>	<u>\$(375,673)</u>	<u>\$ -</u>	<u>\$(92,369)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,713,247</u>	<u>\$ 2,458,315</u>
=====	=====	=====	=====	=====	=====	=====	=====

(continued)

CITY OF ABBEVILLE, LOUISIANA

Enterprise Fund  
Utility System Fund

Comparative Departmental Analysis of Revenues and Expenses  
For the Years Ended December 31, 1995 and 1994

	<u>1995</u>	<u>1994</u>
Nonoperating revenues (expenses):		
Interest income	\$ 114,993	\$ 61,140
Federal grant - FEMA	-	50,759
Interest expense and paying agents' fees	(464,459)	(499,207)
Amortization of bond issuance costs	(14,459)	(14,459)
Loss on disposition of assets	-	(14,443)
Total nonoperating revenues (expenses)	<u>(363,925)</u>	<u>(416,210)</u>
Income before operating transfers	<u>2,349,322</u>	<u>2,042,105</u>
Other financing sources (uses):		
Operating transfers in	853,459	460,601
Operating transfers out	<u>(3,493,723)</u>	<u>(2,840,767)</u>
Total other financing sources (uses)	<u>(2,640,264)</u>	<u>(2,380,166)</u>
Net income (loss)	(290,942)	(338,061)
Add: Depreciation on fixed assets acquired by capital grants externally restricted for capital acquisitions and construction that reduces contributed capital	<u>92,561</u>	<u>102,899</u>
Increase (decrease) in retained earnings	(198,381)	(235,162)
Retained earnings, beginning	<u>405,239</u>	<u>640,401</u>
Retained earnings, ending	<u>\$ 206,858</u>	<u>\$ 405,239</u>

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

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The Honorable R. Brady Broussard, Mayor  
and Members of the City Council  
City of Abbeville, Louisiana

We have audited the primary government financial statements of the City of Abbeville, Louisiana, as of and for the year ended December 31, 1995 and have issued our report thereon dated May 1, 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 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.

Compliance with laws, regulations, contracts, and grants applicable to the City of Abbeville, Louisiana is the responsibility of the City of Abbeville, 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.

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

### Finding: Violation of Budget Law

General Fund expenditures exceeded budgeted appropriations by an amount in excess of five percent, which is a violation of Louisiana Revised Statute 39:1310.

### Response:

Because the City of Abbeville is self-insured, we would like to point out that the above mentioned budget violation is the result of Risk Management accruals for insurance claim contingencies and case settlements made known subsequent to December 31, 1995. The extent of these loss contingencies was not considered when amending the 1995 budget. In the future, the budget process will include additional emphasis in assessing the amount of potential insurance claims.

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Finding: Violations of Revenue Refunding Bond Restrictions

- A. The City is not operating each individual division of the Utility System profitably which is a violation of Section 901 (b) of the 1988 Bond Resolution.
- B. The City is not always adhering to requirements of Section 902 regarding termination of service to customers with delinquent balances.

Response:

The City's Utility system is operating on an overall profitable basis. Because of the economic conditions, it is not appropriate to adjust water and sewer rates at this time. The City has, however, adopted cost containment procedures which should help these departments operate more profitably.

The City does have a policy of terminating services for delinquent customers, however, there are certain instances where compassion and good sense allows departures from this policy.

We considered these instances of noncompliance in forming our opinion on whether the City of Abbeville, Louisiana's, December 31, 1995 financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our report dated May 1, 1996, on those financial statements.

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

*Darnall, Sikes, Kolder, Frederick & Rainey*

A Corporation of Certified Public Accountants

Abbeville, Louisiana  
May 1, 1996

PRIMARY GOVERNMENT FINANCIAL STATEMENTS



CITY OF ABBEVILLE, LOUISIANA

Combined Balance Sheet - All Fund Types and Account Groups  
 December 31, 1995  
 (With Comparative Totals for December 31, 1994)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>ASSETS AND OTHER DEBITS</b>				
Cash	\$ 64,374	\$ -	\$ -	\$ -
Interest-bearing deposits	136,511	409,468	-	-
Investments	-	565,000	-	-
Receivables:				
Accounts	6,358	-	-	-
Ad valorem taxes	48,248	12,039	-	-
Sales tax	-	108,474	-	-
Other	-	4,424	-	-
Due from other funds	288,053	32,340	-	-
Due from other governmental units	117,009	19,147	-	-
Inventories	1,195	-	-	-
Prepaid insurance	-	-	-	-
Restricted assets:				
Cash	-	-	-	-
Interest-bearing deposits	-	-	-	-
Investments	-	-	-	-
Land	-	-	-	-
Buildings	-	-	-	-
Improvements other than buildings	-	-	-	-
Equipment	-	-	-	-
Utility property, plant and equipment	-	-	-	-
Accumulated depreciation	-	-	-	-
Amount available in debt service funds	-	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-	-
Unamortized bond issuance costs (net of accumulated amortization)	-	-	-	-
<b>Total assets and other debits</b>	<b>\$661,748</b>	<b>\$1,150,892</b>	<b>\$ -</b>	<b>\$ -</b>
	=====	=====	=====	=====

Proprietary Fund Types		Fiduciary Fund Type Agency	Account Groups		Totals (Memorandum Only)	
Enterprise	Internal Service		General Fixed Assets	General Long-Term Debt	1995	1994
\$ 7,743	\$ 4,392	\$ -	\$ -	\$ -	\$ 76,509	\$ 101,962
392,102	363,732	41,309	-	-	1,343,122	1,225,441
35,000	-	-	-	-	600,000	405,000
1,183,571	-	-	-	-	1,189,929	1,138,124
-	-	-	-	-	60,287	42,325
-	-	-	-	-	108,474	112,550
10,325	39,042	-	-	-	53,791	134,492
280,000	477,000	-	-	-	1,077,393	10,000
-	-	-	-	-	136,156	161,660
192,680	-	-	-	-	193,875	164,108
4,185	-	-	-	-	4,185	3,908
13,012	-	-	-	-	13,012	34,124
188,086	-	-	-	-	188,086	312,517
1,408,000	-	-	-	-	1,408,000	1,258,000
-	-	-	483,101	-	483,101	480,101
-	-	-	2,315,011	-	2,315,011	2,311,022
-	-	-	10,006,493	-	10,006,493	9,934,465
-	-	-	2,050,873	-	2,050,873	1,977,865
25,385,579	-	-	-	-	25,385,579	25,276,291
(13,493,353)	-	-	-	-	(13,493,353)	(12,868,047)
-	-	-	-	-	-	37,788
-	-	-	-	185,742	185,742	(788)
<u>113,801</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>113,801</u>	<u>128,261</u>
<u>\$15,720,731</u>	<u>\$884,166</u>	<u>\$41,309</u>	<u>\$14,855,478</u>	<u>\$185,742</u>	<u>\$33,500,066</u>	<u>\$32,381,169</u>
=====	=====	=====	=====	=====	=====	=====

(Continued)

CITY OF ABBEVILLE, LOUISIANA

Combined Balance Sheet - All Fund Types and Account Groups  
 December 31, 1995  
 (With Comparative Totals for December 31, 1994)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>				
<b>Liabilities:</b>				
Accounts payable	\$84,578	\$ 37,963	\$ -	\$ -
State sales tax payable	-	-	-	-
Retainages payable	3,116	-	-	-
Accrued salaries payable	23,788	101	-	-
Other accrued liabilities	15,494	118	-	-
Due to other funds	470,000	292,340	-	-
Due to other governmental units	6,814	-	-	-
Payable from restricted assets:				
1988 refunding bonds payable	-	-	-	-
1992 certificates of indebtedness payable	-	-	-	-
Accrued interest payable	-	-	-	-
Customers' deposits	-	-	-	-
Deferred revenue	-	13,010	-	-
General obligation bonds payable	-	-	-	-
Compensated absences payable	-	-	-	-
1988 refunding bonds payable	-	-	-	-
1992 certificates of indebtedness payable	-	-	-	-
<b>Total liabilities</b>	<u>603,790</u>	<u>343,532</u>	<u>-</u>	<u>-</u>
<b>Equity and other Credits:</b>				
Contributed capital	-	-	-	-
Investment in general fixed assets	-	-	-	-
Retained earnings (deficit):				
Reserved for revenue bond retirement	-	-	-	-
Designated for claims	-	-	-	-
Unreserved	-	-	-	-
Fund balances:				
Reserved for inventory	1,195	-	-	-
Reserved for debt service	-	-	-	-
Unreserved -				
Designated for future expenditures	-	-	-	-
Undesignated	56,763	807,360	-	-
<b>Total equity and other credits</b>	<u>57,958</u>	<u>807,360</u>	<u>-</u>	<u>-</u>
<b>Total liabilities, equity and other credits</b>	<u>\$661,748</u>	<u>\$1,150,892</u>	<u>\$ -</u>	<u>\$ -</u>
	=====	=====	=====	=====

The accompanying notes constitute an integral part of this statement.

Proprietary Fund Types		Fiduciary Fund Type Agency	Account Groups		Totals (Memorandum Only)	
Enterprise	Internal Service		General Fixed Assets	General Long-Term Debt	1995	1994
\$ 418,782	\$815,559	\$ -	\$ -	\$ 1,356,882	\$ 839,104	
22,273	-	-	-	22,273	21,056	
-	-	-	-	3,116	11,094	
6,089	279	-	-	30,257	33,556	
15,701	386	41,309	-	73,008	53,440	
307,000	8,053	-	-	1,077,393	10,000	
-	-	-	-	6,814	6,814	
356,974	-	-	-	356,974	506,974	
63,600	-	-	-	63,600	58,600	
43,156	-	-	-	43,156	47,116	
381,092	-	-	-	381,092	370,876	
-	-	-	-	13,010	-	
-	-	-	-	-	37,000	
-	-	-	-	185,742	-	
4,993,812	-	-	-	4,993,812	5,350,785	
457,650	-	-	-	457,650	521,250	
<u>7,066,129</u>	<u>824,277</u>	<u>41,309</u>	<u>-</u>	<u>9,064,779</u>	<u>7,867,665</u>	
8,447,744	-	-	-	8,447,744	8,283,403	
-	-	-	14,855,478	14,855,478	14,703,453	
764,276	-	-	-	764,276	616,543	
-	59,889	-	-	59,889	34,550	
(557,418)	-	-	-	(557,418)	(211,304)	
-	-	-	-	1,195	6,511	
-	-	-	-	-	37,788	
-	-	-	-	-	86,550	
-	-	-	-	864,123	956,010	
<u>8,654,602</u>	<u>59,889</u>	<u>-</u>	<u>14,855,478</u>	<u>24,435,287</u>	<u>24,513,504</u>	
\$15,720,731	\$884,166	\$41,309	\$14,855,478	\$33,500,066	\$32,381,169	
=====	=====	=====	=====	=====	=====	

CITY OF ABBEVILLE, LOUISIANA

Combined Statement of Revenues, Expenditures and Changes in Fund Balances  
 All Governmental Fund Types  
 Year Ended December 31, 1995  
 (With Comparative Totals for the Year Ended December 31, 1994)

	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Fund	Totals (Memorandum Only)	
					1995	1994
<b>Revenues:</b>						
Taxes	\$ 183,698	\$1,435,929	\$ -	\$ -	\$1,619,627	\$1,510,536
Licenses and permits	399,437	-	-	-	399,437	354,043
Intergovernmental	359,569	95,758	-	440,677	896,004	988,781
Charges for services	35,189	-	-	-	35,189	27,888
Fines	67,836	-	-	-	67,836	72,103
Other revenues	167,011	48,094	47	-	215,152	351,351
Total revenues	<u>1,212,740</u>	<u>1,579,781</u>	<u>47</u>	<u>440,677</u>	<u>3,233,245</u>	<u>3,304,702</u>
<b>Expenditures:</b>						
Current -						
General government	1,042,853	87,544	-	-	1,130,397	1,068,263
Public safety -						
Police	1,505,311	107,127	-	-	1,612,438	1,227,963
Fire	1,004,132	17,894	-	-	1,022,026	943,649
Highways and streets	1,052,137	234,437	-	-	1,286,574	1,084,151
Culture and recreation	183,593	107,929	-	-	291,522	340,275
Capital outlay	-	-	-	457,082	457,082	128,456
Debt Service -						
Principal retirement	-	-	37,000	-	37,000	36,000
Interest and fiscal charges	-	-	835	-	835	2,963
Total expenditures	<u>4,788,026</u>	<u>554,931</u>	<u>37,835</u>	<u>457,082</u>	<u>5,837,874</u>	<u>4,831,720</u>
Excess (deficiency) of revenues over expenditures	(3,575,286)	1,024,850	(37,788)	(16,405)	(2,604,629)	(1,527,018)
<b>Other financing sources (uses):</b>						
Operating transfers in	3,493,723	-	-	16,405	3,510,128	2,852,215
Operating transfers out	(274)	(869,864)	-	-	(870,138)	(472,306)
Total other financing sources (uses)	<u>3,493,449</u>	<u>(869,864)</u>	<u>-</u>	<u>16,405</u>	<u>2,639,990</u>	<u>2,379,909</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(81,837)	154,986	(37,788)	-	35,361	852,891
Fund balances, beginning	139,795	909,276	37,788	-	1,086,859	882,369
Residual equity transfers to Utility System Fund	-	(256,902)	-	-	(256,902)	(648,401)
Fund balances, ending	<u>\$ 57,958</u>	<u>\$ 807,360</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 865,318</u>	<u>\$1,086,859</u>

The accompanying notes constitute an integral part of this statement.

CITY OF ABBEVILLE, LOUISIANA

Combined Statement of Revenues, Expenditures and Changes in Fund Balances  
Budget (GAAP Basis) and Actual -  
All Governmental Fund Types  
Year Ended December 31, 1995

	General Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Taxes	\$ 180,000	\$ 183,698	\$ 3,698
Licenses and permits	379,000	399,437	20,437
Intergovernmental	303,000	359,569	56,569
Charges for services	33,000	35,189	2,189
Fines	61,500	67,836	6,336
Other revenues	157,500	167,011	9,511
Total revenues	<u>1,114,000</u>	<u>1,212,740</u>	<u>98,740</u>
Expenditures:			
Current -			
General government	1,057,000	1,042,853	14,147
Public safety -			
Police	1,370,000	1,505,311	(135,311)
Fire	992,000	1,004,132	(12,132)
Highways and streets	770,000	1,052,137	(282,137)
Culture and recreation	198,000	183,593	14,407
Debt service -			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>4,387,000</u>	<u>4,788,026</u>	<u>(401,026)</u>
Excess (deficiency) of revenues over expenditures	(3,273,000)	(3,575,286)	(302,286)
Other financing sources (uses):			
Operating transfers in	3,250,000	3,493,723	243,723
Operating transfers out	(500)	(274)	226
Total other financing sources (uses)	<u>3,249,500</u>	<u>3,493,449</u>	<u>243,949</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(23,500)	(81,837)	(58,337)
Fund balances, beginning	139,795	139,795	-
Residual equity transfers to Utility System Fund	-	-	-
Fund balances, ending	<u>\$ 116,295</u>	<u>\$ 57,958</u>	<u>\$(58,337)</u>

The accompanying notes are an integral part of this statement.

Special Revenue Funds		
Budget	Actual	Variance Favorable (Unfavorable)
\$1,422,000	\$1,435,929	\$ 13,929
95,500	95,758	258
43,000	48,094	5,094
<u>1,560,500</u>	<u>1,579,781</u>	<u>19,281</u>
101,000	87,544	13,456
115,000	107,127	7,873
20,000	17,894	2,106
300,000	234,437	65,563
127,000	107,929	19,071
-	-	-
-	-	-
<u>663,000</u>	<u>554,931</u>	<u>108,069</u>
897,500	1,024,850	127,350
-	-	-
<u>(676,500)</u>	<u>(869,864)</u>	<u>(193,364)</u>
<u>(676,500)</u>	<u>(869,864)</u>	<u>(193,364)</u>
221,000	154,986	(66,014)
909,276	909,276	-
<u>(230,000)</u>	<u>(256,902)</u>	<u>(26,902)</u>
<u>\$ 900,276</u>	<u>\$ 807,360</u>	<u>\$(92,916)</u>
=====	=====	=====

Debt Service Fund		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	-	-
47	47	-
<u>47</u>	<u>47</u>	<u>-</u>
-	-	-
-	-	-
-	-	-
37,000	37,000	-
835	835	-
<u>37,835</u>	<u>37,835</u>	<u>-</u>
(37,788)	(37,788)	-
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>
(37,788)	(37,788)	-
37,788	37,788	-
<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
=====	=====	=====

(continued)



CITY OF ABBEVILLE, LOUISIANA

Combined Statement of Revenues, Expenditures and Changes in Fund Balances  
Budget (GAAP Basis) and Actual -  
All Governmental Fund Types  
Year Ended December 31, 1995

	Capital Projects Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	441,000	440,677	(323)
Charges for services	-	-	-
Fines	-	-	-
Other revenues	-	-	-
Total revenues	<u>441,000</u>	<u>440,677</u>	<u>(323)</u>
Expenditures:			
Current -			
General government	-	-	-
Publicsafety -			
Police	-	-	-
Fire	-	-	-
Highways and streets	-	-	-
Culture and recreation	-	-	-
Capital outlay	457,500	457,082	418
Debt service -			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>457,500</u>	<u>457,082</u>	<u>418</u>
Excess (deficiency) of revenues over expenditures	(16,500)	(16,405)	95
Other financing sources (uses):			
Operating transfers in	16,500	16,405	(95)
Operating transfers out	-	-	-
Total other financing sources (uses)	<u>16,500</u>	<u>16,405</u>	<u>(95)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	-	-	-
Fund balances, beginning	-	-	-
Residual equity transfers to Utility System Fund	-	-	-
Fund balances, ending	<u>\$ -</u> =====	<u>\$ -</u> =====	<u>\$ -</u> =====

The accompanying notes are an integral part of this statement.

CITY OF ABBEVILLE, LOUISIANA

All Funds

Combined Schedule of Interest Bearing Deposits  
December 31, 1995

	<u>Term</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
<b>General Fund:</b>				
Special Investigation Fund Insured Money Market	N/A	N/A	Various	\$ 661
Main Street Special Insured Money Market	N/A	N/A	Various	13,730
Airway Park Insured Money Market	N/A	N/A	Various	5,175
Video Poker Fund Insured Money Market	N/A	N/A	Various	116,945
Total General Fund				<u>136,511</u>
<b>Special Revenue Funds:</b>				
Sales Tax Fund Insured Money Market	N/A	N/A	Various	296,550
Public Imp. Fund Insured Money Market	N/A	N/A	Various	32,456
Maintenance & Operation - Fire Department Fund Insured Money Market	N/A	N/A	Various	80,462
Total Special Revenue Funds				<u>409,468</u>
<b>Enterprise Fund:</b>				
Utility Operating Account Insured Money Market	N/A	N/A	Various	379,781
1988 Refunding Bonds Sinking Insured Money Market	N/A	N/A	Various	79,716
1988 Refunding Bonds Reserve Insured Money Market	N/A	N/A	Various	1,500
Capital Additions and Contingency Insured Money Market	N/A	N/A	Various	12,321
1992 Certificate of Indebtedness Sinking Insured Money Market	N/A	N/A	Various	88,790
Restricted Utility Customers Deposit Insured Money Market	N/A	N/A	Various	18,080
Total Enterprise Fund				<u>580,188</u>
<b>Internal Service Funds:</b>				
Risk Management Fund Insured Money Market	N/A	N/A	Various	258,370
Employee Health Insurance Fund Insured Money Market	N/A	N/A	Various	105,362
Total Internal Service Funds				<u>363,732</u>
<b>Agency Fund:</b>				
Payroll Fund Insured Money Market	N/A	N/A	Various	41,309
Total Agency Fund				<u>41,309</u>
<b>Total interest bearing deposits - all funds</b>				<u>\$1,531,208</u> =====

CITY OF ABBEVILLE, LOUISIANA

All Funds

Combined Schedule of Investments  
December 31, 1995

<u>Institution</u>	<u>Term</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
Bank of Abbeville	182 Days	5/22/96	5.02%	\$ 526,300
Hibernia National Bank	182 Days	5/22/96	5.02%	290,850
Gulf Coast Bank	182 Days	5/22/96	5.02%	290,850
Bank of Abbeville	182 Days	5/20/96	5.02%	268,375
Hibernia National Bank	182 Days	5/20/96	5.02%	148,313
Gulf Coast Bank	182 Days	5/20/96	5.02%	148,312
Bank of Abbeville	182 Days	5/02/96	5.01%	125,000
Bank of Abbeville	182 Days	2/19/96	5.20%	33,250
Hibernia National Bank	182 Days	2/19/96	5.20%	18,375
Gulf Coast Bank	182 Days	2/19/96	5.20%	18,375
Bank of Abbeville	91 Days	2/19/96	5.10%	66,500
Hibernia National Bank	91 Days	2/19/96	5.10%	36,750
Gulf Coast Bank	91 Days	2/19/96	5.10%	36,750
				<u>\$2,008,000</u>
				=====

CITY OF ABBEVILLE, LOUISIANA

Schedule of Insurance in Force  
(Unaudited)  
December 31, 1995

Coverage	Coverage Amounts	Insurer	Expiration Date
Casualty insurance:			
General liability	(1) 1,000,000	International Ins. Co.	1/01/97
Law Enforcement Officers Professional liability	(1) 1,000,000	International Ins. Co.	1/01/97
Auto liability	(1) 1,000,000	International Ins. Co.	1/01/97
Crime Insurance:			
Money & securities (inside premises)	(1) 25,000	International Ins. Co.	1/01/97
Money & securities (outside premises)	(1) 25,000	International Ins. Co.	1/01/97
Commercial Blanket Bond	(1) 100,000	International Ins. Co.	1/01/97
Depositors Forgery	(1) 50,000	International Ins. Co.	1/01/97
Money orders & counterfeit paper	(1) 50,000	International Ins. Co.	1/01/97
Property insurance:			
All-Risk Excluding Flood & Earthquake	(2) 10,000,000	National Surety	1/01/97
Building and contents	(1) 1,000,000	International Ins. Co.	1/01/97
Auto	Cash Value	International Ins. Co.	1/01/97
Electronic data processing:			
EDP Equipment	(1) 54,105	International Ins. Co.	1/01/97
EDP Media	(1) 10,000	International Ins. Co.	1/01/97
Public officials:			
Public officials & employee liability	(3) 1,000,000	National Union Fire Ins. Co.	1/01/97
Boiler:			
Commercial Inland Marine/Boiler and Machinery	(4) 1,500,000	Hartford Steam Boiler Insp. & Ins. Co.	10/12/96
Auxiliary police:			
Medical - Accident	25,000	National Casualty	6/22/96
Time element insurance:			
Extra Expense	(1) 100,000	International Ins. Co.	1/01/97
Other insurance:			
Employee Benefit Liability	(1) 1,000,000	International Ins. Co.	1/01/97
Uninsured/Underinsured Motorists Coverage	(1) 100,000	International Ins. Co.	1/01/97

(1) \$25,000 self-insured retention for each occurrence; \$90,000 annual aggregate sub-limit.

(2) Coverage for excess of \$1,000,000 per occurrence.

(3) \$25,000 deductible.

(4) \$1,000 deductible.

CITY OF ABBEVILLE, LOUISIANA

Schedule of Compensation Paid to Members of Governing Board  
For the Year Ended December 31, 1995

<u>Name and Office Held</u>	<u>Compensation</u>
R. Brady Broussard, Mayor	\$36,000
Norman Broussard, Alderman	10,800
Carlton Campbell, Alderman	9,600
Carbett Duhon, Alderman	9,600
Harold J. Lemaire, Alderman	9,600
Mark Piazza, Alderman	<u>9,600</u>
Total	\$85,200 =====

CITY OF ABBEVILLE, LOUISIANA

Combined Statement of Revenues, Expenses and Changes in Retained Earnings  
 All Proprietary Fund Types  
 Year Ended December 31, 1995  
 (With Comparative Totals for the Year Ended December 31, 1994)

	Enterprise Fund	Internal Service Funds	Totals (Memorandum Only)	
			1995	1994
<b>Operating revenues:</b>				
Charges for services -				
Electric sales and related charges	\$ 9,451,853	\$ -	\$ 9,451,853	\$ 8,997,420
Water sales	456,452	-	456,452	438,093
Sewer services	646,709	-	646,709	608,455
Sanitation services	-	-	-	195,668
Premiums	-	1,803,841	1,803,841	1,151,416
Other revenues	138,291	101,980	240,271	458,581
Total operating revenues	<u>10,693,305</u>	<u>1,905,821</u>	<u>12,599,126</u>	<u>11,849,633</u>
<b>Operating expenses:</b>				
Electric power purchased	4,928,274	-	4,928,274	4,809,087
Electric department expenses	690,717	-	690,717	574,159
Water department expenses	670,845	-	670,845	632,931
Sewer department expenses	544,649	-	544,649	583,333
Sanitation department expenses	-	-	-	173,945
General and administrative expenses	372,652	-	372,652	354,135
Cost of services rendered	-	1,888,841	1,888,841	1,490,696
Depreciation expense	772,921	-	772,921	807,866
Total operating expenses	<u>7,980,058</u>	<u>1,888,841</u>	<u>9,868,899</u>	<u>9,426,152</u>
Operating income	<u>2,713,247</u>	<u>16,980</u>	<u>2,730,227</u>	<u>2,423,481</u>
<b>Nonoperating revenues (expenses):</b>				
Federal grant - FEMA	-	-	-	50,759
Interest income	114,993	8,085	123,078	67,178
Interest expense	(463,570)	-	(463,570)	(498,266)
Paying agents' fees	(889)	-	(889)	(941)
Amortization of bond issuance costs	(14,459)	-	(14,459)	(14,459)
Loss on disposition of assets	-	-	-	(14,443)
Total nonoperating revenues (expenses)	<u>(363,925)</u>	<u>8,085</u>	<u>(355,840)</u>	<u>(410,172)</u>
Income before operating transfers	<u>2,349,322</u>	<u>25,065</u>	<u>2,374,387</u>	<u>2,013,309</u>
<b>Operating transfers in (out):</b>				
Operating transfers in	853,459	274	853,733	460,858
Operating transfers out	(3,493,723)	-	(3,493,723)	(2,840,767)
Total operating transfers in (out)	<u>(2,640,264)</u>	<u>274</u>	<u>(2,639,990)</u>	<u>(2,379,909)</u>
Net income (loss)	(290,942)	25,339	(265,603)	(366,600)
<b>Add: Depreciation on assets acquired by capital grants externally restricted for capital acquisitions and construction that reduces contributed capital</b>				
	<u>92,561</u>	<u>-</u>	<u>92,561</u>	<u>102,899</u>
Increase (decrease) in retained earnings	<u>(198,381)</u>	<u>25,339</u>	<u>(173,042)</u>	<u>(263,701)</u> (continued)

The accompanying notes constitute an integral part of this statement.

CITY OF ABBEVILLE, LOUISIANA

Combined Statement of Revenues, Expenses and Changes in Retained Earnings  
 All Proprietary Fund Types  
 Year Ended December 31, 1995  
 (With Comparative Totals for the Year Ended December 31, 1994)

	Enterprise Fund	Internal Service Funds	Totals (Memorandum Only)	
			1995	1994
Retained earnings, beginning	405,239	34,550	439,789	703,490
Retained earnings, ending	\$ 206,858	\$ 59,889	\$ 266,747	\$ 439,789

The accompanying notes constitute an integral part of this statement.



CITY OF ABBEVILLE, LOUISIANA

Combined Statement of Cash Flows -  
All Proprietary Fund Types  
Year Ended December 31, 1995  
(With Comparative Totals for the Year Ended December 31, 1994)

	Enterprise Fund	Internal Service Funds	Totals (Memorandum Only)	
			1995	1994
Cash flows from operating activities:				
Operating income	<u>\$2,713,247</u>	<u>\$ 16,980</u>	<u>\$2,730,227</u>	<u>\$2,423,481</u>
Adjustments to reconcile operating income to net cash provided by operating activities -				
Depreciation	772,921	-	772,921	807,866
Changes in current assets and liabilities:				
(Increase) decrease in accounts receivable	(55,501)	92,890	37,389	(23,750)
(Increase) decrease in due from other funds	(280,000)	(467,000)	(747,000)	60,000
(Increase) decrease in inventory	(35,083)	-	(35,083)	(3,427)
(Increase) decrease in other receivables	(9,925)	-	(9,925)	-
(Increase) decrease in prepaid insurance	(277)	-	(277)	-
Increase (decrease) in accounts payable	37,802	465,023	502,825	88,858
Increase (decrease) in state sales tax payable	1,217	-	1,217	(1,413)
Increase (decrease) in accrued salaries payable	445	(12)	433	(1,205)
Increase (decrease) in other accrued liabilities	1,613	99	1,712	(3,104)
Increase (decrease) in due to other funds	297,000	8,053	305,053	(20,000)
Total adjustments	<u>730,212</u>	<u>99,053</u>	<u>829,265</u>	<u>903,825</u>
Net cash provided by operating activities	<u>3,443,459</u>	<u>116,033</u>	<u>3,559,492</u>	<u>3,327,306</u>
Cash flows from noncapital financing activities:				
Receipt of federal grant - FEMA	-	-	-	50,759
Operating transfers in from other funds	573,459	274	573,733	609,694
Operating transfers out to other funds	<u>(3,213,723)</u>	<u>-</u>	<u>(3,213,723)</u>	<u>(2,840,767)</u>
Net cash provided (used) by noncapital financing activities	<u>(2,640,264)</u>	<u>274</u>	<u>(2,639,990)</u>	<u>(2,180,314)</u>
Cash flows from capital and related financing activities:				
Acquisition of plant and equipment	(256,902)	-	(256,902)	(858,239)
Principal paid on revenue bond maturities	(520,000)	-	(520,000)	(480,000)
Interest paid on revenues bonds	(417,873)	-	(417,873)	(449,072)
Principal paid on certificates of indebtedness	(60,000)	-	(60,000)	(55,000)
Interest paid on certificates of indebtedness	(35,230)	-	(35,230)	(38,338)
Increase (decrease) in customer meter deposits	10,216	-	10,216	6,245
Capital contributed from municipality and other government entities	256,902	-	256,902	858,239
Paying agents' fees	<u>(889)</u>	<u>-</u>	<u>(889)</u>	<u>(941)</u>
Net cash used by capital and related financing activities	<u>(1,023,776)</u>	<u>-</u>	<u>(1,023,776)</u>	<u>(1,017,106)</u>

(continued)

The accompanying notes constitute an integral part of this statement.

CITY OF ABBEVILLE, LOUISIANA

Combined Statement of Cash Flows -  
 All Proprietary Fund Types  
 Year Ended December 31, 1995  
 (With Comparative Totals for the Year Ended December 31, 1994)

	Enterprise Fund	Internal Service Funds	Totals (Memorandum Only)	
			1995	1994
Cash flows from investing activities:				
Purchase of investments	\$ (185,000)	\$ -	\$ (185,000)	\$(1,133,000)
Interest on interest-bearing deposits and investments	<u>114,993</u>	<u>8,085</u>	<u>123,078</u>	<u>67,178</u>
Net cash provided (used) by investing activities	<u>(70,007)</u>	<u>8,085</u>	<u>(61,922)</u>	<u>(1,065,822)</u>
Net increase (decrease) in cash and cash equivalents	(290,588)	124,392	(166,196)	(935,936)
Cash and cash equivalents, beginning	<u>891,531</u>	<u>243,732</u>	<u>1,135,263</u>	<u>2,071,199</u>
Cash and cash equivalents, ending	\$ 600,943 =====	\$368,124 =====	\$ 969,067 =====	\$ 1,135,263 =====
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:				
Cash and cash equivalents, beginning:				
Cash - unrestricted	\$ 42,637	\$ -	\$ 42,637	\$ 27,535
Interest-bearing deposits - unrestricted	502,253	243,732	745,985	577,159
Cash - restricted	34,124	-	34,124	31,581
Interest-bearing deposits - restricted	<u>312,517</u>	<u>-</u>	<u>312,517</u>	<u>1,434,924</u>
Total cash and cash equivalents	\$ 891,531 =====	\$243,732 =====	\$1,135,263 =====	\$ 2,071,199 =====
Cash and cash equivalents, ending:				
Cash - unrestricted	\$ 7,743	\$ 4,392	\$ 12,135	\$ 42,637
Interest-bearing deposits - unrestricted	392,102	363,732	755,834	745,985
Cash - restricted	13,012	-	13,012	34,124
Interest-bearing deposits - restricted	<u>188,086</u>	<u>-</u>	<u>188,086</u>	<u>312,517</u>
Total cash and cash equivalents	\$ 600,943 =====	\$368,124 =====	\$ 969,067 =====	\$ 1,135,263 =====

The accompanying notes constitute an integral part of this statement.

CITY OF ABBEVILLE, LOUISIANA  
Notes to Financial Statements

Introduction:

The City of Abbeville was incorporated March 13, 1850, by special charter and operates under Mayor - Council form of Government.

(1) Summary of Significant Accounting Policies:

A. Basis of Presentation -

The accounting and reporting policies of the City of Abbeville have been prepared in conformity with generally accepted accounting principles as applied to government units, except for the omission of all component units. Such accounting and reporting procedures also conform to the guides set forth in the industry audit guide, Audits of State and Local Governmental Units and the interpretations of the National Council on Governmental Accounting (NCGA). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing accounting and financial reporting principles.

B. Reporting Entity -

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

C. 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.

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

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

CITY OF ABBEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

Fiduciary funds are used to account for assets held on behalf of outside parties, or on behalf of other funds within the government. Agency funds generally are used to account for assets that the government holds on behalf of others as their agent.

D. 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 (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g. expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types and agency funds. 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 collectible with 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, sales taxes, intergovernmental revenues and charges for services. Fines, permits and licenses are not susceptible to accrual because generally they are not measurable until received in cash.

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



CITY OF ABBEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

The government reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

E. Budgets -

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general, special revenue, debt service, and capital projects funds. All annual appropriations lapse at fiscal year end.

F. Encumbrance Accounting -

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation is not employed by the City.

G. Cash and Interest Bearing Deposits -

Cash represents non interest bearing demand deposits.

Interest bearing deposits include interest bearing demand deposits and short term time deposits. These interest bearing deposits are stated at cost which approximates market.

Under state law, the City of Abbeville may deposit funds with a fiscal 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. Further, the City may invest in time deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principle offices in Louisiana.

For the purpose of the statement of cash flows, the City considers cash and interest bearing deposits with an initial maturity date of 90 days or less to be cash and cash equivalents.

H. Short-Term Interfund Receivables/Payables -

Short term interfund loans receivable and payable are classified as "due from other funds" or "due to other funds" on the balance sheet.

CITY OF ABBEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

I. Inventories -

Inventory is valued at cost (weighted-average). The cost is recorded as an expenditure at the time individual inventory items are used. Inventory in the General Fund consists of gas, diesel and oil at the motor pool barn. General Fund inventories are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. Utility System Fund inventory consists primarily of parts and supplies to be used for maintenance of the utility system.

J. Restricted Assets -

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The "1992 Certificate of Indebtedness Sinking Fund" and the "1988 Refunding Bond Sinking Fund" are used to set aside resources necessary to meet annual debt service requirements. The "1988 Refunding Bond Reserve Fund" is used to segregate from operations funds equal to ten percent of the original bond issuance. These funds serve to prevent the City from defaulting on debt service payments in the event of deficiencies in utility operations. The "1988 Capital Additions and Contingency Fund" reports resources set aside to meet unexpected contingencies or to fund significant asset replacements or repairs. "Customers' Deposits" represent advance deposits received from utility customers which shall be either refunded upon termination of services or applied toward billings in arrears.

K. Fixed Assets -

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition 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 cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received. Estimated amounts are immaterial in relation to total fixed assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

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 government.

CITY OF ABBEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

Assets in the general fixed assets account group are not depreciated. Depreciation of buildings, equipment and vehicles in the proprietary fund types 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. There was no capitalized interest during 1995.

L. Compensated Absences -

All employees in the classified service shall receive one day of sick leave for each calendar month of service up to a maximum of 180 days. On December 31 of each year the unused accumulated sick leave earned by an employee shall be carried forward to the succeeding year. All accumulated sick leave shall be forfeited upon termination of employment, except in the case of retirement. Retirees are compensated for any unused sick leave at the hourly rate being earned by the employee at retirement.

For classified employees, up to 1/3 of the earned, but unused, vacation leave shall be credited to the employee's sick leave account. Any remaining vacation leave shall be carried to the following year. Upon termination of employment, for other than disciplinary reasons, the employee shall be paid for unused vacation earned during the prior calendar year. In case of death of the employee, unused vacation shall be paid to the beneficiary of the employee.

Sick leave and other absences of unclassified employees (not covered by the civil service system) are determined on a case-by-case basis at the Mayor's discretion.

The cost of current leave privileges is recognized as a current year expenditure in the individual fund when leave is actually taken.

M. 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 financial 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 those funds.



CITY OF ABBEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

N. Fund Equity -

Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for specific future use. Designated fund balances represent tentative plans for future use of financial resources.

Grants, entitlements, or shared revenues received that are restricted for the acquisition or construction of capital assets are recorded as contributed capital in the Enterprise Fund. Contributed capital is amortized based on the depreciation recognized on that portion of the assets acquired from such contributions. This depreciation is closed to the contributed capital account and is reflected as an adjustment to net income.

O. Bond Discounts/Issuance Costs -

In governmental fund types, bond discounts and issuance costs are recognized in the current period. Bond discounts and issuance costs for proprietary fund types are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Bond discounts are presented as a reduction of the face amount of bonds payable whereas issuance costs are recorded as deferred charges.

P. Interfund Transactions -

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Q. Bad Debts -

Uncollectible amounts due for ad valorem taxes, sales taxes, and customers' utility receivables are recognized as bad debts by direct write-off at the time information becomes available which would indicate the uncollectability of the particular receivable. Although the specific charge-off method is not in conformity with generally accepted accounting principles (GAAP), no allowance for uncollectible receivables was made due to immateriality at December 31, 1995.

CITY OF ABBEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

R. Capitalization of Interest Expense -

It is the policy of the City of Abbeville to capitalize material amounts of interest resulting from borrowings in the course of the construction of fixed assets. During the year ended December 31, 1995, the City did not capitalize any interest expense.

S. 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.

T. Comparative Data -

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

U. Related Organizations -

The City's officials are also responsible for appointing the board members of the Abbeville Housing Authority, but the City's accountability for this organization does not extend beyond making the appointments.

(2) 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 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 Vermilion Parish.

For the year ended December 31, 1995, taxes of 6.71 mills were levied on property with assessed valuation totaling \$30,390,760. A recap of the millage, assessment, taxes levied and collected is as follows:

CITY OF ABBEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

	Assessed Value	Total Tax (6.71 Mills)	General Alimony (5.37 Mills)	Public Improvement (1.34 Mills)
Taxable Property	\$31,750,820	\$213,048	\$170,502	\$42,546
Less Adjustments, Cancellations, Etc.	(1,360,060)	9,126	7,304	1,822
Totals per Adjusted Roll	\$30,390,760	203,922	163,198	40,724
Less Tax Collected	=====	143,635	114,950	28,685
Tax To Be Collected		\$ 60,287	\$ 48,248	\$12,039
		=====	=====	=====

(3) Sales Taxes:

Proceeds of a 1 percent sales and use tax levied by the City of Abbeville (1995 collections \$1,395,205) are dedicated to the purposes of opening, constructing, paving, resurfacing and improving streets, alleys, sidewalks, sewers, lighting and power plants; constructing and improving drains, drainage canals and sub-surface drainage; constructing and purchasing fire department stations and equipment; constructing and purchasing police department stations and equipment; constructing and purchasing garbage disposal and health and sanitation equipment and facilities; constructing public buildings; purchasing, constructing and improving public parks and recreational facilities and acquiring the necessary equipment and furnishings therefor; purchasing equipment for civil defense; constructing, acquiring or improving any work of permanent public improvement; and purchasing and acquiring all equipment and furnishing for the public works, buildings improvements and facilities in the City of Abbeville.

(4) Budgets and Budgetary Accounting:

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

1. The Mayor prepares a proposed budget and submits it to the City Council no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the City Council.



CITY OF ABBEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

6. Budgets for all Governmental Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons are presented in the financial statements of these funds. Budgeted amounts presented are as originally adopted or as amended from time to time by the City Council. Such amendments were not material in relation to the original appropriations.

(5) Cash, Interest Bearing Deposits and Investments:

The City of Abbeville has cash, interest bearing deposits and investments (book balances) totaling \$3,628,729 as follows:

Petty Cash and Change Funds	\$ 1,200
Demand Deposits	88,321
Money Market Accounts (Interest bearing)	1,531,208
Investments	<u>2,008,000</u>
Total	<u>\$3,628,729</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 December 31, 1995 are secured as follows:

Bank Balances	\$3,735,725
Federal Deposit Insurance	<u>600,000</u>
Balance Uninsured	3,135,725
Pledged Securities (Category 3)	<u>5,800,697</u>
Excess FDIC Insurance and Pledged Securities Over Cash and Investments	<u>\$2,664,972</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), state law 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.

Investments consist of certificates of deposit totaling \$2,008,000 held at various local banks. Maturities range from 91 days to 182 days and interest rates vary from 5.01% to 5.20%. A \$125,000 certificate of deposit is pledged to the Louisiana Department of labor to guarantee the City's workers compensation self-insurance program.

At December 31, 1995 the City held \$6,814 in an escrow account in the General Fund which are funds confiscated by the Police Department which have not yet been released by the District Attorney's Office (see Note 11).

CITY OF ABBEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

(6) Due From Other Governmental Units:

Amounts due from other governmental units consisted of the following at December 31, 1995:

Due from Louisiana Department of Transportation for water and sewer relocation grants	\$ 19,147
Due from State of Louisiana for State Revenue Sharing Payment	23,514
Due from Louisiana Department of the Treasury for video poker revenue	21,084
Due from Louisiana Department of Revenue and Taxation for beer tax	7,976
Due from Federal Aviation Administration for Airport Improvement Grant	46,965
Due from State of Louisiana DOTD for Airport Grant	2,805
Due from State of Louisiana DOTD for Maintenance Reimbursement	6,344
Due from Louisiana Department of Culture Recreation and Tourism for Main Street Grant	3,176
Due from Louisiana Commission on Law Enforcement for Task Force Grant	1,381
Due from City of Kaplan for Task Force Matching Funds	723
Due from United States Department of Justice for Cops Fast Grant	<u>3,041</u>
Total	<u>\$136,156</u>

(7) Restricted Assets - Proprietary Fund Type:

Restricted assets were applicable to the following at December 31, 1995:

1988 refunding bonds sinking fund	\$ 79,716
1988 refunding bonds reserve fund	809,500
1988 refunding bonds capital additions and contingencies fund	250,000
1992 certificates of indebtedness sinking fund	88,790
Customers' deposits	<u>381,092</u>
Total	<u>\$1,609,098</u>

(8) Fixed Assets:

A summary of changes in general fixed assets for the year ended December 31, 1995 follows:

	Balance December 31, 1994	Additions	Deletions	Balance December 31, 1995
Land	\$ 480,101	\$ 3,000	\$ -	\$ 483,101
Buildings	2,311,022	3,989	-	2,315,011
Improvements other than buildings	9,934,465	73,143	1,115	10,006,493
Equipment	<u>1,977,865</u>	<u>106,339</u>	<u>33,331</u>	<u>2,050,873</u>
Total General Fixed Assets	<u>\$14,703,453</u>	<u>\$186,471</u>	<u>\$34,446</u>	<u>\$14,855,478</u>

CITY OF ABBEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

A summary of changes in proprietary fund type property, plant and equipment for the year ended December 31, 1995 follows:

	Balance December 31, 1994	Additions	Deletions	Balance December 31, 1995
Electric utility:				
Extensions and improvements	\$ 5,804,734	\$ 67,946	\$ -	\$ 5,872,680
Lines and meters	1,890,269	5,585	-	1,895,854
Water utility:				
Treatment plant	415,362	-	-	415,362
Extensions	2,946,284	-	-	2,946,284
Improvements	2,027,142	-	-	2,027,142
Lines and meters	962,479	-	-	962,479
Sewerage utility:				
Treatment plant	4,556,044	176,400	-	4,732,444
Lift pumps	180,694	-	-	180,694
Extensions and improvements	5,366,780	20,169	-	5,386,949
Sanitation department:				
Equipment	144,943	-	144,943	-
Other assets:				
Buildings	121,134	-	-	121,134
Automobiles and trucks	377,521	67,359	-	444,880
Furniture and fixtures	104,960	5,939	-	110,899
Small tools and equipment	136,892	3,355	2,672	137,575
Utility building	80,274	-	-	80,274
Real estate	70,929	-	-	70,929
Construction in progress	89,850	86,550	176,400	-
Total	<u>\$25,276,291</u>	<u>\$433,303</u>	<u>\$324,015</u>	<u>25,385,579</u>
Less: Accumulated depreciation				<u>13,493,353</u>
Net property, plant and equipment				<u>\$11,892,226</u>

(9) Long-Term Debt:

The following is a summary of long-term debt transactions of the City of Abbeville for the year ended December 31, 1995:

	Compensated Absences	General Obligation	Revenue	Total
Long-term debt payable - December 31, 1994	\$ -	\$ 37,000	\$6,565,000	\$6,602,000
Additions	185,742	-	-	185,742
Reductions	-	37,000	580,000	617,000
Long-term debt payable - December 31, 1995	<u>\$185,742</u>	<u>\$ -</u>	<u>\$5,985,000</u>	<u>\$6,170,742</u>

CITY OF ABBEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

Bonds payable at December 31, 1995 are comprised of the following individual issues:

Revenue Refunding Bonds and Certificates of Indebtedness:

\$8,095,000 Utility Revenue Refunding Bonds dated 12/22/88; due in annual installments of \$20,000 to \$830,000 through 12/1/04; interest at 5.9 - 7.25 percent.	\$5,455,000
\$700,000 certificate of indebtedness dated 3/1/92; due in annual installments of \$55,000 - \$90,000 through 3/1/02; interest from 5.15% to 6.70%.	<u>530,000</u>
Total Revenue Refunding Bonds and Certificates of Indebtedness Payable	5,985,000
Less: Unamortized discount	<u>112,964</u>
Net Revenue Refunding Bonds and Certificates of Indebtedness Payable	\$5,872,036 =====

These utility revenue refunding bonds are reflected in the utility fund financial statements as follows:

Current liabilities payable from restricted assets:	
Bonds	\$ 356,974
Certificates of indebtedness	<u>63,600</u>
Total Current	<u>420,574</u>
Long-Term Liabilities:	
Bonds	4,993,812
Certificates of indebtedness	<u>457,650</u>
Total Long-Term	<u>5,451,462</u>
Net Revenue Refunding Bonds and Certificates of Indebtedness Payable	\$5,872,036 =====

The annual requirements to amortize all such debt outstanding as of December 31, 1995, including interest payments of \$2,144,795 are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Total</u>
1996	\$ 850,264
1997	1,001,655
1998	1,005,135
1999	983,139
2000	1,000,752
2001-2004	<u>3,288,850</u>
	\$8,129,795 =====



CITY OF ABBEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

(10) Interfund Asset/Liabilities:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Risk Management Fund	General Fund	\$ 450,000
Risk Management Fund	Utility Fund	27,000
General Fund	Utility Fund	280,000
General Fund	Risk Management Fund	8,053
Sales Tax Fund	General Fund	20,000
Sales Tax Fund	Public Improvement Fund	12,340
Utility Fund	Sales Tax Fund	280,000
		<u>\$1,077,393</u>
		=====

(11) Due to Other Governmental Units:

Amounts due to other governmental units consisted of the following at December 31, 1995:

Due to the Office of the District Attorney, 15th Judicial District for confiscated funds	\$6,814 =====
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(12) Flow of Fund/Restrictions on Use - Utilities Revenues:

Utility Revenue Refunding Bonds

As shown in Note 9, the City has \$5,455,000 of utility revenue refunding bonds outstanding at December 31, 1995, which are payable from a pledge and dedication of the income and revenues of the combined electric, waterworks, and sewer systems. In order that the principal of and the interest on the bonds will be paid in accordance with their terms and for the other objects and purposes hereinafter provided, the City covenants that all such income and revenues shall be deposited daily as the same may be collected in a separate and special bank account to be known and designated as the "City of Abbeville Utilities System Fund," and said Utilities System Fund shall be maintained and administered in the following order of priority and for the following express purposes:

- A. The payment of all reasonable and necessary expenses of administering, operating and maintaining the Utilities System;
- B. The establishment of a "City of Abbeville Utilities Revenue Bond Sinking Fund" (the "Sinking Fund") sufficient in amount to pay promptly and fully the principal of the interest on the Bonds herein authorized including any additional pari passu bonds issued hereafter in the manner provided by this Bond Resolution, as they severally become due and payable, by transferring from the Utilities System Fund to the Fiscal Agency of the Issuer, in advance of or before the 20th day of each month of each year, commencing January 20, 1989 a sum equal to one-fifth (1/5) (one-sixth after May 20, 1989) of the interest falling due on the next Interest Payment Date and one-eleventh (1/11) of the Principal falling due on December 1, 1989 (adjusted for any accrued interest received upon the delivery of the bonds) and commencing December 20, 1989, a sum equal to one-sixth (1/6) of the interest falling due on the next Interest Payment Date, and a sum equal to one-twelfth (1/12) of the principal falling due on the next principal payment date, together with such additional proportionate sum as may be required to pay said principal and interest as the same respectively become due. Said bank shall make available from the Sinking Fund to the Paying Agency for all bonds payable from the

CITY OF ABBEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

Sinking Fund, at least three (3) days in advance of the date on which each payment of principal or interest falls due, funds fully sufficient to pay promptly the principal and interest on the bonds so falling due on such date.

- C. The establishment of a "City of Abbeville Utilities Revenue Bond Reserve Fund" (the "Reserve Fund") by transferring from the reserve funds established for the Refunded Bonds, upon delivery of the bonds, an amount equal to the lesser of (i) 10 percent of the proceeds for the bonds, or (ii) the highest combined principal and interest requirements on the bonds for any succeeding bond year. The money in the reserve fund shall be retained solely for the purpose of paying the principal of and interest on bonds payable from the sinking fund as to which there would otherwise be default (except such amounts, if any, as may be payable to the United States of America as a rebate of arbitrage pursuant to Section 148(f) of the Code), and in the event that moneys in the Reserve Fund are so used, then such moneys shall be replaced as provided in (E) below. In the event that additional pari passu bonds are issued hereafter in the manner provided by this bond resolution, there shall be transferred from the proceeds of such pari passu bonds and/or said Utilities System Fund into said Reserve Fund, monthly or annually such amounts (as may be designated in the resolution authorizing the issuance of such pari passu bonds) as will increase the total amount on deposit in said Reserve fund within a period not exceeding five (5) years to a sum equal to the lesser of (i) the sum of 10% of the proceeds of each issue payable from the sinking fund or (ii) the highest combined principal and interest requirements in any succeeding bond year on the bonds and such additional pari passu bonds.
- D. The establishment of a "City of Abbeville Utilities Revenue Capital Additions and Contingencies Fund" (the "Contingencies Fund"), to care for extensions, additions, improvements, renewals and replacements necessary to properly operate the Utilities System, by transferring from the Utilities System Fund to regularly designated fiscal agent bank of the Issuer, on or before the 20th day of each month of each year, commencing not later than January 20, 1989, a sum equal to five percent (5%) of the gross revenues of the Utilities System for the preceding month, less the Power Cost Adjustment, until the sum of \$250,000 is on deposit therein, providing that such sum is available after provisions are made for the funds required under paragraphs (A), (B) and (C) above. So long as the maximum amount required above is on deposit, monthly payments shall not be required, however, as moneys are expended therefrom for the intended purposes, monthly payments shall resume until the maximum amount required is again on deposit. In addition to caring for extensions, additions, improvements, renewals and replacements necessary to properly operate the Utilities System, the money in the Contingencies Fund shall be used to pay the principal of and the interest on the Bonds, including any additional pari passu bonds issued hereafter in the manner provided by this bond resolution, for the payment of which there is not sufficient money in the Sinking Fund or Reserve Fund, provided in paragraphs (B) and (C) above, but the money in the Contingencies Fund shall never be used for the making of extensions, additions, improvements, renewals and replacements to the Utilities System if such use of said money will leave in the Contingencies Fund for the making of emergency repairs or replacements less than the sum of One Hundred Thousand Dollars (\$100,000).
- E. If at any time it shall be necessary to use moneys in the Reserve Fund or Contingencies Fund above provided for the purpose of paying principal or interest on bonds payable from the Sinking Fund as to which there would otherwise be default, then the moneys so used shall be replaced from the revenues of the Utilities System first thereafter received, not hereinabove required for the purposes described in (A) and (B) of this



CITY OF ABBEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

section, it being the intention hereof that there shall as nearly as possible be at all times in the Reserve Fund and the Contingencies Fund the amount hereinabove specified.

All or any part of the moneys in the Utilities System Fund, Sinking Fund, Reserve Fund and Contingencies Fund shall be invested in Qualified Investments (as defined in the bond indenture; except for bond proceeds representing accrued interest, which shall be invested in Government Securities) in which event all income derived from such Qualified Investments shall be added to Utilities System Fund as income and revenue of the Utilities System, and such investments shall, to the extent at any time necessary, be liquidated and the proceeds thereof applied to the purpose for which such funds are created.

Any moneys remaining in the Utilities System Fund on the 20th day of each month and after making the required payments into the Sinking Fund, Reserve Fund and Contingencies Fund for the current month and for prior months during which the required payments may not have been made shall be considered surplus. Such surplus may be used by the Issuer for such other lawful corporate purposes as the City may determine, whether such purposes are or are not related to the Utilities System.

Certificates of Indebtedness

As shown in Note 9, the City has \$530,000 of certificates of indebtedness outstanding at December 31, 1995 representing funds used to acquire electrical service facilities, meter locations and servicing rights to customers located in portions of the City previously being serviced by SLEMCO electrical company.

The certificates are secured by and payable solely from a pledge and dedication of the excess of annual revenues of the City. The City is to budget annually a sufficient sum of money to pay principal and interest as the certificates mature from 1994 to 2002 and will levy and collect in each year taxes and other revenues within the limits prescribed by law, including the revenues of the Utility System.

The City shall maintain a Sinking Fund and shall deposit at least three days in advance of the date on which each payment of principal and/or interest falls due funds fully sufficient to promptly pay the maturing principal and/or interest falling due on such date.

Violation of Revenue Refunding Bonds Restrictions

The City is in compliance with all significant limitations and restrictions set forth upon issuance of the outstanding revenue refunding bonds with the following exception:

- A. The City is not operating each individual division of the Utility System profitably which is a violation of Section 901 (b) of the 1988 Bond Resolution.
- B. The City is not always adhering to requirements of Section 902 regarding termination of service to customers with delinquent balances.

CITY OF ABBEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

(13) Retirement Commitments:

Substantially all City employees are members of one of the following retirement systems: Municipal Employees' Retirement System of Louisiana, Municipal Police Employees' Retirement System, Firefighters' Retirement System, or State of Louisiana Employees' Retirement System.

These systems are cost-sharing multiple-employer public employee retirement systems (PERS), controlled and administered by a separate board of trustees. Pertinent information relative to each plan follows.

A. Summary of Benefits -

Municipal Employees' Retirement System

All employees of the City, except police department personnel engaged in law enforcement, who are hired on a permanent basis working at least thirty-five hours per week, not participating in another public funded retirement system and under age sixty (60) at date of employment are required to participate in the System effective October 1, 1978. The System has two sections known as Plan "A" and Plan "B". The City is a member of Plan "B".

Any member of Plan "B" is eligible for retirement providing he meets one of the following criteria:

1. Age 55 with thirty (30) years of creditable service.
2. Age 60 with a minimum of ten (10) or more years of creditable service.
3. Under age 60 with ten (10) years of creditable service eligible for disability benefits.
4. Survivors benefits require twenty (20) years of creditable service at death of member.

Generally, the monthly amount of the retirement allowance for any member of Plan "B" shall consist of an amount equal to two percent of the member's final compensation multiplied by his years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts. The System also provides death and disability benefits. Benefits are established by state statute.

Municipal Police Employees' Retirement System of Louisiana

All full time police department employees engaged in law enforcement, empowered to make arrests, not having to pay social security and meeting the state statutory criteria are required to participate in the System.

Any member is eligible for normal retirement after he has been a member of the System for one year, if he has twenty (20) years of creditable service and is age 50 or has twelve (12) years of creditable service and is age 55. Benefit rates are three and one-third percent of final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years creditable service not to exceed 100 percent. The System also provides death and disability benefits. Benefits are established by state statute.

CITY OF ABBEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

Additionally, a member is eligible upon receiving twenty (20) years of credit and attaining the age of 50, to elect to enter the deferred retirement option plan (DROP). Upon filing the application for the program, the employee's active membership in the System is terminated. At the entry date into the DROP, the employee and employer contributions cease. The amount to be deposited into the DROP account is equal to the benefit computed under the retirement plan elected by the participant at date of application. The duration of participation in the DROP is specified for a period of two years or less. At the end of the time period the participant may receive his benefits by lump sum payment or a true annuity. If employment is not terminated, the payments into the DROP account cease. Active contributing membership into the System may resume and upon later termination, he shall receive additional retirement benefits based on the additional service.

Firefighters' Retirement System

Employees with 20 or more years of service who have attained age 50 or employees who have 12 years of service who have attained age 55 are entitled to annual pension benefits equal to 3 1/3% of their average final compensation based on the 36 consecutive months of highest pay multiplied by their total years of service, not to exceed 100%. Employees may elect to receive their pension benefits in the form of a joint and survivor annuity. If employees terminate before rendering 12 years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to their employer's contributions. Benefits are payable over the employees' lives in the form of a monthly annuity. The system also includes provisions for death and disability benefits and an option to participate in a deferred retirement option plan (DROP).

State of Louisiana Employees' Retirement System

Judges with eighteen (18) years of creditable service may retire regardless of age, or age fifty (50) and twenty (20) years of accredited service, or age fifty-five (55) and twelve (12) years of accredited service, or age seventy (70) without regard to accredited service. The retirement allowance is equal to three and one-half percent (3 1/2%) of average compensation for each year of creditable service as a judge or court officer plus benefits for other state services.

For the year ended December 31, 1995, the City's total payroll for all employees and total covered payroll amounted to \$2,791,999 and \$2,242,811, respectively.

B. Contributions -

Contributions to the Municipal Employees' Retirement System include one-quarter of one percent (1/4 of 1%) of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge. State statute requires covered employees of Plan "B" to contribute 5 percent of their salaries to the System. As of September 1, 1995, the employer contribution rate was increased from 3.00 percent to 3.75 percent of each covered member's salary.

Contributions to the Municipal Police Employees' Retirement System include four-tenths of one percent (4/10 of 1%) of the net direct premiums received in the state by casualty insurers doing business in the state. The System requires an employer contribution equal to 9 percent of each covered member's salary. The employee contribution rate was 7.5 percent.



CITY OF ABBEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

Effective July 1, 1995, contributions to the State of Louisiana Employees' Retirement System requires judges to contribute 11.5 percent of their salaries to the System. Employer contribution rate was increased from 11.9 percent to 12.0 percent of each covered member's salary.

Contributions to the Firefighters' retirement system required employees to contribute 8 percent of their salaries to the system. The system requires an employer contribution equal to 9 percent of each covered member's salary.

	<u>1995 Employer Contributions</u>	<u>% of Current Year Covered Payroll For Each System</u>	<u>1995 Employee Contributions</u>	<u>% of Current Year Covered Payroll For Each System</u>
Municipal Employees' Retirement System	\$ 30,136	3.75%	\$ 65,613	5.00%
Municipal Police Employees' Retirement System	52,740	9.00%	43,950	7.50%
Firefighters' Retirement System	30,405	9.00%	27,027	8.00%
Louisiana State Employees' Retirement System	<u>802</u>	12.00%	<u>772</u>	11.50%
	<u>\$114,083</u> =====		<u>\$137,362</u> =====	

C. Funding Status and Progress -

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

The pension benefit obligation, net assets available, and the unfunded pension benefit obligation (as determined through actuarial valuation) for each system is presented below. Also presented is information expressing that percentage of total actuarially determined contribution requirements for all employers covered by the pension plan, which was contributed by the City of Abbeville.