

TOWN OF GRAND COTEAU, LOUISIANA  
COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS  
ALL PROPRIETARY FUND TYPES  
YEAR ENDED JUNE 30, 1996

	<u>(MEMORANDUM ONLY)</u>	
	<u>1996</u>	<u>1995</u>
<u>OPERATING REVENUES</u>		
Charges for services	\$405,968	\$357,085
Missing deposit	<u>(3,205)</u>	
<u>Net charges for services</u>	402,763	357,085
Intergovernmental	10,000	
Miscellaneous income	<u>436</u>	<u>949</u>
<u>Total operating revenues</u>	<u>413,199</u>	<u>358,034</u>
 <u>OPERATING EXPENSES</u>		
Personal services	50,958	46,443
Contractual services	90,809	80,091
Materials and supplies	12,582	11,401
Other expenses	79,644	67,939
Depreciation	<u>80,286</u>	<u>79,570</u>
<u>Total operating expenses</u>	<u>314,279</u>	<u>285,444</u>
 <u>OPERATING INCOME</u>		
	<u>98,920</u>	<u>72,590</u>
 <u>NONOPERATING REVENUES (EXPENSES)</u>		
Interest income	3,155	2,510
Interest expense	<u>(35,970)</u>	<u>(36,061)</u>
Loss on sale of equipment		<u>(1,011)</u>
<u>Total nonoperating revenues</u>		<u>(1,011)</u>
<u>(expenses)</u>	<u>(32,815)</u>	<u>(34,562)</u>
 <u>INCOME BEFORE OPERATING TRANSFERS</u>		
	66,105	38,028
 <u>OPERATING TRANSFERS (OUT)</u>		
	<u>(75,801)</u>	<u>(156,147)</u>
 <u>NET (LOSS)</u>		
	(9,696)	(118,119)
 <u>RETAINED EARNINGS, beginning of year</u>		
	<u>25,232</u>	<u>143,351</u>
 <u>RETAINED EARNINGS, end of year</u>		
	<u>15,536</u>	<u>25,232</u>

The accompanying notes are an integral part of these statements.

TOWN OF GRAND COTEAU, LOUISIANA  
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
GENERAL AND SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 1996

	GENERAL FUND		SPECIAL REVENUE FUNDS		TOTAL	
	BUDGET	ACTUAL	BUDGET	ACTUAL	(Memorandum Only) 1996	1995 ACTUAL
<b>REVENUES</b>						
Taxes	\$46,224	\$47,626	\$39,783	\$40,057	\$87,683	\$71,801
Licenses and permits	23,127	27,557			27,557	19,514
Intergovernmental	118,582	116,532			116,532	26,974
Fines and forfeits	28,172	26,399			26,399	29,768
Miscellaneous	22,489	26,278	28	1,600	27,878	20,764
Total revenues	238,594	244,392	39,811	41,657	286,049	168,821
<b>EXPENDITURES</b>						
Current						
Executive and administrative	94,034	93,897	741	403	94,300	92,342
Street department	46,878	49,569			49,569	47,063
Police department	120,946	123,250			123,250	107,500
Fire department	27,734	26,902			26,902	23,300
Park department	337	775			775	2,669
Total expenditures	289,929	294,393	741	403	294,796	272,874
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in	99,900	106,100			106,100	207,356
Operating transfers out	(17,564)	(20,171)	(28,701)	(27,665)	(47,836)	(66,406)
Gain on sale of fixed assets						400
Note proceeds						18,211
Total other financing sources (uses)	82,336	85,929	(28,701)	(27,665)	58,264	159,561
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)</b>	31,001	35,928	10,369	13,589	49,517	55,508
<b>FUND BALANCE, beginning of year</b>		29,019		11,085	40,104	(15,404)
<b>FUND BALANCE, end of year</b>		64,947		24,674	89,621	40,104

The accompanying notes are an integral part of these statements.

TOWN OF GRAND COTEAU, LOUISIANA  
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES (CONTINUED)  
YEAR ENDED JUNE 30, 1996

	GOVERNMENTAL FUND TYPES				TOTALS
GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	(MEMORANDUM ONLY) 1995	1996
<u>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)</u>	\$35,928	\$13,589	\$752	\$52,931	
<u>FUND BALANCE, beginning of year</u>	<u>29,019</u>	—	<u>(651)</u>	<u>39,453</u>	<u>(13,478)</u>
<u>FUND BALANCE, end of year</u>	<u>64,947</u>	<u>-0-</u>	<u>101</u>	<u>89,722</u>	<u>39,453</u>

The accompanying notes are an integral part of these statements.

TOWN OF GRAND COTEAU, LOUISIANA  
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES  
YEAR ENDED JUNE 30, 1996

	<u>GOVERNMENTAL FUND TYPES</u>				<u>TOTALS</u>	
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>(MEMORANDUM ONLY)</u>	<u>1995</u>
<u>REVENUES</u>						
Taxes	\$47,626	\$40,057			\$87,683	\$71,801
Licenses and permits	27,557				27,557	19,514
Intergovernmental	116,532			\$711,803	828,335	184,292
Fines and forfeits	26,399				26,399	29,768
Miscellaneous revenues	26,278	1,600			27,878	20,764
<u>Total revenues</u>	<u>244,392</u>	<u>41,657</u>	<u>-0-</u>	<u>711,803</u>	<u>997,852</u>	<u>326,139</u>
<u>EXPENDITURES</u>						
Current						
Executive and administrative	93,897	403			94,300	92,342
Street department	49,569				49,569	47,063
Police department	123,250				123,250	107,500
Fire department	26,902				26,902	23,300
Park department	775				775	2,669
Capital projects				854,487	854,487	241,559
Debt service						
Principal retirement			\$11,974		11,974	9,613
Interest			5,563		5,563	5,484
<u>Total expenditures</u>	<u>294,393</u>	<u>403</u>	<u>17,537</u>	<u>854,487</u>	<u>1,166,820</u>	<u>529,530</u>
<u>OTHER FINANCING SOURCES (USES)</u>						
Operating transfers in	106,100		17,537		267,073	222,553
Operating transfers out	(20,171)	(27,665)		143,436	(47,836)	(66,406)
Gain on sale of fixed assets						400
Note proceeds						18,211
Utility bond proceeds						81,564
<u>Total other financing sources (uses)</u>	<u>85,929</u>	<u>(27,665)</u>	<u>17,537</u>	<u>143,436</u>	<u>219,237</u>	<u>256,322</u>

This statement continued on next page.

TOWN OF GRAND COTRAU, LOUISIANA  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS (CONTINUED)  
 JUNE 30, 1996

	GOVERNMENTAL FUND TYPES				FIDUCIARY FUND TYPE AGENCY	ACCOUNT GROUPS		TOTALS	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS		PROPRIETARY FUND TYPE ENTERPRISE	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	(MEMORANDUM ONLY) 1996
<b>LIABILITIES</b>									
Accounts payable	\$5,100							\$7,434	\$8,639
Accrued expenses					\$3,162			3,162	2,825
Bank overdraft									651
Payable from restricted assets									
Accrued interest									
Revenue bonds					8,862			8,862	8,962
Customers' deposits					4,344			4,344	3,632
Due to other funds					35,357			35,357	36,631
Due to other governments	44				13,870		3,956	17,870	6,269
Deferred revenue									
Long-term debt				\$4,857				4,857	234,309
Revenue bonds payable					536,797			536,797	403,823
Notes payable								58,196	70,169
Capital lease payable								2,372	
Total liabilities	<u>5,144</u>	<u>-0-</u>	<u>-0-</u>	<u>4,857</u>	<u>601,564</u>	<u>7,118</u>	<u>-0-</u>	<u>679,251</u>	<u>784,293</u>
<b>FUND EQUITY</b>									
Contributed capital									
Investment in general fixed assets									
Retained earnings									
Reserved					2,637,879			2,637,879	1,926,076
Unreserved					66,178			66,178	46,354
Fund Balance					(50,642)			(50,642)	(21,122)
Reserved									
Unreserved				101				101	(651)
Undesignated									
Total fund equity	<u>64,947</u>	<u>\$24,674</u>	<u>-0-</u>	<u>101</u>	<u>2,653,415</u>	<u>-0-</u>	<u>-0-</u>	<u>89,621</u>	<u>40,105</u>
	<u>64,947</u>	<u>24,674</u>	<u>-0-</u>	<u>101</u>	<u>2,653,415</u>	<u>-0-</u>	<u>-0-</u>	<u>3,359,036</u>	<u>2,592,841</u>
Total liabilities and fund equity	<u>70,091</u>	<u>24,674</u>	<u>-0-</u>	<u>4,958</u>	<u>3,254,979</u>	<u>7,118</u>	<u>60,568</u>	<u>4,038,287</u>	<u>3,377,134</u>

The accompanying notes are an integral part of these statements.

TOWN OF GRAND COTEAU, LOUISIANA  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
 JUNE 30, 1996

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPE		FIDUCIARY FUND TYPE		ACCOUNT GROUPS		TOTALS	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	ENTERPRISE	AGENCY	GENERAL ASSETS	LONG-TERM DEBT	1996	1995	(MEMORANDUM ONLY)	
<u>ASSETS</u>												
Cash	\$36,514	\$24,299		\$101	\$77,707	\$3,054					\$141,675	\$105,542
Investments											741	706
Receivables, net of allowances for uncollectibles												
Taxes	658										658	438
Accounts Intergovernmental	25,630			4,857	35,769						35,769	33,760
Other	73										30,487	247,551
Accrued interest receivable					92						73	57
Prepaid insurance					7,227						92	84
Lease deposit											7,227	6,571
Due from other funds	7,216	375			6,215	4,064					17,870	164
Restricted assets												6,269
Cash												
Investments					70,912						70,912	53,820
Property, plant, and equipment, net of accumulated depreciation					43,828						43,828	41,759
Construction in progress					1,883,089					\$615,899	2,498,988	2,536,084
Amount to be provided for retirement of general long-term debt					1,129,399						1,129,399	274,160
									\$60,568		60,568	70,169
<u>Total assets</u>	<u>70,091</u>	<u>24,674</u>	<u>-0-</u>	<u>4,958</u>	<u>3,254,979</u>	<u>7,118</u>	<u>615,899</u>	<u>60,568</u>	<u>4,038,287</u>	<u>3,377,134</u>		

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GENERAL PURPOSE FINANCIAL STATEMENTS



The Honorable Mary Murray, Mayor  
and Members of the Board of Aldermen  
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Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules for the year ended June 30, 1996, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Town of Grand Coteau, Louisiana. Such information, except for the Schedule of Insurance in Force marked "unaudited," and the financial statements presented in the General Fixed Assets Account Group, on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

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



Opelousas, Louisiana  
December 13, 1996



John Newton Stout, CPA  
 Joel Lanclos, Jr., CPA  
 Russell J. Stelly, CPA  
 Dwight Ledoux, CPA  
 Chizal S. Fontenot, CPA  
 James L. Nicholson, Jr., CPA  
 G. Kenneth Pavy, II, CPA



**JOHN S. DOWLING & COMPANY**  
 A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

John S. Dowling, CPA  
 (1904-1984)

Harold Dupre, CPA  
 Retired

INDEPENDENT AUDITOR'S REPORT

The Honorable Mary Murray, Mayor  
 and Members of the Board of Aldermen  
 Town of Grand Coteau, Louisiana

We have audited the accompanying general purpose financial statements of the Town of Grand Coteau, Louisiana, as of June 30, 1996, and for the year then ended. These general purpose financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States, 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Because of the inadequacy of accounting records on general fixed assets, we were unable to form an opinion regarding the amounts at which the General Fixed Assets Account Group are recorded in the accompanying balance sheet at June 30, 1996 (stated at \$615,899). The general fixed assets records are not complete as to the cost or estimated cost for individual fixed assets, and this precluded the application of sufficient audit tests necessary for us to satisfy ourselves as to the valuation of general fixed assets.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the accounting records of the General Fixed Assets Account Group been adequate, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Town of Grand Coteau, Louisiana, as of June 30, 1996, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

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TOWN OF GRAND COTEAU, LOUISIANA  
ENTERPRISE FUNDS  
SCHEDULE OF OPERATING EXPENSES  
FOR THE YEARS ENDED JUNE 30, 1996 AND 1995

	<u>1996</u>	<u>1995</u>
<u>GAS FUND EXPENSES</u>		
<u>Personal services</u>		
Salaries and wages	\$25,713	\$21,265
Payroll taxes	1,999	1,511
<u>Contractual services</u>		
Gas purchases	85,119	73,762
Survey expense	4,557	4,642
<u>Supplies</u>		
Materials and supplies	9,221	7,284
Office supplies		150
<u>Other</u>		
Bad debts	468	
Dues	288	
Engineering	720	
Legal and accounting	9,112	5,529
Insurance	6,424	5,223
Repairs and maintenance	1,974	1,436
Seminar expense	400	
Truck expenses	1,435	3,141
Utilities	2,479	2,268
Telephone	597	678
Miscellaneous	2,733	1,711
<u>Depreciation</u>	<u>9,953</u>	<u>9,520</u>
<u>Total gas fund expenses</u>	<u>163,192</u>	<u>138,120</u>
<u>WATER FUND EXPENSES</u>		
<u>Personal services</u>		
Salaries and wages	17,280	15,713
Payroll taxes	1,252	1,117
<u>Supplies</u>		
Materials and supplies	377	2,700
Office supplies		275

This schedule continued on next page.

TOWN OF GRAND COTEAU, LOUISIANA  
ENTERPRISE FUNDS  
SCHEDULE OF CHANGES IN RESTRICTED ASSETS  
FOR THE YEARS ENDED JUNE 30, 1996 AND 1995

	<u>BOND AND INTEREST REDEMPTION</u>	<u>RESERVE</u>	<u>CONTINGENCY</u>	<u>CUSTOMER METER</u>	<u>TOTALS</u>	
					<u>1996</u>	<u>1995</u>
<u>CASH BALANCE, July 1, 1995</u>	\$34,869	\$5,178	\$4,774	\$50,758	\$95,579	\$87,427
<u>CASH RECEIPTS</u>						
Interest earned on investments	1,422	157	157	1,332	3,068	2,414
Transfers from operating account	55,171	2,006	2,113	4,450	59,290	42,907
Customers' deposits collected	<u>91,462</u>	<u>7,341</u>	<u>7,044</u>	<u>56,540</u>	<u>4,450</u>	<u>4,914</u>
<u>Total cash available</u>				<u>162,387</u>	<u>162,387</u>	<u>137,662</u>
<u>CASH DISBURSEMENTS</u>						
Transfers to paying agent	45,821			1,825	45,821	38,714
Customers' deposits refunded	<u>45,821</u>	<u>-0-</u>	<u>-0-</u>	<u>1,825</u>	<u>1,825</u>	<u>3,369</u>
<u>Total cash disbursed</u>				<u>47,646</u>	<u>47,646</u>	<u>42,083</u>
<u>CASH BALANCE, June 30, 1996</u>	<u>45,641</u>	<u>7,341</u>	<u>7,044</u>	<u>54,715</u>	<u>114,741</u>	<u>95,579</u>

TOWN OF GRAND COTEAU, LOUISIANA  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEARS ENDED JUNE 30, 1996 AND 1995

	<u>GAS FUND</u>	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>TOTALS</u>	
				<u>1996</u>	<u>1995</u>
<u>RECONCILIATION OF OPERATING</u>					
<u>INCOME TO NET CASH PROVIDED</u>					
<u>(USED) BY OPERATING ACTIVITIES</u>					
Operating income	<u>\$69,601</u>	<u>\$19,045</u>	<u>\$10,274</u>	<u>\$98,920</u>	<u>\$72,590</u>
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	9,953	26,169	44,164	80,286	79,570
(Increase) decrease in accounts receivable	(123)	(116)	(1,770)	(2,009)	4,374
(Increase) decrease in prepaid insurance	(261)	(188)	(208)	(657)	(1,250)
Increase (decrease) in accounts payable	(406)	632	401	627	(3,048)
Increase (decrease) in payroll taxes payable					(505)
(Increase) decrease in security deposits	164			164	
Net increase (decrease) in customers' deposits	(47)	(1,227)		(1,274)	1,431
Increase (decrease) in due to other government		<u>(8,383)</u>		<u>(8,383)</u>	<u>8,383</u>
<u>Total adjustments</u>	<u>9,280</u>	<u>16,887</u>	<u>42,587</u>	<u>68,754</u>	<u>88,955</u>
 <u>Net cash provided by</u> <u>operating activities</u>	 <u>78,881</u>	 <u>35,932</u>	 <u>52,861</u>	 <u>167,674</u>	 <u>161,545</u>



TOWN OF GRAND COTEAU, LOUISIANA  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 1996 AND 1995

	<u>GAS FUND</u>	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>TOTALS</u>	
				<u>1996</u>	<u>1995</u>
<u>CASH FLOWS FROM OPERATING</u>					
<u>ACTIVITIES</u>					
Cash received from customers	\$222,623	\$90,760	\$86,533	\$399,916	\$363,158
Cash received from grantor	10,000			10,000	
Cash payments to suppliers for goods and services	(128,029)	(37,548)	(28,958)	(194,535)	(160,638)
Cash payments to employees for services	(25,713)	(17,280)	(4,714)	(47,707)	(40,975)
<u>Net cash provided by operating activities</u>	<u>78,881</u>	<u>35,932</u>	<u>52,861</u>	<u>167,674</u>	<u>161,545</u>
<u>CASH FLOWS FROM NONCAPITAL</u>					
<u>FINANCING ACTIVITIES</u>					
Operating transfers in from other funds	17,114	6,121	1,596	24,831	139,550
Operating transfers out to other funds	(72,851)	(15,895)	(4,606)	(93,352)	(254,373)
<u>Net cash provided (used) for noncapital financing activities</u>	<u>(55,737)</u>	<u>(9,774)</u>	<u>(3,010)</u>	<u>(68,521)</u>	<u>(114,823)</u>
<u>CASH FLOWS FROM CAPITAL AND</u>					
<u>RELATED FINANCING ACTIVITIES</u>					
Acquisition and construction of capital assets		(950)	(28,418)	(29,368)	(10,164)
Principal paid on revenue bonds and notes		(1,246)	(8,504)	(9,750)	(3,334)
Interest paid on revenue bonds and notes		(12,301)	(23,769)	(36,070)	(36,133)
Contributed capital			711,803	711,803	159,996
Construction in progress			(855,239)	(855,239)	(241,559)
Bond proceeds			143,436	143,436	81,564
<u>Net cash used for capital and related financing activities</u>	<u>-0-</u>	<u>(14,497)</u>	<u>(60,691)</u>	<u>(75,188)</u>	<u>(49,630)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Purchase of investments	(1,223)		(881)	(2,104)	(1,629)
Interest on investments	1,287	422	1,437	3,146	2,484
<u>Net cash provided by investing activities</u>	<u>64</u>	<u>422</u>	<u>556</u>	<u>1,042</u>	<u>855</u>
<u>Net increase (decrease) in cash</u>	<u>23,208</u>	<u>12,083</u>	<u>(10,284)</u>	<u>25,007</u>	<u>(2,053)</u>
<u>CASH, July 1, 1995</u>	<u>42,087</u>	<u>32,691</u>	<u>48,834</u>	<u>123,612</u>	<u>125,665</u>
<u>CASH, June 30, 1996</u>	<u>65,295</u>	<u>44,774</u>	<u>38,550</u>	<u>148,619</u>	<u>123,612</u>

This schedule continued on next page.



TOWN OF GRAND COTEAU, LOUISIANA  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS  
FOR THE YEARS ENDED JUNE 30, 1996 AND 1995

	<u>GAS FUND</u>	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>TOTALS</u>	
				<u>1996</u>	<u>1995</u>
<u>OPERATING REVENUES</u>					
Charges for services	\$225,733	\$92,091	\$88,144	\$405,968	\$357,085
Missing deposit	<u>(3,205)</u>	_____	_____	<u>(3,205)</u>	_____
<u>Net charges for services</u>	222,528	92,091	88,144	402,763	357,085
Intergovernmental	10,000			10,000	
Miscellaneous income	<u>265</u>	<u>12</u>	<u>159</u>	<u>436</u>	<u>949</u>
<u>Total operating revenues</u>	<u>232,793</u>	<u>92,103</u>	<u>88,303</u>	<u>413,199</u>	<u>358,034</u>
<u>OPERATING EXPENSES</u>					
Personal services	27,712	18,532	4,714	50,958	46,443
Contractual services	89,676		1,133	90,809	80,091
Supplies	9,221	377	2,984	12,582	11,401
Other expenses	26,630	27,980	25,034	79,644	67,939
Depreciation	<u>9,953</u>	<u>26,169</u>	<u>44,164</u>	<u>80,286</u>	<u>79,570</u>
<u>Total operating expenses</u>	<u>163,192</u>	<u>73,058</u>	<u>78,029</u>	<u>314,279</u>	<u>285,444</u>
<u>OPERATING INCOME</u>	<u>69,601</u>	<u>19,045</u>	<u>10,274</u>	<u>98,920</u>	<u>72,590</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>					
Interest income	1,296	422	1,437	3,155	2,510
Interest expense		(12,267)	(23,703)	(35,970)	(36,061)
Loss on sale of equipment	_____	_____	_____	_____	<u>(1,011)</u>
<u>Total nonoperating revenues (expenses)</u>	<u>1,296</u>	<u>(11,845)</u>	<u>(22,266)</u>	<u>(32,815)</u>	<u>(34,562)</u>
<u>INCOME BEFORE OPERATING TRANSFERS</u>	70,897	7,200	(11,992)	66,105	38,028
<u>OPERATING TRANSFERS (OUT)</u>	<u>(61,771)</u>	<u>(9,530)</u>	<u>(4,500)</u>	<u>(75,801)</u>	<u>(156,147)</u>
<u>NET INCOME (LOSS)</u>	9,126	(2,330)	(16,492)	(9,696)	(118,119)
<u>RETAINED EARNINGS, beginning of year</u>	<u>94,054</u>	<u>98,752</u>	<u>(167,574)</u>	<u>25,232</u>	<u>143,351</u>
<u>RETAINED EARNINGS, end of year</u>	<u>103,180</u>	<u>96,422</u>	<u>(184,066)</u>	<u>15,536</u>	<u>25,232</u>

TOWN OF GRAND COTEAU, LOUISIANA  
ENTERPRISE FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
JUNE 30, 1996 AND 1995

	<u>GAS FUND</u>	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>TOTALS</u>	
				<u>1996</u>	<u>1995</u>
<u>FUND EQUITY</u>					
Contributed capital					
Contribution from municipality	\$951		\$7,379	\$8,330	\$8,330
Contribution from federal and state grants	<u>89,745</u>	<u>\$278,400</u>	<u>2,261,404</u>	<u>2,629,549</u>	<u>1,917,746</u>
<u>Total contributed capital</u>	<u>90,696</u>	<u>278,400</u>	<u>2,268,783</u>	<u>2,637,879</u>	<u>1,926,076</u>
Retained earnings					
Reserved for customers' deposits	15,186	4,172		19,358	14,127
Reserved for bond retirement		8,860	37,960	46,820	32,227
Unreserved retained earnings	<u>87,994</u>	<u>83,390</u>	<u>(222,026)</u>	<u>(50,642)</u>	<u>(21,122)</u>
<u>Total retained earnings</u>	<u>103,180</u>	<u>96,422</u>	<u>(184,066)</u>	<u>15,536</u>	<u>25,232</u>
<u>Total fund equity</u>	<u>193,876</u>	<u>374,822</u>	<u>2,084,717</u>	<u>2,653,415</u>	<u>1,951,308</u>
<u>Total liabilities and fund equity</u>	<u>226,211</u>	<u>505,471</u>	<u>2,523,297</u>	<u>3,254,979</u>	<u>2,418,668</u>

TOWN OF GRAND COTEAU, LOUISIANA  
ENTERPRISE FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
JUNE 30, 1996 AND 1995

	<u>GAS FUND</u>	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>TOTALS</u>	
				<u>1996</u>	<u>1995</u>
<u>LIABILITIES AND FUND EQUITY</u>					
<u>CURRENT LIABILITIES (from current assets)</u>					
Accounts payable	\$861	\$869	\$604	\$2,334	\$1,707
Due to other governments					8,383
Due to other funds	<u>6,033</u>	<u>6,241</u>	<u>1,596</u>	<u>13,870</u>	<u>4,222</u>
Total	<u>6,894</u>	<u>7,110</u>	<u>2,200</u>	<u>16,204</u>	<u>14,312</u>
<u>CURRENT LIABILITIES (from restricted assets)</u>					
Revenue bonds payable		1,259	3,085	4,344	3,632
Interest payable		3,041	5,821	8,862	8,962
Customers' deposits	<u>25,441</u>	<u>9,916</u>	<u>          </u>	<u>35,357</u>	<u>36,631</u>
Total	<u>25,441</u>	<u>14,216</u>	<u>8,906</u>	<u>48,563</u>	<u>49,225</u>
<u>Total current liabilities</u>	<u>32,335</u>	<u>21,326</u>	<u>11,106</u>	<u>64,767</u>	<u>63,537</u>
<u>LONG-TERM LIABILITIES</u>					
Revenue bonds payable	<u>          </u>	<u>109,323</u>	<u>427,474</u>	<u>536,797</u>	<u>403,823</u>
<u>Total long-term liabilities</u>	<u>-0-</u>	<u>109,323</u>	<u>427,474</u>	<u>536,797</u>	<u>403,823</u>
<u>Total liabilities</u>	<u>32,335</u>	<u>130,649</u>	<u>438,580</u>	<u>601,564</u>	<u>467,360</u>

This schedule continued on next page.

TOWN OF GRAND COTEAU, LOUISIANA  
ENTERPRISE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 1996 AND 1995

	<u>GAS FUND</u>	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>TOTALS</u>	
				<u>1996</u>	<u>1995</u>
<u>ASSETS</u>					
<u>CURRENT ASSETS</u>					
Cash	\$50,362	\$17,526	\$9,819	\$77,707	\$69,792
Investments	741			741	706
Accounts receivable, net	12,635	10,330	12,804	35,769	33,760
Accrued interest receivable	38		54	92	84
Prepaid insurance	2,861	2,077	2,289	7,227	6,571
Lease deposit					164
Due from other funds	2,825	2,263	1,127	6,215	3,847
<u>Total current assets</u>	<u>69,462</u>	<u>32,196</u>	<u>26,093</u>	<u>127,751</u>	<u>114,924</u>
<u>RESTRICTED ASSETS</u>					
Cash	14,933	27,248	28,731	70,912	53,820
Investments	25,693		18,135	43,828	41,759
<u>Total restricted assets</u>	<u>40,626</u>	<u>27,248</u>	<u>46,866</u>	<u>114,740</u>	<u>95,579</u>
<u>FIXED ASSETS</u>					
Utility plant and depreciable assets, net of accumulated depreciation	116,123	446,027	1,320,939	1,883,089	1,934,005
Construction in progress			1,129,399	1,129,399	274,160
<u>Total fixed assets</u>	<u>116,123</u>	<u>446,027</u>	<u>2,450,338</u>	<u>3,012,488</u>	<u>2,208,165</u>
<u>Total assets</u>	<u>226,211</u>	<u>505,471</u>	<u>2,523,297</u>	<u>3,254,979</u>	<u>2,418,668</u>

This schedule continued on next page.

ENTERPRISE FUNDS

The Enterprise Funds are used to account for operations that are financed and operated in a manner where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

TOWN OF GRAND COTEAU, LOUISIANA  
GENERAL FUND  
DETAILED SCHEDULE OF EXPENDITURES  
BUDGET AND ACTUAL (CONTINUED)  
FOR THE YEARS ENDED JUNE 30, 1996 AND 1995

	<u>1996</u>		VARIANCE -	
	<u>BUDGET</u>	<u>ACTUAL</u>	FAVORABLE	1995
			(UNFAVORABLE)	<u>ACTUAL</u>
<u>FIRE DEPARTMENT (Continued)</u>				
<u>Other</u>				
Telephone	\$5,072	\$4,828	\$244	\$4,767
Utilities	823	857	(34)	780
Insurance	5,246	5,530	(284)	3,708
Truck expense	1,316	1,081	235	372
Miscellaneous	12	10	2	821
Repairs and maintenance	<u>1,464</u>	<u>2,207</u>	<u>(743)</u>	<u>1,445</u>
<u>Total fire department</u>	<u>27,734</u>	<u>26,902</u>	<u>832</u>	<u>23,300</u>
 <u>PARK DEPARTMENT</u>				
<u>Other</u>				
Repairs		42	(42)	1,185
Supplies				150
Insurance	337	733	(396)	944
Utilities				151
Capital outlay				<u>239</u>
<u>Total park department</u>	<u>337</u>	<u>775</u>	<u>(438)</u>	<u>2,669</u>
<u>Total expenditures</u>	<u>289,929</u>	<u>294,393</u>	<u>(4,464)</u>	<u>272,097</u>

TOWN OF GRAND COTEAU, LOUISIANA  
GENERAL FUND  
DETAILED SCHEDULE OF EXPENDITURES  
BUDGET AND ACTUAL (CONTINUED)  
FOR THE YEARS ENDED JUNE 30, 1996 AND 1995

	<u>1996</u>		<u>VARIANCE -</u>	
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>FAVORABLE</u>	<u>1995</u>
			<u>(UNFAVORABLE)</u>	<u>ACTUAL</u>
<u>STREET DEPARTMENT (Continued)</u>				
<u>Other</u>				
Auto and truck expense	\$7,988	\$4,717	\$3,271	\$2,446
Repairs and maintenance	4,234	3,348	886	9,172
Insurance	3,826	5,237	(1,411)	6,833
Utilities	13,334	12,332	1,002	13,171
Tractor expense	1,211	1,590	(379)	140
Capital outlay		2,374	(2,374)	710
<u>Total street department</u>	<u>46,878</u>	<u>49,569</u>	<u>(2,691)</u>	<u>47,063</u>
 <u>POLICE DEPARTMENT</u>				
<u>Personal services</u>				
Salaries and wages	69,904	69,186	718	50,696
Payroll taxes	5,347	5,401	(54)	3,603
<u>Supplies</u>				
Materials and supplies	4,357	3,581	776	2,267
Uniforms	1,506	1,465	41	1,329
<u>Other</u>				
Insurance	14,993	17,444	(2,451)	15,802
Auto expense	4,234	7,988	(3,754)	7,443
Telephone	3,671	3,315	356	2,700
Repairs	1,912	1,643	269	1,736
Miscellaneous	2,030	1,985	45	2,186
Prisoner meals		75	(75)	605
Capital outlay	12,992	11,167	1,825	19,133
<u>Total police department</u>	<u>120,946</u>	<u>123,250</u>	<u>(2,304)</u>	<u>107,500</u>
 <u>FIRE DEPARTMENT</u>				
<u>Personal services</u>				
Salaries and wages	10,166	10,190	(24)	10,189
Payroll taxes	778	770	8	724
<u>Supplies</u>				
Materials and supplies	2,857	1,429	1,428	494

This schedule continued on next page.



TOWN OF GRAND COTEAU, LOUISIANA  
GENERAL FUND  
DETAILED SCHEDULE OF EXPENDITURES  
BUDGET AND ACTUAL  
FOR THE YEARS ENDED JUNE 30, 1996 AND 1995

	1996		VARIANCE - FAVORABLE - (UNFAVORABLE)	1995 ACTUAL
	<u>BUDGET</u>	<u>ACTUAL</u>		
<u>EXECUTIVE AND ADMINISTRATIVE</u>				
<u>Personal services</u>				
Salaries - Clerks	\$28,500	\$31,265	\$(2,765)	\$28,113
Salaries - Mayor and Council	9,000	8,850	150	8,522
Payroll taxes	2,585	2,539	46	2,645
<u>Supplies</u>				
Office supplies and postage	10,784	11,053	(269)	8,078
<u>Other</u>				
Conventions and conferences	6,234	6,497	(263)	4,482
Advertising	1,019	151	868	1,660
Dues and subscriptions	1,103	1,275	(172)	476
Engineering fees	1,200	1,200		1,540
Equipment rental	512	492	20	1,088
Equipment lease		240	(240)	
Insurance	11,111	8,571	2,540	7,399
Legal and accounting	3,988	4,288	(300)	3,465
Miscellaneous	6,199	5,273	926	3,997
Notices and publications	276	310	(34)	976
Pest control	384	416	(32)	561
Repairs and maintenance	2,988	3,280	(292)	1,309
Planning committee	70	70		350
Telephone	2,224	2,510	(286)	2,648
Utilities	5,857	5,338	519	3,883
Election expense				586
Capital outlay		279	(279)	9,787
<u>Total executive and administrative</u>	<u>94,034</u>	<u>93,897</u>	<u>137</u>	<u>91,565</u>
<u>STREET DEPARTMENT</u>				
<u>Personal services</u>				
Salaries	8,473	10,263	(1,790)	8,900
Payroll taxes	697	777	(80)	633
<u>Supplies</u>				
Materials and supplies	6,796	8,665	(1,869)	4,869
Uniforms	319	266	53	189

This schedule continued on next page.

TOWN OF GRAND COTEAU, LOUISIANA  
GENERAL FUND  
DETAILED SCHEDULE OF REVENUES  
BUDGET AND ACTUAL  
FOR THE YEARS ENDED JUNE 30, 1996 AND 1995

	<u>1996</u>		<u>VARIANCE - FAVORABLE (UNFAVORABLE)</u>	<u>1995 ACTUAL</u>
	<u>BUDGET</u>	<u>ACTUAL</u>		
<u>TAXES</u>				
Property taxes	\$9,973	\$9,507	\$(466)	\$8,428
Franchise - cable television	899	674	(225)	997
Franchise - telephone	1,348	2,065	717	1,931
Franchise - electric	<u>34,004</u>	<u>35,380</u>	<u>1,376</u>	<u>29,177</u>
<u>Total taxes</u>	<u>46,224</u>	<u>47,626</u>	<u>1,402</u>	<u>40,533</u>
<u>LICENSES AND PERMITS</u>				
Occupational licenses	22,364	26,889	4,525	18,055
Building permits	121	125	4	679
Moving permits	624	520	(104)	750
Plumbing permits	<u>18</u>	<u>23</u>	<u>5</u>	<u>30</u>
<u>Total licenses and permits</u>	<u>23,127</u>	<u>27,557</u>	<u>4,430</u>	<u>19,514</u>
<u>INTERGOVERNMENTAL</u>				
State beer tax	2,044	2,403	359	1,458
State tobacco tax	5,816	5,816		5,822
Housing Authority	3,794	3,850	56	3,794
Fire insurance rebate	3,112	2,593	(519)	2,383
Federal grants		9,499	9,499	1,984
State grants	28,398	2,649	(25,749)	11,533
Food stamp reimbursement	104	196	92	
Video poker revenue	<u>75,314</u>	<u>89,526</u>	<u>14,212</u>	
<u>Total intergovernmental</u>	<u>118,582</u>	<u>116,532</u>	<u>(2,050)</u>	<u>26,974</u>
<u>FINES</u>				
Court fines	<u>28,172</u>	<u>26,399</u>	<u>(1,773)</u>	<u>29,768</u>
<u>MISCELLANEOUS</u>				
Interest income	406	444	38	370
Sundry	5,158	4,609	(549)	3,296
Water meter fees	16,825	16,747	(78)	17,002
Donations	100	2,106	2,006	
Inception of capital lease		<u>2,372</u>	<u>2,372</u>	
<u>Total miscellaneous</u>	<u>22,489</u>	<u>26,278</u>	<u>3,789</u>	<u>20,668</u>
<u>Total revenues</u>	<u>238,594</u>	<u>244,392</u>	<u>5,798</u>	<u>137,457</u>

TOWN OF GRAND COTEAU, LOUISIANA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEARS ENDED JUNE 30, 1996 AND 1995

	<u>1996</u>		VARIANCE -	
	<u>BUDGET</u>	<u>ACTUAL</u>	FAVORABLE	1995
			(UNFAVORABLE)	<u>ACTUAL</u>
<u>REVENUES</u>				
Taxes	\$46,224	\$47,626	\$1,402	\$40,533
Licenses and permits	23,127	27,557	4,430	19,514
Intergovernmental	118,582	116,532	(2,050)	26,974
Fines and forfeits	28,172	26,399	(1,773)	29,768
Miscellaneous	<u>22,489</u>	<u>26,278</u>	<u>3,789</u>	<u>20,668</u>
<u>Total revenues</u>	<u>238,594</u>	<u>244,392</u>	<u>5,798</u>	<u>137,457</u>
<u>EXPENDITURES</u>				
Current operating				
Executive and				
administrative	94,034	93,897	137	91,565
Street department	46,878	49,569	(2,691)	47,063
Police department	120,946	123,250	(2,304)	107,500
Fire department	27,734	26,902	832	23,300
Park department	<u>337</u>	<u>775</u>	<u>(438)</u>	<u>2,669</u>
<u>Total expenditures</u>	<u>289,929</u>	<u>294,393</u>	<u>(4,464)</u>	<u>272,097</u>
<u>EXCESS OF REVENUES OVER</u>				
<u>(UNDER) EXPENDITURES</u>	<u>(51,335)</u>	<u>(50,001)</u>	<u>1,334</u>	<u>(134,640)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in	99,900	106,100	6,200	203,437
Operating transfers out	(17,564)	(20,171)	(2,607)	(18,364)
Gain on sale of fixed assets				400
Note proceeds				<u>18,211</u>
<u>Total other</u>				
<u>financing sources</u>	<u>82,336</u>	<u>85,929</u>	<u>3,593</u>	<u>203,684</u>
<u>EXCESS OF REVENUES AND OTHER</u>				
<u>SOURCES OVER (UNDER)</u>				
<u>EXPENDITURES AND OTHER (USES)</u>	<u>31,001</u>	35,928	<u>4,927</u>	69,044
<u>FUND BALANCE, beginning of year</u>		<u>29,019</u>		<u>(40,025)</u>
<u>FUND BALANCE, end of year</u>		<u>64,947</u>		<u>29,019</u>

TOWN OF GRAND COTEAU, LOUISIANA  
GENERAL FUND  
BALANCE SHEET  
JUNE 30, 1996 AND 1995

	<u>1996</u>	<u>1995</u>
<u>ASSETS</u>		
Cash	\$36,514	\$20,168
Receivables, net of allowances for uncollectibles		
Property taxes	658	438
Franchise	9,196	7,794
Intergovernmental	16,434	5,448
Other	73	57
Due from other funds	<u>7,216</u>	<u>2,047</u>
<u>Total assets</u>	<u>70,091</u>	<u>35,952</u>
<u>LIABILITIES AND FUND EQUITY</u>		
<u>LIABILITIES</u>		
Accounts payable	\$5,100	\$6,932
Due to other funds	44	
<u>Total liabilities</u>	<u>5,144</u>	<u>6,932</u>
<u>FUND BALANCE</u>		
Unreserved	<u>64,947</u>	<u>29,020</u>
<u>Total liabilities and fund equity</u>	<u>70,091</u>	<u>35,952</u>

GENERAL FUND

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund. The General Fund has a greater number and variety of revenue sources than any other fund, and its resources normally finance a wider range of activities. The resources of the General Fund are ordinarily largely expended and replenished on an annual basis.

FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS

TOWN OF GRAND COTEAU, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1996

(21) LEASES

The Town of Grand Coteau, Louisiana entered into a non-cancellable capital lease with Applied Concepts Incorporated for a radar on October 14, 1995. The agreement requires monthly payments of \$76.52 for thirty-six months. The cost of the radar of \$2,755 has been recorded in the General Fixed Assets Account Group and the lease payable is set up in the General Long-term Debt Account Group.

At June 30, 1996, future minimum rental payments required are as follows:

1997	\$924
1998	924
1999	<u>524</u>
<u>Total minimum lease payments</u>	<u>2,372</u>
Less current installments	<u>924</u>
<u>Long-term obligations</u>	<u>1,448</u>

The Town of Grand Coteau, Louisiana also entered into an operating lease with Xerox Corporation for a copier on August 16, 1995. The agreement requires monthly payments of \$80.15 for twelve months. The payments are recorded as equipment lease in the General Fund.



TOWN OF GRAND COTEAU, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1996

(18) PLEDGED COLLATERAL

The Town of Grand Coteau does have adequate collateral pledged to secure the Town's deposits. The following is a summary of the Town's deposits and the FDIC insurance coverage:

	<u>As of</u> <u>June 30, 1996</u>
Market value of pledged securities	\$200,000
FDIC insurance	100,000
Noninterest-bearing bank balances	<u>(147,117)</u>
<u>Excess collateralized bank balance</u>	<u>152,883</u>
Market value of pledged securities	\$62,834
FDIC insurance	100,000
Interest-bearing bank balances	<u>(114,285)</u>
<u>Excess collateralized bank balance</u>	<u>48,549</u>

(19) SEWER REVENUE BOND - FEBRUARY 17, 1995

A bond of \$225,000 was issued on February 17, 1995 for improvements on the Town's sewer system. The bond has a stated interest of 4 1/2 percent and is payable over a forty year period. The first two payments consist of interest only which are due on February 17, 1996 and February 17, 1997. Commencing March 17, 1997 and on the 17th day of each month thereafter through February 17, 2035, monthly payments will be due which will consist of fully amortized payments of principal and interest. Each payment shall be applied, first, to the payment of accrued interest; and second, to the payment of principal.

Actual monthly payments into the Sinking Fund during the interest only period depend on the schedule of advances of principal made to the Town during construction. However, monthly debt service payments into the Sinking Fund will not exceed \$1,021.50. The Town will also have to make monthly payments of \$52 into a Reserve Fund and \$52 into a Contingency Fund. The payments into the Reserve Fund will continue until an amount equal to one year's debt service on the bond is accumulated therein, and the payments into the Contingency Fund will be made over the life of the bond.

(20) CONSTRUCTION IN PROGRESS

The construction shown in the Capital Projects Sewer Fund are included in the Utility Fund as construction in progress until completion of the project.

TOWN OF GRAND COTEAU, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1996

(15) CHANGES IN GENERAL FIXED ASSETS

The following is a summary of changes in general fixed assets for the year ended June 30, 1996:

	Balance, July 1, <u>1995</u>	<u>Additions</u>	<u>Retirements</u>	Balance, June 30, <u>1996</u>
Land	\$75,171			\$75,171
Buildings	194,219	\$4,400		198,619
Improvements other than buildings	31,744			31,744
Equipment	181,414	9,420		190,834
Other structures and improvements	<u>119,531</u>	—	—	<u>119,531</u>
<u>Totals</u>	<u>602,079</u>	<u>13,820</u>	<u>-0-</u>	<u>615,899</u>

(16) GENERAL FIXED ASSETS

The Town of Grand Coteau does not have adequate accounting records on general fixed assets.

(17) GENERAL LONG-TERM DEBT

The Town of Grand Coteau has outstanding a note payable to the Bank of Sunset and Trust Company for the purchase of a fire truck dated January 23, 1991. The note has an interest rate of 11 percent and its first annual payment was due on January 23, 1993 with the final payment due on January 23, 2001.

The Town of Grand Coteau has outstanding a note payable to the Bank of Sunset and Trust Company for the purchase of a 1995 Ford Crown Victoria. The note has an interest rate of 6.5 percent and its first monthly payment was due on March 27, 1995 with the final payment due on March 15, 2000.

The Town of Grand Coteau also entered into a capital lease with Applied Concepts Incorporated for a radar on October 14, 1995. The agreement requires monthly payments of \$76.52 for thirty-six months.

Future maturities of the notes payable are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1997	\$13,244	\$4,561	\$17,805
1998	13,410	3,582	16,992
1999	13,257	2,587	15,844
2000	11,857	1,581	13,438
2001	<u>8,800</u>	<u>748</u>	<u>9,548</u>
	<u>60,568</u>	<u>13,059</u>	<u>73,627</u>

TOWN OF GRAND COTEAU, LOUISIANA  
CAPITAL PROJECTS FUNDS  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
FOR THE YEARS ENDED JUNE 30, 1996 AND 1995

	SEWER CONSTRUCTION	
	1996	1995
<u>REVENUES</u>		
Intergovernmental		
Grants - LCDBG	\$233,160	\$157,318
Grants - FmHA	478,643	<u>          </u>
<u>Total revenues</u>	<u>711,803</u>	<u>157,318</u>
<u>EXPENDITURES</u>		
Capital projects		
Construction costs	779,496	181,777
Engineering fees	51,551	51,665
Attorney		6,785
Testing and inspection	728	1,332
Capital outlay	<u>22,712</u>	<u>          </u>
<u>Total expenditures</u>	<u>854,487</u>	<u>241,559</u>
<u>EXCESS OF REVENUES OVER (UNDER)</u>		
<u>EXPENDITURES</u>	<u>(142,684)</u>	<u>(84,241)</u>
<u>OTHER FINANCING SOURCES</u>		
Operating transfers in		100
Utility bond proceeds other financing	<u>143,436</u>	<u>81,564</u>
<u>Total other financing sources</u>	<u>143,436</u>	<u>81,664</u>
<u>EXCESS OF REVENUES AND OTHER SOURCES</u>		
<u>OVER (UNDER) EXPENDITURES AND OTHER USES</u>	752	(2,577)
<u>FUND BALANCE</u> , beginning of year	<u>(651)</u>	<u>1,926</u>
<u>FUND BALANCE</u> , end of year	<u>101</u>	<u>(651)</u>

TOWN OF GRAND COTEAU, LOUISIANA  
CAPITAL PROJECTS FUNDS  
BALANCE SHEET  
JUNE 30, 1996 AND 1995

	SEWER CONSTRUCTION	
	1996	1995
<u>ASSETS</u>		
Cash	\$101	
Grant receivable	4,857	\$234,309
<u>Total assets</u>	<u>4,958</u>	<u>234,309</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Bank overdrafts		\$651
Deferred revenue	\$4,857	234,309
<u>Total liabilities</u>	<u>4,857</u>	<u>234,960</u>
<u>FUND BALANCE</u>		
Reserved for construction	101	(651)
<u>Total fund balance</u>	<u>101</u>	<u>(651)</u>
<u>Total liabilities and fund balance</u>	<u>4,958</u>	<u>234,309</u>

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for the purchase or construction of major capital facilities which are not financed by proprietary funds.

The Sewer Construction Fund was used to account for the upgrading of the sewer oxidation plant. This project is still under construction as of June 30, 1996.

TOWN OF GRAND COTEAU, LOUISIANA  
DEBT SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
FOR THE YEARS ENDED JUNE 30, 1996 AND 1995

	<u>1996</u>	<u>1995</u>
<u>REVENUES</u>	<u>-0-</u>	<u>-0-</u>
<u>EXPENDITURES</u>		
Debt service		
Notes paid	\$11,974	\$9,613
Interest paid	<u>5,563</u>	<u>5,484</u>
<u>Total expenditures</u>	<u>17,537</u>	<u>15,097</u>
<u>EXCESS OF REVENUES OVER</u> <u>(UNDER) EXPENDITURES</u>	(17,537)	(15,097)
<u>OTHER FINANCING SOURCES</u>		
Operating transfers in	<u>17,537</u>	<u>15,097</u>
<u>EXCESS OF REVENUES AND OTHER</u> <u>SOURCES OVER (UNDER)</u> <u>EXPENDITURES AND OTHER (USES)</u>		
<u>FUND BALANCE</u> , beginning of year	<u>          </u>	<u>          </u>
<u>FUND BALANCE</u> , end of year	<u>-0-</u>	<u>-0-</u>

TOWN OF GRAND COTEAU, LOUISIANA  
DEBT SERVICE FUND  
BALANCE SHEET  
JUNE 30, 1996 AND 1995

	<u>1996</u>	<u>1995</u>
<u>ASSETS</u>	---	---
<u>Total assets</u>	<u>-0-</u>	<u>-0-</u>
 <u>LIABILITIES AND FUND EQUITY</u>	 ---	 ---
<u>Total liabilities and fund equity</u>	<u>-0-</u>	<u>-0-</u>



DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

TOWN OF GRAND COTEAU, LOUISIANA  
SUMMER FOOD SERVICE PROGRAM FUND  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
FOR THE YEARS ENDED JUNE 30, 1996 AND 1995

	<u>1996</u>	<u>1995</u>
<u>REVENUES</u>		
<u>Total revenues</u>	<u>-0-</u>	<u>-0-</u>
<u>EXPENDITURES</u>		
Executive and administrative	<u>          </u>	<u>\$244</u>
Miscellaneous	<u>-0-</u>	<u>244</u>
<u>Total expenditures</u>		
<u>EXCESS OF REVENUES OVER (UNDER)</u> <u>EXPENDITURES</u>	<u>-0-</u>	<u>(244)</u>
<u>OTHER FINANCING SOURCES (USES)</u>		
Operating transfers in		3,919
Operating transfers out	\$(238)	<u>          </u>
<u>Total other financing sources (uses)</u>	<u>(238)</u>	<u>3,919</u>
<u>EXCESS OF REVENUES AND OTHER SOURCES</u> <u>OVER (UNDER) EXPENDITURES AND OTHER (USES)</u>	<u>(238)</u>	<u>3,675</u>
<u>FUND BALANCE, beginning of year</u>	<u>238</u>	<u>(3,437)</u>
<u>FUND BALANCE, end of year</u>	<u>-0-</u>	<u>238</u>

TOWN OF GRAND COTEAU, LOUISIANA  
SALES TAX FUND  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEARS ENDED JUNE 30, 1996 AND 1995

	<u>1996</u>		VARIANCE -	
	<u>BUDGET</u>	<u>ACTUAL</u>	FAVORABLE	1995
			(UNFAVORABLE)	<u>ACTUAL</u>
<u>REVENUES</u>				
Taxes				
Sales tax collections	\$39,783	\$40,057	\$274	\$31,268
Miscellaneous				
Interest income	28	27	(1)	26
Other		<u>1,573</u>	<u>1,573</u>	<u>70</u>
<u>Total revenues</u>	<u>39,811</u>	<u>41,657</u>	<u>1,846</u>	<u>31,364</u>
<u>EXPENDITURES</u>				
Executive and administrative				
Miscellaneous	<u>741</u>	<u>403</u>	<u>338</u>	<u>533</u>
<u>Total expenditures</u>	<u>741</u>	<u>403</u>	<u>338</u>	<u>533</u>
<u>EXCESS OF REVENUES OVER</u>				
<u>(UNDER) EXPENDITURES</u>	39,070	41,254	2,184	30,831
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers out	(28,701)	(27,427)	1,274	(48,042)
<u>EXCESS OF REVENUES AND OTHER</u>				
<u>SOURCES OVER (UNDER)</u>				
<u>EXPENDITURES AND OTHER (USES)</u>	<u>10,369</u>	13,827	<u>3,458</u>	(17,211)
<u>FUND BALANCE, beginning of year</u>		<u>10,847</u>		<u>28,058</u>
<u>FUND BALANCE, end of year</u>		<u>24,674</u>		<u>10,847</u>

TOWN OF GRAND COTEAU, LOUISIANA  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE YEARS ENDED JUNE 30, 1996 AND 1995

	<u>SALES TAX FUND</u>	<u>SUMMER FOOD SERVICE PROGRAM FUND</u>	<u>TOTALS</u>	
			<u>1996</u>	<u>1995</u>
<u>REVENUES</u>				
Taxes	\$40,057		\$40,057	\$31,268
Miscellaneous	<u>1,600</u>		<u>1,600</u>	<u>96</u>
<u>Total revenues</u>	<u>41,657</u>	<u>-0-</u>	<u>41,657</u>	<u>31,364</u>
<u>EXPENDITURES</u>				
Executive and administrative	<u>403</u>		<u>403</u>	<u>777</u>
<u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	<u>41,254</u>		<u>41,254</u>	<u>30,587</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in				3,919
Operating transfers out	(27,427)	\$(238)	(27,665)	(48,042)
<u>Total other financing (uses)</u>	<u>(27,427)</u>	<u>(238)</u>	<u>(27,665)</u>	<u>(44,123)</u>
<u>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)</u>				
	13,827	(238)	13,589	(13,536)
<u>FUND BALANCE, beginning of year</u>	<u>10,847</u>	<u>238</u>	<u>11,085</u>	<u>24,621</u>
<u>FUND BALANCE, end of year</u>	<u>24,674</u>	<u>-0-</u>	<u>24,674</u>	<u>11,085</u>

TOWN OF GRAND COTEAU, LOUISIANA  
SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 1996 AND 1995

	<u>SALES</u> <u>TAX FUND</u>	<u>SUMMER FOOD</u> <u>SERVICE</u> <u>PROGRAM FUND</u>	<u>TOTALS</u>	
<u>ASSETS</u>			<u>1996</u>	<u>1995</u>
Cash	\$24,299		\$24,299	\$10,710
Due from other funds	<u>375</u>	<u>---</u>	<u>375</u>	<u>375</u>
<u>Total assets</u>	<u>24,674</u>	<u>-0-</u>	<u>24,674</u>	<u>11,085</u>
<u>LIABILITIES AND FUND EQUITY</u>				
<u>LIABILITIES</u>				
<u>Total liabilities</u>	<u>---0-</u>	<u>---0-</u>	<u>---0-</u>	<u>---0-</u>
<u>FUND BALANCE</u>				
Unreserved	\$24,674	<u>---</u>	\$24,674	\$11,085
<u>Total liabilities and</u> <u>fund equity</u>	<u>24,674</u>	<u>-0-</u>	<u>24,674</u>	<u>11,085</u>

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for resources legally restricted to expenditures for specified current operating purposes or the acquisition of furniture, fixtures, machinery, equipment, or other relatively minor or comparatively short-lived assets.

The Sales Tax Fund is used to account for the collection and expenditure of the Town's 1 percent sales tax.

The Summer Food Service Program Fund was used to account for reimbursement from the Louisiana Department of Education for expenditures of the Summer Food Service Program for Children. The Summer Food Service Program is now being handled by the St. Landry Parish School Board.

TOWN OF GRAND COTEAU, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1996

(14) PROPRIETARY FUND TYPE - FLOW OF FUNDS - RESTRICTION ON USE

Under the terms of the bond indentures on outstanding Utility Revenue Refunding Bonds dated April 1, 1989, all income and revenues of the Utility System are pledged and dedicated to the retirement of said bonds, and are to be set aside into the following special funds:

All revenues shall be deposited into a "Utilities Revenue Fund" to provide for the payment of the reasonable and necessary expenses of operating and maintaining the system and for the following purposes:

(a) Each month, there will be set aside into a fund called the "Utilities Revenue Bond and Interest Sinking Fund" an amount constituting 1/12 of the next maturing installment of principal and 1/6 of the next maturing installment of interest on the outstanding bonds. Such transfers shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due, and may be used only for such payments. This deposit must be made on or before the 20th of each month.

(b) There shall also be set aside into a "Utilities Revenue Bond Reserve Fund" an amount equal to 5 percent of the amount to be paid into the Sinking Fund until there shall have been accumulated in the Reserve Account an amount equal to the maximum principal and interest requirements in any one maturity year. Such amounts may be used only for the payment of maturing bonds and interest coupons for which sufficient funds are not on deposit in the Utility Revenue Bond Sinking Fund and as to which there would otherwise be default.

(c) Funds will also be set aside into a "Utilities Depreciation and Contingency Fund" an amount equal to 5 percent of the amount to be paid into the Sinking Fund. Money in this fund may be used for the making of extraordinary repairs or replacements to the system which are necessary to keep the system in operating condition and for which money is not available as a maintenance and operation expense. Money in this fund may also be used to pay principal or interest on the bonds falling due at any time there is not sufficient money for payment in the other bond funds.

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



TOWN OF GRAND COTEAU, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1996

(13) PROPRIETARY FUND CHANGES IN DEBT

The following is a summary of changes in Proprietary Fund debt for the year ended June 30, 1996:

<u>Description of Debt</u>	<u>Balance at July 1, 1995</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance at June 30, 1996</u>
\$338,666 of Utilities Revenue Refunding Bonds dated April 1, 1989	\$325,891		\$3,632	\$322,259
\$225,000 of Sewer Revenue Bonds dated February 17, 1995	<u>81,564</u>	<u>\$143,436</u>	<u>6,118</u>	<u>218,882</u>
	<u>407,455</u>	<u>143,436</u>	<u>9,750</u>	<u>541,141</u>

The annual requirements to retire debt as of June 30, 1996, are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1997	\$4,326	\$38,729	\$43,055
1998	5,742	44,824	50,566
1999	5,882	44,322	50,204
2000	7,090	43,811	50,901
2001	8,379	43,173	51,552
2002-2006	50,185	203,593	253,778
2007-2011	78,481	175,012	253,493
2012-2016	126,295	128,263	254,558
2017-2021	122,187	54,699	176,886
2022-2026	32,691	26,350	59,041
2027-2031	40,923	18,118	59,041
2032-2036	51,229	7,814	59,043
2037	<u>7,731</u>	<u>131</u>	<u>7,862</u>
	<u>541,141</u>	<u>828,839</u>	<u>1,369,980</u>

TOWN OF GRAND COTEAU, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1996

(11) CONTRIBUTED CAPITAL

Contributed capital on June 30, 1996 consists of:

Gas Fund

Contributions from federal agencies	\$89,745	
Contributions from Town of Grand Coteau Special Revenue Funds	<u>951</u>	\$90,696

Water Fund

Contributions from federal agencies		278,400
-------------------------------------	--	---------

Sewer Fund

Contributions from federal and state agencies	2,261,404	
Contributions from Town of Grand Coteau Special Revenue Funds	<u>7,379</u>	<u>2,268,783</u>
		<u>2,637,879</u>

(12) PROPERTY, PLANT, AND EQUIPMENT - ENTERPRISE FUNDS

A summary of property, plant, and equipment of the Enterprise Funds at June 30, 1996 is as follows:

<u>Description</u>	<u>Life in Years</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>	<u>Depreciation This Year *</u>
Land	30	\$24,000		\$24,000	
Waterworks and gas system Sewer plant and line extensions	40	1,153,908	\$593,242	560,666	\$34,907
Equipment	3-5	1,749,245	480,979	1,268,266	43,732
Sewer building	15	23,154	21,257	1,897	1,489
		<u>28,418</u>	<u>158</u>	<u>28,260</u>	<u>158</u>
<u>Total</u>		<u>2,978,725</u>	<u>1,095,636</u>	<u>1,883,089</u>	<u>80,286</u>

Changes During the Year

Balance, beginning of year	\$2,949,357	\$1,015,350
Additions:		
Waterworks and gas system	950	
Sewer building	28,418	
Depreciation	<u>80,286</u>	
Balance, end of year	<u>2,978,725</u>	<u>1,095,636</u>

\* All assets are depreciated under the straight-line method.

TOWN OF GRAND COTEAU, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1996

(7) AD VALOREM TAXES

For the year ended June 30, 1996, the Town of Grand Coteau levied a general tax of 6.0 mills on property with assessed valuation totaling \$1,650,660. Total tax levied was \$9,904. Taxes receivable at June 30, 1996 total \$658.

The Town's ad valorem tax, levied for the calendar year, is due on or before December 31, and becomes delinquent on January 1.

(8) RESERVES OF FUND EQUITY

The Town records reserves to indicate that a portion of the fund equity is legally segregated for a specific future use. The following details the description and amount of all reserves used by the Town.

	Balance at June 30, <u>1996</u>
Enterprise Funds	
Reserved for customers' deposits	\$19,358
Reserved for bond retirement	<u>46,820</u>
	<u>66,178</u>

(9) DEDICATION OF SALES TAX PROCEEDS

Proceeds of the 1 percent sales and use tax are dedicated to the following purposes:

Constructing and purchasing fire department stations and equipment; constructing and purchasing police department stations and equipment; opening, constructing, paving, resurfacing and improving streets, sidewalks, and bridges; constructing and improving drains, drainage canals and subsurface drainage; constructing, acquiring or improving any work of public permanent improvements; and purchasing and acquiring all equipment and furnishings for the public works, buildings, improvements and facilities of the Town of Grand Coteau, title to which shall be in the public.

(10) PROPRIETARY FUNDS - RESTRICTED ASSETS

Certain assets of the Enterprise Funds have been restricted for debt service and customers' deposits. These assets consist of cash and short-term investments restricted for the following:

Customers' deposits	\$35,357
Accrued interest payable	8,862
Bonds payable	<u>4,344</u>
	<u>48,563</u>

TOWN OF GRAND COTEAU, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1996

(3) DEFICITS - IN INDIVIDUAL FUNDS

The Enterprise Fund consists of the Gas, Water and Sewer Funds. The Sewer Fund has a deficit retained earnings at June 30, 1996 as follows:

Enterprise Fund	
Gas Fund	\$103,180
Water Fund	96,422
Sewer Fund	<u>(184,066)</u>
<u>Total retained earnings</u>	<u>15,536</u>

(4) RETIREMENT

The employees of the Town are covered by social security only. The Town does not have any other retirement plan for its employees.

(5) CASH AND CASH EQUIVALENTS

Cash and cash equivalents for the purposes of the statement of cash flows consist of the following:

Unrestricted assets	
Cash	\$77,707
Restricted assets	
Cash	<u>70,912</u>
<u>Total cash and cash equivalents</u>	<u>148,619</u>

(6) ACCOUNTS RECEIVABLE - ENTERPRISE FUND

The accounts receivable consist of gas, water and sewer billings uncollected as of June 30, 1996. An accounts receivable aging schedule is as follows:

<u>Days</u>	<u>June 30, 1996</u>
0 - 30	\$27,659
31 - 60	5,512
61 - 90	2,250
91 and older	<u>926</u>
<u>Total accounts receivable</u>	36,347
Plus: sales tax receivable	1,371
Less: allowance for uncollectible accounts	<u>(1,949)</u>
<u>Net accounts receivable</u>	<u>35,769</u>

As of June 30, 1996, the Town had only two days of unbilled receivables. Due to the insignificant amount of unbilled receivables, no amount was accrued as of the end of the year.

TOWN OF GRAND COTEAU, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1996

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Encumbrances. The Town does not employ the encumbrance system of accounting.

Inventory. The Town practices the policy of recording materials and supplies as expenditures or expenses when acquired. The Town does not record any of these items as inventory because the amount of the items in stock is insignificant.

Compensated absences. The Town's employees earn and use their vacation and sick leave during the fiscal year. Therefore, there is no provision for compensated absences at year-end.

Cash and cash equivalents. For purposes of the statement of cash flows, the Town considers all highly liquid debt instruments purchased with a maturity of three months or less that is considered available funds to be cash equivalents.

Total columns. Total columns on the general purpose 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 cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

(2) INTERFUND RECEIVABLES, PAYABLES

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$7,216	\$44
Special Revenue Funds		
Sales Tax	375	
Enterprise Funds	6,215	13,870
Agency Fund		
Payroll Account	<u>4,064</u>	<u>3,956</u>
	<u>17,870</u>	<u>17,870</u>



TOWN OF GRAND COTEAU, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1996

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Debt Account Group.

Property, plant, and equipment which constitute assets of the Enterprise Fund are recorded at cost and depreciation is computed thereon under the straight-line method of depreciation based on estimated useful lives of the individual assets.

Interest costs during construction, where applicable, are capitalized.

Bad debts. Uncollectible amounts due for ad valorem taxes, miscellaneous liens, and sundry claims are recorded as bad debts through the establishment of an allowance account at the time information available indicates the uncollectibility of the particular receivable.

Allowance for uncollectible accounts receivable in the Enterprise Fund at June 30, 1996, is \$1,949.

Budgets and budgetary accounting. The Town follows these procedures in establishing the budgetary data reflected in these financial statements:

1. At least 30 days prior to the beginning of the fiscal year the Mayor submits to the Town Council an operating and capital budget for the succeeding year.
2. A public meeting is scheduled by the Town Council after allowing for at least 10 days notice to the public at the time the budget is initially submitted to the Town Council.
3. The budget must be finally adopted by the Council no later than the last day of the preceding fiscal year.
4. The Mayor and Town Council may authorize transfers of budgetary amounts within departments and revisions requiring alteration of levels of expenditures or transfers between departments.
5. Operating appropriations, to the extent not expended or encumbered, lapse at year-end. Capital appropriations continue in force until the project is completed or deemed abandoned.
6. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

TOWN OF GRAND COTEAU, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1996

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 that the amount of the transaction can be determined and "available" means that the amount of the transaction is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is for principal and interest on general long-term debt which is recognized when due. Expenditures for insurance and similar services which extend over more than one accounting period are accounted for as expenditures of the period of acquisition.

The proprietary fund type is accounted for using the accrual basis of accounting. Its revenues are recognized when they are earned, and its expenses are recognized when they are incurred.

Cash and investments. Louisiana statutes authorize the Town to invest in United States bonds, treasury notes or certificates, time certificates of deposit in state and national banks, or any other federally insured investment.

At year-end, the carrying amount of the Town's deposits was \$257,156. The bank balance of cash was \$216,833 and of investments was \$44,569. Investments are stated at cost or amortized cost, which approximates market. Cash and these investments which are time deposits are fully secured through the pledge of bank-owned securities or federal deposit insurance. This collateral is considered under generally accepted governmental accounting principles to be category pledged securities in Category 2 include investments collateralized with securities held by the pledging financial institution's trust department or agent in the Town's name.

Fixed assets and long-term liabilities. All items of property, plant, and equipment (including infrastructure general fixed assets) which do not constitute assets of the Enterprise Fund are recorded in the General Fixed Assets Account Group. Such assets are maintained on the basis of original cost (cash paid plus trade-in allowance, if applicable) and no depreciation is computed or recorded thereon.

Long-term liabilities expected to be financed from governmental fund types are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

The two account groups are not "funds." They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.



TOWN OF GRAND COTEAU, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1996

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds

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

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

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

Proprietary Fund

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

Fiduciary Fund

Agency Funds. Agency Funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Basis of accounting. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types 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 fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and 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 (i.e., revenues) and decreases (i.e., expenses) in net total assets.

TOWN OF GRAND COTEAU, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1996

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and reporting practices of the Town of Grand Coteau conform to generally accepted accounting principles as applicable to governments.

The following is a summary of certain significant accounting policies and practices of the Town of Grand Coteau.

REPORTING ENTITY

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Town of Grand Coteau for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the Town to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Town.
2. Organizations for which the Town does not appoint a voting majority but are fiscally dependent on the Town.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

The Town of Grand Coteau is a primary government and the accompanying general purpose financial statements present information only on the funds maintained by the Town and do not present information on any other governmental unit.

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

TOWN OF GRAND COTEAU, LOUISIANA  
COMBINED STATEMENT OF CASH FLOWS  
ALL PROPRIETARY FUND TYPES  
YEAR ENDED JUNE 30, 1996

	<u>(MEMORANDUM ONLY)</u>	
	<u>1996</u>	<u>1995</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash received from customers	\$399,916	\$363,158
Cash received from grantor	10,000	
Cash payments to suppliers for goods and services	(194,535)	(160,638)
Cash payments to employees for services	<u>(47,707)</u>	<u>(40,975)</u>
<u>Net cash provided by operating activities</u>	<u>167,674</u>	<u>161,545</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>		
Operating transfers in from other funds	24,831	139,550
Operating transfers out to other funds	<u>(93,352)</u>	<u>(254,373)</u>
<u>Net cash used for noncapital financing activities</u>	<u>(68,521)</u>	<u>(114,823)</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Acquisition and construction of capital assets	(29,368)	(10,164)
Principal paid on revenue bonds and notes	(9,750)	(3,334)
Interest paid on revenue bonds and notes	(36,070)	(36,133)
Contributed capital	711,803	159,996
Construction in progress	(855,239)	(241,559)
Bond proceeds	<u>143,436</u>	<u>81,564</u>
<u>Net cash used for capital and related financing activities</u>	<u>(75,188)</u>	<u>(49,630)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of investments	(2,104)	(1,629)
Interest earned on investments	<u>3,146</u>	<u>2,484</u>
<u>Net cash provided by investing activities</u>	<u>1,042</u>	<u>855</u>
<u>NET INCREASE (DECREASE) IN CASH</u>	25,007	(2,053)
<u>CASH, July 1, 1995</u>	<u>123,612</u>	<u>125,665</u>
<u>CASH, June 30, 1996</u>	<u>148,619</u>	<u>123,612</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u>		
Operating income	<u>\$98,920</u>	<u>\$72,590</u>
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	80,286	79,570
Increase (decrease) in due to other government	(8,383)	8,383
(Increase) decrease in accounts receivable	(2,009)	4,374
(Increase) decrease in prepaid insurance	(657)	(1,250)
Increase (decrease) in accounts payable	627	(3,048)
Increase (decrease) in payroll taxes payable		(505)
(Increase) decrease in security deposits	164	
Net increase (decrease) in customers' deposits	<u>(1,274)</u>	<u>1,431</u>
<u>Total adjustments</u>	<u>68,754</u>	<u>88,955</u>
<u>Net cash provided by operating activities</u>	<u>167,674</u>	<u>161,545</u>

The accompanying notes are an integral part of these statements.

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The Honorable Mary Murray, Mayor  
and Members of the Board of Aldermen  
Town of Grand Coteau, Louisiana  
Page 4

3. The payment register should then be run and the total amount paid per the payment edit should be compared to the total amount paid per the payment register.
4. The day's deposit slip should then be prepared and the amount should agree with the amount per the payment register. The day's deposit items must be kept intact and be deposited in full.

This report is intended solely for the information and use of the Mayor, Board of Aldermen, and the appropriate regulatory body. However, this report is a matter of public record and its distribution is not limited.

*John Spaulding & Co*

Opelousas, Louisiana  
December 13, 1996

The Honorable Mary Murray, Mayor  
and Members of the Board of Aldermen  
Town of Grand Coteau, Louisiana  
Page 3

REPEAT COMMENT

The accounts receivable balance per the general ledger is not being compared to the accounts receivable balance per the billing system.

The procedures used for recording payments on utility accounts receivable are inadequate.

The following suggestions are for improving your system, procedures and operations:

REPEAT COMMENT

Fixed Assets

A physical inventory has been taken of movable property owned by the Town as of June 30, 1996. A physical inventory should be updated on all movable property owned by the Town at least annually. The inventory list should include date acquired, description, cost, serial number, and disposition, if any. We recommend that cost of fixed assets acquired after July 1, 1981 be reconstructed and all assets prior to this date be given an estimated value. The process of assessing values is ongoing as of June 30, 1996.

REPEAT COMMENT

Customer Meter Deposits

Current customer deposits received from or refunded to customers are being recorded into the computer. However, all of the customer deposits should be entered into the computer. This would ensure a permanent record for the Town. A list of the deposits should be printed monthly and compared to the amount in the general ledger.

Utility Accounts Receivable

The procedures used for recording payments on utility accounts receivable are inadequate. The steps which should be performed are as follows:

1. A tape should be run on the amounts due per the cards collected for the day and this amount should be compared to the amount shown collected per the payment adjustment edit.
2. A tape should be run on the account numbers per the cards collected and this amount should be compared to the total of the account numbers per the payment adjustment edit.

The Honorable Mary Murray, Mayor  
and Members of the Board of Aldermen  
Town of Grand Coteau, Louisiana  
Page 2

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 general purpose financial statements.

REPEAT COMMENT

The accounts receivable balance per the general ledger is not being compared to the accounts receivable balance per the billing system. All billing adjustments made should be recorded in the general ledger. Each month the accounts receivable balance should be compared to the balance per the billing system to ensure that the two amounts agree.

The procedures used for recording payments on utility accounts receivable are inadequate.

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

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

However, we noted the following matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above. These conditions were considered in determining the nature, timing, and extent of the procedures to be performed in our audit of the financial statements of the Town of Grand Coteau, Louisiana, for the year ended June 30, 1996.



John Newton Slout, CPA  
 Joel Lanclos, Jr., CPA  
 Russell J. Stelly, CPA  
 Dwight Ledoux, CPA  
 Chizal S. Fontenot, CPA  
 James L. Nicholson, Jr., CPA  
 G. Kenneth Pavy, II, CPA



**JOHN S. DOWLING & COMPANY**  
 A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

John S. Dowling, CPA  
 (1904-1984)

Harold Dupre, CPA  
 Retired

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR  
FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS

The Honorable Mary Murray, Mayor  
 and Members of the Board of Aldermen  
 Town of Grand Coteau, Louisiana

We have audited the general purpose financial statements of the Town of Grand Coteau, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated December 13, 1996.

In connection with our audit of the general purpose financial statements of the Town of Grand Coteau, Louisiana, and with our consideration of the Town of Grand Coteau, Louisiana's 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 June 30, 1996.

As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed, eligibility and reporting 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 Town of Grand Coteau, 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 Town of Grand Coteau, Louisiana, had not complied, in all material respects, with those requirements.

This report is intended for the information of the Mayor, Board of Aldermen, and the appropriate regulatory body. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in cursive script, appearing to read 'John S. Dowling Co'. The signature is written in dark ink and is positioned above the typed name and date.

Opelousas, Louisiana  
 December 13, 1996

John Newton Stout, CPA  
 Joel Lanclos, Jr., CPA  
 Russell J. Stelly, CPA  
 Dwight Ledoux, CPA  
 Chizal S. Fontenot, CPA  
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INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF  
FEDERAL FINANCIAL ASSISTANCE

The Honorable Mary Murray, Mayor  
 and Members of the Board of Aldermen  
 Town of Grand Coteau, Louisiana

We have audited the general purpose financial statements of the Town of Grand Coteau, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated December 13, 1996. These general purpose financial statements are the responsibility of the Town of Grand Coteau, Louisiana's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of the Town of Grand Coteau, Louisiana, taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that Schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

A handwritten signature in cursive script, appearing to read 'John S. Dowling &amp; Co.'

Opelousas, Louisiana  
 December 13, 1996

TOWN OF GRAND COTEAU, LOUISIANA  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 1996

<u>SOURCE OF FEDERAL ASSISTANCE/ AGENCY NAME(S)</u>	<u>PROGRAM NAME</u>	<u>CFDA NUMBER</u>	<u>DISBURSEMENTS</u>
INDIRECT ASSISTANCE			
United States Department of Housing and Urban Development - State of Louisiana Office of Community Development	Community Development Block Grants	14.219	\$854,487 *
United States Department of Justice	COPS Fast Program	16.710	6,250
United States Department of Transportation - State of Louisiana Highway Safety Commission	Safe and Sober Program	20.600	<u>9,499</u>
			<u>870,236</u>

\* Denotes a major program.

TOWN OF GRAND COTEAU, LOUISIANA  
NOTES TO SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
JUNE 30, 1996

NOTE 1 - GENERAL

The accompanying Schedule of Federal Financial Assistance presents the activity of all federal financial assistance programs of the Town of Grand Coteau, Louisiana. The Town's reporting entity is defined in Note 1 to the general purpose financial statements. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies are included on the Schedule.

NOTE 2 - BASIS OF ACCOUNTING

The accompanying Schedule of Federal Financial Assistance is presented using the modified accrual basis of accounting for the federal assistance. The basis of accounting is described in Note 1 to the general purpose financial statements.

NOTE 3 - RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

Of the total amount of the federal financial assistance revenue, only the reimbursement amount is recorded in the general purpose financial statements as revenues. Federal financial assistance revenue is reported in the Town of Grand Coteau's general purpose financial statements as follows:

	<u>Intergovernmental Revenues</u>
General Fund	\$15,749
Capital Projects Fund	<u>711,803</u>
	<u>727,552</u>

OTHER SUPPLEMENTARY DATA

TOWN OF GRAND COTEAU, LOUISIANA  
 COMBINED SCHEDULE OF BONDS PAYABLE  
 JUNE 30, 1996

	INTEREST		ISSUE DATE	FINAL MATURITY DATE	ANNUAL SERIAL PAYMENTS	BONDS			
	RATES	PAYMENT DATE				AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
REVENUE BONDS									
Sewerage utility	11.00%	10/01 04/01	4/01/89	4/01/2019	Varies	\$222,454	\$222,454	\$10,777	\$211,677
Water utility	11.00%	10/01 04/01	4/01/89	4/01/2019	Varies	116,212	116,212	5,630	110,582
Sewerage utility	4.50%	17th of each month	2/17/95	2/17/2035	Varies	225,000	225,000	6,118	218,882
<u>Total revenue bonds</u>						<u>563,666</u>	<u>563,666</u>	<u>22,525</u>	<u>541,141</u>

TOWN OF GRAND COTEAU, LOUISIANA  
COMBINED SCHEDULE OF INVESTMENTS - ALL FUNDS  
JUNE 30, 1996

	<u>INTEREST RATES</u>	<u>MATURITY DATE</u>	<u>TOTAL BOOK VALUE</u>
<u>ENTERPRISE FUNDS</u>			
Certificate of Deposit Bank of Sunset and Trust Co.	5.00%	9/19/96	\$25,693
Certificate of Deposit Bank of Sunset and Trust Co.	5.00%	9/19/96	741
Certificate of Deposit Bank of Sunset and Trust Co.	5.00%	12/07/96	<u>18,135</u>
<u>Total</u>			<u>44,569</u>



TOWN OF GRAND COTEAU, LOUISIANA  
SCHEDULE OF INSURANCE IN FORCE  
JUNE 30, 1996  
 (UNAUDITED)

<u>INSURER</u>	<u>ASSETS COVERED</u>	<u>TYPE OF COVERAGE</u>	<u>LIMITS OF COVERAGE</u>	<u>EFFECTIVE DATES</u> <u>FROM</u>	<u>TO</u>
Louisiana Municipal Risk Management Agency	Workmen's Compensation	Workmen's Compensation	Statutory	1/1/96	12/31/96
Titan Indemnity Company	1979 Ford truck 1961 GMC fire truck 1984 Chevrolet truck 1991 GMC truck 1987 Ford truck 1961 GMC 1991 Chevrolet 1991 Chevrolet 1995 Ford Sedan	Bodily injury Property damage	\$500,000	5/1/96	5/1/97
	Comprehensive and liability on premises and operations	Bodily injury Property damage	\$500,000	5/1/96	5/1/97
Western Surety Bond	Clerk and Assistant Clerk Mayor and Mayor Pro-Tem Town employees	Bond Bond Blanket Bond	\$52,000 \$71,000 \$5,000	9/15/95	9/15/96
The Hanover Insurance Company	Blanket on all properties and buildings of insured	Fire, extended coverage and vandalism	\$961,984	12/4/95	12/4/96
	1983 International tractor 1984 Ford backhoe	Property damage	\$42,000 \$2500 deductible	8/15/95	8/15/96
Titan Indemnity Company	Law enforcement officers and public officials	Personal injury Property damage Errors and omissions	\$500,000 \$1,000 each claimant	5/1/96	5/1/97
Nationwide Insurance Company	Volunteer firemen	Health and accident		7/25/95	7/25/96
The Hanover Insurance Company	Mechanical and breakdown of equipment	Property damage Replacement Mechanical and electrical breakdown of equipment	\$8,000 \$2,500 deductible \$250 deductible	12/4/95	12/4/96
Titan Indemnity Company	Physical damages on 1991 GMC truck 1995 Ford	Property damage	Actual cash value or cost of repair	5/1/96	5/1/97

TOWN OF GRAND COTEAU, LOUISIANA  
SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS  
FOR THE YEAR ENDED JUNE 30, 1996  
(UNAUDITED)

GENERAL

COMPENSATION PAID TO BOARD MEMBERS

The compensation of the Town of Grand Coteau board members is included in the general administrative expenditures of the General Fund. The board members are paid \$75 for regular monthly payments and \$37.50 for special meetings.

	<u>COMPENSATION</u>
John Howard Broussard	\$1,770
Jean C. Coco	1,770
Theogene Lavergne	1,770
Russell Richard, Jr.	1,770
Louis Gradney	<u>1,770</u>
	<u>8,850</u>

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Harold Dupre, CPA  
 Retired

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
 STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE  
 FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
 GOVERNMENT AUDITING STANDARDS

The Honorable Mary Murray, Mayor  
 and Members of the Board of Aldermen  
 Town of Grand Coteau, Louisiana

We have audited the general purpose financial statements of the Town of Grand Coteau, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated December 13, 1996.

We have conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the Town of Grand Coteau, 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 general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the Town of Grand Coteau, Louisiana, for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

The Honorable Mary Murray, Mayor  
and Members of the Board of Aldermen  
Page 2

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 general purpose financial statements.

REPEAT COMMENT

The accounts receivable balance per the general ledger is not being compared to the accounts receivable balance per the billing system.

The procedures used for recording payments on utility accounts receivable are inadequate.

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

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

However, we noted the following matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above. These conditions were considered to be material weaknesses as defined above. These conditions were considered in determining the nature, timing, and extent of the procedures to be performed in our audit of the financial statements of the Town of Grand Coteau, Louisiana, for the year ended June 30, 1996.

REPEAT COMMENT

The accounts receivable balance per the general ledger is not being compared to the accounts receivable balance per the billing system.

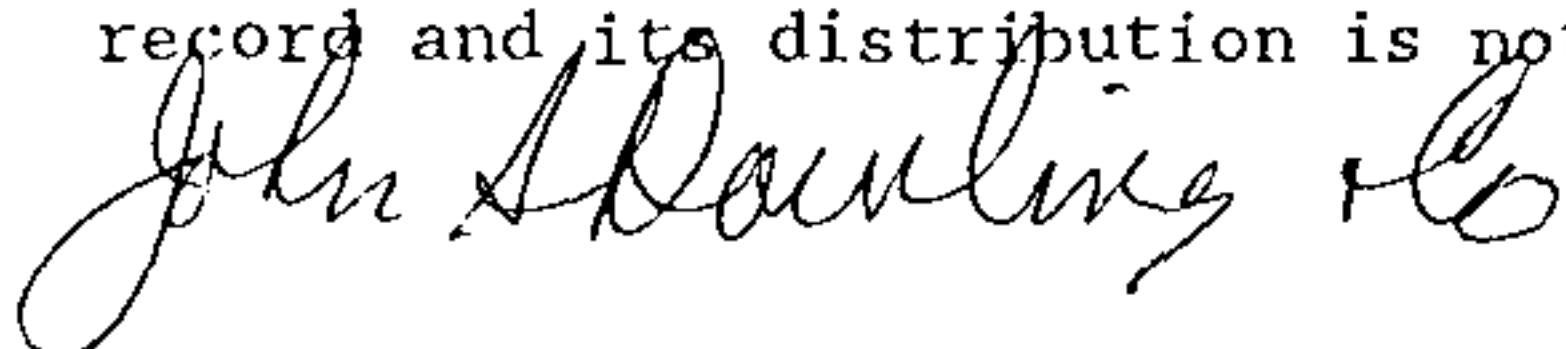
The procedures used for recording payments on utility accounts receivable are inadequate.

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

The Honorable Mary Murray, Mayor  
and Members of the Board of Aldermen  
Page 3

The Town of Grand Coteau's audit report for the year ended June 30, 1995, contained internal control comments involving the accompanying receivable balance, billing adjustments, bank reconciliations and approval of invoices. The matters concerning billing adjustments, bank reconciliations and approval of invoices have been resolved by management as of June 30, 1996. However, the comment concerning the accounts receivable balance has been repeated again in this report.

This report is intended for the information of the Mayor and Board of Aldermen of the Town of Grand Coteau, Louisiana. However, this report which is a matter of public record and its distribution is not limited.



Opelousas, Louisiana  
December 13, 1996



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 Joel Lanclos, Jr., CPA  
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL  
 CONTROL STRUCTURE USED IN ADMINISTERING  
 FEDERAL FINANCIAL ASSISTANCE PROGRAMS

The Honorable Mary Murray, Mayor  
 and Members of the Board of Aldermen  
 Town of Grand Coteau, Louisiana

We have audited the general purpose financial statements of the Town of Grand Coteau, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated December 13, 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 general purpose financial statements are free of material misstatement.

In planning and performing our audit for the year ended June 30, 1996, we considered the internal control structure of the Town of Grand Coteau, Louisiana, in order to determine our auditing procedures for the purpose of expressing our opinion on the Town of Grand Coteau, Louisiana's general purpose financial statements and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated December 13, 1996.

The management of the Town of Grand Coteau, 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 general purpose 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.

The Honorable Mary Murray, Mayor  
and Members of the Board of Aldermen  
Page 2

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

Administrative Controls

General

- Political activity
- Davis-Bacon Act
- Civil rights
- Cash management
- Allowable costs/cost principles
- Drug-free Workplace Act
- Administrative requirements

Specific

- Types of services allowed or not allowed
- Eligibility
- Reporting

Claims for advances and reimbursements

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

During the year ended June 30, 1996, the Town of Grand Coteau, Louisiana, expended 98.19 percent of its total federal financial assistance expenditures under the following major federal financial assistance program: Community Development Block Grants.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we have considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements that are applicable to the Community Development Block Grant Program, which is identified in the accompanying Schedule of Federal Financial Assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.



The Honorable Mary Murray, Mayor  
and Members of the Board of Aldermen  
Page 3

This report is intended for the information of the Mayor, Board of Aldermen, and the appropriate regulatory body. However, this report is a matter of public record and its distribution is not limited.

*John A. Daulton, Jr.*

Opelousas, Louisiana  
December 13, 1996

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
BASED ON AN AUDIT OF GENERAL PURPOSE  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

The Honorable Mary Murray, Mayor  
 and Members of the Board of Aldermen  
 Town of Grand Coteau, Louisiana

We have audited the general purpose financial statements of the Town of Grand Coteau, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated December 13, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States; 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 general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Town of Grand Coteau, Louisiana, is the responsibility of the Town's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the Town's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

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 general purpose financial statements. The results of our tests of compliance disclosed the following instances of noncompliance described below that may be material to the general purpose financial statements but for which the ultimate resolution cannot presently be determined. Accordingly, no provision for any liability that may result has been recognized in the 1996 Town of Grand Coteau, Louisiana's general purpose financial statements.

The Honorable Mary Murray, Mayor  
and Members of the Board of Aldermen  
Page 2

REPEAT COMMENT

Inadequate Records for Fixed Assets

Condition:

The Town of Grand Coteau, Louisiana does not have adequate inventory records for general fixed assets.

Criteria:

Adequate records for general fixed assets are essential to prepare reliable financial statements.

Effect:

The amounts reported as general fixed assets may not be accurate for financial statement purposes and requires the independent auditor to qualify his opinion.

Management response:

A physical inventory was taken in which all property owned by the Town was listed. The Town is currently working on placing a value on all property to ensure that all assets are properly safeguarded.

REPEAT COMMENT

Bond Resolution and Council Policies

Condition:

The Town did not comply with the collection procedures for utility accounts receivable described in the bond resolution dated April 1, 1989, with the collection procedures passed by the Council in a meeting held on May 14, 1990, nor with the formal adoption made in a meeting held on September 22, 1995. This formal adoption stated that the Town would follow the collection procedures listed in the Bond Resolution.

Criteria:

The State Bond Commission requires that any Town that has bonded debt be in full compliance with the Bond Resolution. The Council approved procedures must be followed to ensure that accounts receivable remain current.

Effect:

Noncompliance with proper collection procedures resulted in a number of accounts becoming past due.

Management Response:

Uncollectible amounts due for customers' utility receivables have been a continuing problem for the Town. The Town has made an effort to collect delinquent accounts. Since customers move out of corporate limits of the Town leaving no forwarding address, attempts will be made through the Better Business Bureau of Acadiana regarding the bad credit of said customers.

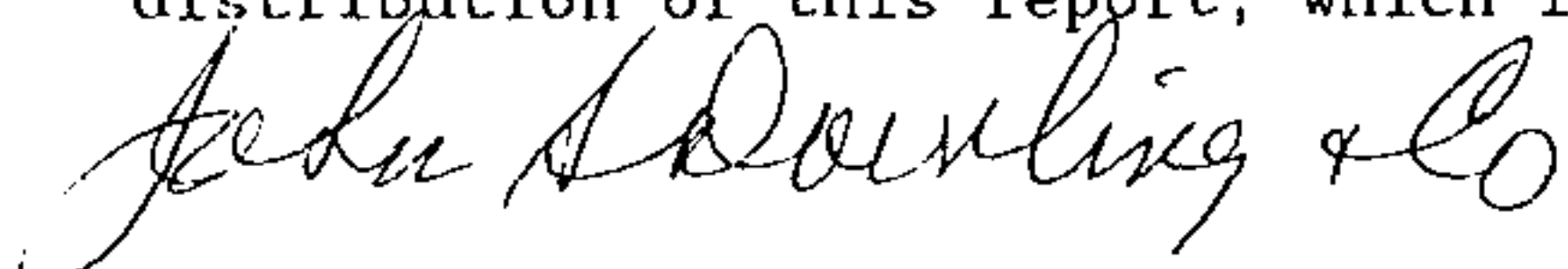
Further, in order to follow the guidelines of the Town's bond indebtedness, all customers who are not current in their utility payments will definitely be cut off until payment is made. In good faith, the Town has attempted to arrange partial payments on a regular basis when presented with a hardship case. In most cases this arrangement has not been adhered to.

The Honorable Mary Murray, Mayor  
and Members of the Board of Aldermen  
Page 3

We considered these instances of noncompliance in forming our opinion on whether the 1996 general purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our report dated December 13, 1996, on those general purpose financial statements.

The Town of Grand Coteau's audit report for the year ended June 30, 1995, addressed matters concerning compliance with laws and regulations relating to inadequate records of fixed assets, budget adoption and bond resolution and council policies. The matter concerning budget adoption has been resolved by management as of June 30, 1996. However, the matters relating to inadequate records of fixed assets, and bond resolution and council policies have been addressed again in this report.

This report is intended for the information of the Mayor and Board of Aldermen of the Town of Grand Coteau, Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



Opelousas, Louisiana  
December 13, 1996



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 (1904-1984)

Harold Dupre, CPA  
 Retired

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR  
FEDERAL FINANCIAL ASSISTANCE PROGRAMS

The Honorable Mary Murray, Mayor  
 and Members of the Board of Aldermen  
 Town of Grand Coteau, Louisiana

We have audited the general purpose financial statements of the Town of Grand Coteau, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated December 13, 1996.

We have also audited the Town of Grand Coteau, Louisiana's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; special tests and provisions; 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 June 30, 1996. The management of the Town of Grand Coteau is responsible for the compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and 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 Town of Grand Coteau's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

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

This report is intended for the information of the Mayor, Board of Aldermen, and the appropriate regulatory body. However, this report is a matter of public record and its distribution is not limited.

Opelousas, Louisiana  
 December 13, 1996

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH THE GENERAL REQUIREMENTS APPLICABLE TO  
FEDERAL FINANCIAL ASSISTANCE PROGRAMS

The Honorable Mary Murray, Mayor  
 and Members of the Board of Aldermen  
 Town of Grand Coteau, Louisiana

We have audited the general purpose financial statements of the Town of Grand Coteau, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated December 13, 1996.

We have applied procedures to test the Town of Grand Coteau, Louisiana's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended June 30, 1996: political activity, Davis-Bacon Act, civil rights, cash management, allowable costs/cost principles, Drug-free Workplace Act and 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 Town of Grand Coteau, 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 Town of Grand Coteau, Louisiana had not complied, in all material respects, with those requirements.

This report is intended for the information of the Mayor, Board of Aldermen, and the appropriate regulatory body. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in cursive script, reading "John S. Dowling" followed by a flourish. The signature is written in black ink on a white background.

Opelousas, Louisiana  
 December 13, 1996

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ANNUAL FINANCIAL REPORT  
OF THE  
TOWN OF GRAND COTEAU, LOUISIANA  
FOR THE YEAR ENDED JUNE 30, 1996

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

Release Date 2-26-97



John Newton Stout, CPA  
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The Honorable Mary Murray, Mayor  
and Members of the Board of Aldermen  
Town of Grand Coteau, Louisiana

We have audited the general purpose financial statements of the Town of Grand Coteau, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated December 13, 1996.

We have conducted our audit in accordance with generally accepted auditing standards, and Government Auditing Standards, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the Town of Grand Coteau, 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 general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the Town of Grand Coteau, Louisiana, for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

TOWN OF GRAND COTEAU, LOUISIANA  
ENTERPRISE FUNDS  
SCHEDULE OF OPERATING EXPENSES (CONTINUED)  
FOR THE YEARS ENDED JUNE 30, 1996 AND 1995

	<u>1996</u>	<u>1995</u>
<u>WATER FUND EXPENSES (Continued)</u>		
<u>Other</u>		
Legal and accounting	\$9,112	\$5,404
Insurance	5,282	5,455
Utilities	6,304	6,634
Repairs and maintenance	2,676	150
Truck expenses	2,195	2,576
Bad debt expense		1,025
Telephone	1,380	988
Miscellaneous	781	1,624
Seminar expense	250	100
Sales tax		9,278
<u>Depreciation</u>	<u>26,169</u>	<u>26,056</u>
<u>Total water fund expenses</u>	<u>73,058</u>	<u>79,095</u>
<u>SEWER FUND EXPENSES</u>		
<u>Personal services</u>		
Salaries and wages	4,398	3,997
Payroll taxes	316	2,840
<u>Contractual services</u>		
Analysis expense	1,133	1,687
<u>Supplies</u>		
Materials and supplies	2,984	725
Office supplies		267
<u>Other</u>		
Bad debt expense	690	255
Engineering	1,918	612
Legal and accounting	3,688	
Repairs and maintenance	5,716	540
Utilities	6,450	6,382
Insurance	5,478	3,164
Miscellaneous	1,094	3,766
<u>Depreciation</u>	<u>44,164</u>	<u>43,994</u>
<u>Total sewer fund expenses</u>	<u>78,029</u>	<u>68,229</u>
<u>Total operating expenses</u>	<u>314,279</u>	<u>285,444</u>

FIDUCIARY FUND TYPES

Fiduciary Fund Types include Trust and Agency Funds which are used to account for the assets held by a government in a trustee capacity or as an Agent for individuals, private organizations, other governments, and/or other funds.

The payroll account is used to account for the Town's payroll and related expenses.

TOWN OF GRAND COTEAU, LOUISIANA  
FIDUCIARY FUND TYPES  
BALANCE SHEET  
JUNE 30, 1996 AND 1995

	AGENCY FUND - PAYROLL ACCOUNT	
	1996	1995
<u>ASSETS</u>		
Cash	\$3,054	\$4,872
Due from other funds	4,064	-----
<u>Total assets</u>	<u>7,118</u>	<u>4,872</u>
<u>LIABILITIES</u>		
Payroll taxes payable	\$3,075	\$2,738
Retirement payable	87	87
Due to other funds	3,956	2,047
<u>Total liabilities</u>	<u>7,118</u>	<u>4,872</u>

FINANCIAL STATEMENTS OF ACCOUNT GROUPS

GENERAL FIXED ASSETS ACCOUNT GROUP

The General Fixed Assets Account Group accounts for fixed assets not used in proprietary fund operations or accounted for in trust funds.

TOWN OF GRAND COTEAU, LOUISIANA  
SCHEDULE OF GENERAL FIXED ASSETS  
JUNE 30, 1996 AND 1995

	<u>1996</u>	<u>1995</u>
<u>GENERAL FIXED ASSETS AT COST</u>		
Land	\$75,171	\$75,171
Buildings	198,619	194,219
Improvements other than buildings	31,744	31,744
Equipment	190,834	181,414
Other structures	<u>119,531</u>	<u>119,531</u>
<u>Total general fixed assets</u>	<u>615,899</u>	<u>602,079</u>
 <u>INVESTMENTS IN GENERAL FIXED ASSETS FROM</u>		
General Fund	\$223,613	\$209,793
Enterprise Funds	30,818	30,818
Sales Tax Fund	7,737	7,737
Federal Revenue Sharing Fund	26,615	26,615
Federal grants	321,116	321,116
State grants	<u>6,000</u>	<u>6,000</u>
<u>Total investments in general fixed assets</u>	<u>615,899</u>	<u>602,079</u>



GENERAL LONG-TERM DEBT ACCOUNT GROUP

The General Long-term Debt Account Group accounts for long-term debt intended to be financed from governmental funds.

TOWN OF GRAND COTEAU, LOUISIANA  
SCHEDULE OF GENERAL LONG-TERM DEBT  
JUNE 30, 1996 AND 1995

	<u>1996</u>	<u>1995</u>
<u>AMOUNT TO BE PROVIDED FOR THE</u>		
<u>PAYMENT OF GENERAL LONG-TERM DEBT</u>		
Amount to be provided for retirement of general long-term debt obligations	\$ <u>60,568</u>	\$ <u>70,169</u>
<u>Total to be provided</u>	<u>60,568</u>	<u>70,169</u>
<u>GENERAL LONG-TERM DEBT</u>		
Note payable - Fire truck	\$44,000	\$52,800
Note payable - Police car	14,196	17,369
Capital lease payable - police radar	<u>2,372</u>	—
<u>Total general long-term debt</u>	<u>60,568</u>	<u>70,169</u>