

Town of Olin, Louisiana

Notes to Financial Statements (cont.)

12. AD VALOREM TAXES AND SALES TAXES

The Town levies taxes on real and business personal property located within its boundaries. The Town utilizes the services of the Lafourche Parish Tax Assessor to assess the property values and prepare the Town's property tax roll. The Town bills and collects its own property taxes.

Property Tax Calendar

Assessment Date	January 1
Levy Date	No Later Than June 1
Tax Bills Mailed	01 OF AHEAD OCTOBER 15
Total Taxes Due Due	December 31
Penalties and Interest are Added	January 1
lien Date	January 1

For the year ended June 30, 1996, taxes of 3.66 mills were levied against property having a valuation of some \$1866,434 which produced some \$22,082 in revenue. All taxes levied, 7.90 mills, was for general corporate purposes. Ad Valorem taxes receivable are net of allowances for uncollectible taxes of less than \$100 as June 30, 1996.

The Town began collecting a 1% Sales Tax on May 1, 1996 in fund operation and maintenance of the Town's sewerage facilities.

13. RESTRICTED ASSETS - PROPRIETARY FUND TYPES

At June 30, 1996, restricted assets of the Enterprise fund were invested in either interest bearing checking accounts or time deposits and were restricted for the following purposes:

Revenue Bonds Payable	\$ 82,746
Revenue Bond Reserve Fund	72,000
Depreciation and Contingency Fund	34,175
Customer's Deposits	83,882
Total	\$ 272,803

14. CHANGES IN GENERAL FIXED ASSETS

	Balance 6-30-95	Additions	Deletions	Balance 6-30-96
Land	\$ 84,588	\$ -0-	\$ -0-	\$ 84,588
Mortgage	421,719	-0-	-0-	421,719
Improvements	50,482	-0-	-0-	50,482
Equipment	431,744	27,512	-0-	459,256
Total	\$ 988,533	\$ 27,512	\$ -0-	\$ 1,016,045

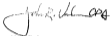
15. ENTERPRISE FUND PROPERTY PLANT AND EQUIPMENT

A summary of enterprise fund property, plant and equipment as June 30, 1996, is as follows:

A material weakness is a reportable condition in which the design or operation of the specific internal control structure element 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 might occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

My 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, my study and evaluation and examination disclosed no reportable conditions or material weaknesses.

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



John R. Verrier

Jena, Louisiana
September 28, 1986

TOWN OF OLLA, LOUISIANA
GENERAL FUND

BALANCE SHEET
JUNE 30, 1986

ASSETS

Cash	\$ 21,700
Investments	288,248
Receivables:	
Customers Accounts Receivable	4,760
Franchise Receivables	8,747
Total Assets	\$ 323,455

LIABILITIES AND FUND BALANCE

Liabilities	
Accounts Payable	\$ 1,888
Total Liabilities	\$ 1,888
Fund Balance	
Encumbered - Undesignated	\$ 244,888
Total Liabilities and Fund Balance	\$ 246,776

The accompanying notes are an integral part of this statement.

FINANCIAL STATEMENTS
OF INDIVIDUAL FUNDS
AND ACCOUNT GROUPS

Olla Cemetery Board
Town of Olla, Louisiana

Notes To Financial Statements (contd)

C. BASIS OF ACCOUNTING:

Basis of accounting refers to the time at which revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting refers to the timing of the measurements made, regardless of the measurement basis applied.

Governmental Funds - These funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

D. CASH AND INVESTMENTS

At June 30, 1998, the carrying amount (book balance) of the Board's deposits with financial institutions was \$1201,49 and the bank balance was \$1201,49. All of the bank balance was covered by Federal deposit insurance and securities pledged to secure the Town's deposits. Investments represent 60 shares of Pacific Gas and Electric valued at \$24.25 per share or \$1,455 and 50 shares of General Public Utility valued at \$35.25 per share or \$1,763 as of June 30, 1998.

Olla Cemetery Board
Town of Olla, Louisiana

Notes To Financial Statements

11 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Cemetery Board

The Cemetery Board was created to manage and maintain the Olla Cemetery. The board members are appointed by the Town of Olla, Louisiana and utilize the Town's facilities and assets. Therefore, the Cemetery Fund is considered a component unit of the Town of Olla, Louisiana.

ACCOUNTING POLICIES

The accounting policies of the Olla Cemetery Board conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. REPORTING ENTITY

This report includes all funds which are controlled by or dependent on the Board. Control by or dependence on the Town was determined on the basis of appointment of governing body and other general oversight responsibility.

B. FUND ACCOUNTING

The resources of the Board are organized on the basis of funds, each of which is considered a separate accounting entity. The various funds are reported by generic fund type in the financial statements. Each fund operates with a group of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Governmental resources are allocated to and accounted for in the individual funds based upon the purposes for which they are to be spent and the manner by which spending activities are controlled. The following fund types are used by the Board.

GOVERNMENTAL FUND TYPES

General Fund

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

Special Revenue Fund

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes. The Board's only Special Revenue Fund is the Preceptual Care Fund.

NOTES TO
OULA CEMETERY BOARD
A COMPONENT UNIT OF TOWN OF OULA, LOUISIANA

Town of Olla, Louisiana

Notes to the Financial Statements (cont.)

11. EXCESS EXPENDITURES OVER APPROPRIATIONS

The general fund exceeded its budget by \$43,628 or 10% during the year.

Town of Olla, Louisiana

Notes to the Financial Statement (cont.)

7. EMPLOYEE RETIREMENT SYSTEMS - (CONT.)

Municipal Police Employees' Retirement System - (Cont.)

11A. Funded Percentage	89.14%	100.00%	101.20%
12. Funding Requirements to Pay (Mid-year payment)			
1) Employee Contributions Rate*	7,021,174 7.00%	7,483,760 8.00%	8,004,400 8.00%
2) Employee Contributions Rate	14,502,780 13.40%	15,002,100 13.50%	15,710,400 14.00%
3) Projected Employer Contributions - Next Year	14,810,000 14.00%	13,450,400 12.70%	12,810,000 11.70%

The above funding requirements represent the cost of benefits that were in effect on June 30, 1994, and do reflect changes in benefit structure due to acts of the 1994 Louisiana Legislative Session.

* Employee contribution rate changed from 8.00% to 13.00%, effective July 1, 1994.

TOWN OF OLLA CONTRIBUTIONS

Police officers for the Town of Olla, Louisiana, subject to pension requirements, amounted to \$12846 for the year ended June 30, 1994. Of this amount, 15% or \$1926 was withheld from the employees salary and paid to the retirement system. The Town contributed 7% or \$900 to the system for the year.

8. FUND DEFICITS

The Intergovt Fund ended the year with a retained earnings deficit of \$104854 that resulted from depreciation expense taken on that portion of the plant built with contributed capital. To date \$1,183,000 in depreciation expense has been taken on that portion of the plant funded with contributed capital.

9. LITIGATION

The Town of Olla is involved in no litigation at June 30, 1994, which is not covered by the Town's applicable insurance policies or is considered to be significant to the Town's financial statements.

10. ELECTED OFFICIALS SALARIES

Name	Title	Annual Salary
Howard Elliot	Mayor	\$ 13,000
B. D. McGeorgald	Alderman	120
Van Westerman	Alderman	120
Lee Swainhurst	Alderman	120
Foy Westera	Alderman	120
Susan Cole	Alderman	120
Mary Taylor	Police Chief	22,000

Town of Olla, Louisiana

Notes to the Financial Statement (cont)

1. EMPLOYEE RETIREMENT SYSTEMS - (CONT)

Municipal Police Employees' Retirement System (cont)

Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statute, the benefit range from forty to sixty percent of the member's average final compensation. A member is eligible upon receiving 30 years of credit and attaining the age of 50, to elect to enter the deferred retirement option plan (DRDP). Upon filing the application for the program, the employee's active membership in the system is terminated. As the entry date into the DRDP, the employee and employee contribution cease. The amount to be deposited into the DRDP is equal to the benefit computed under the retirement plan elected by the participant at date of application. The duration of participation in the DRDP is specified for a period of two years or less. If employment is terminated after the two year period the participant may receive his benefits by lump sum payment or a true annuity. If employment is not terminated, active contributing membership into the system shall resume and upon later termination, he shall receive additional retirement benefit based on the additional service.

Contributions in the current year for all members are established by statute at 8% of assessable compensation and are deducted from the member's salary and remitted by the participating municipality. Effective July 1, 1994, the employee contribution rate will be 7.2%.

Contributions in the current year for all employees are actuarially determined at 8% of employee's assessable compensation including overtime but including basic supplemental pay. The system also receives a percentage of insurance premiums which is used as an additional employee contribution.

FINANCIAL STATUS AND PROGRESS:

A brief summary of the more important figures developed in this valuation, with comparable results from previous valuations are as follows:

	June 30, 1999	----- June 30, 1994 -----	----- June 30, 1993 -----
I. Membership Status			
01 Regulars	3,077	3,179	3,298
02 Retirees	4,380	4,141	4,294
II. Annual Benefits	\$ 24,482,828	\$ 21,324,942	\$ 20,158,980
III. Total Payroll	190,434,890	99,183,570	97,987,393
IV. Assets	198,386,130	729,793,940	686,877,729
V. Investment Yield			
The Actuarial Value:			
1999 of Assets	8,784	7,824	11,844
1994 of Assets	5,584	5,994	13,824
VI. Cash to Fund Annual Payments Accrued (Funding Ratio)	26,587,118 13,804	16,843,843 18,244	16,883,703 22,244
VII. Unfunded Actuarial Accrued Liability (Surplus)	8,618,618	13,848,304	(7,288,848)

Town of Olla, Louisiana

Notes to the Financial Statement (cont.)

7. EMPLOYEE RETIREMENT SYSTEMS - (CONT.)

Contributions made to the system during the fiscal year ended June 30, 1996 were \$2,787 from the Town and \$3,718 from the employees.

Municipal Police Employees' Retirement System

The Municipal Police Employees' Retirement System is the administration of a contributing multiple-employer plan.

The Municipal Police Employees' Retirement System provides retirement benefits for municipal police officers. There are 187 contributing municipalities. As June 30, 1994 and 1993 statewide retirement membership consists of:

	1994	1993
Active members	4,749	4,787
Regular retirees	3,982	3,741
Standby retirees	148	182
Survivors	819	795
Waived and nonvocational	184	200
Over refunds	181	209
Other participants	124	217
Other to America	---31	---32
TOTAL PARTICIPANTS AS OF THE VALUATION DATE	11,208	11,263

Membership is mandatory for any fulltime police officers employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, providing they do not have to pay social security and providing they meet the statutory criteria.

Benefit provisions are authorized within Act 188 of 1973 and amended by Act 832871.

Any member is eligible for normal retirement after he has been a member of the System for one year, if he has 25 years of creditable service and is age 58 or has 15 years creditable service and is age 55.

Benefit rates are three and one-half percent of average final compensation (average monthly earnings during the highest 36 consecutive months or fixed month if service was interrupted per number of years of creditable service not to exceed 36).

A member is eligible to receive disability benefits if he was an active contributing member of the Retirement System or, if he is no longer a member but has 20 years creditable service established in the System and either disability which has been certified by examination by a member of the Statewide Medical Disability Board. A service related disability requires no certain number of years of creditable service, however a non-service connected disability requires five years of creditable service.

The disability benefits are calculated at three percent of average final compensation multiplied by years of creditable service, but shall not be less than forty percent nor more than sixty percent of average final compensation. Upon reaching the age required for regular retirement, the disability pensioner receives the greater of disability benefit or accrued benefit earned to date of disability.

Town of Olla, Louisiana

Notes to the Financial Statement (Contd)

3. EMPLOYEE RETIREMENT SYSTEMS - (CONTD)

1. Age fifty-five (55) with thirty (30) years of creditable service.
2. Age sixty (60) with a minimum of ten (10) years of creditable service. (5% reduction for each year below age 60)

The monthly amount of the retirement allowance for any member of Plan "F" shall generally consist of an amount equal to two percent of the member's final compensation multiplied by his years of creditable service. The system also provides death and disability benefits.

PLAN B: ANALYSIS OF ACTUARILY REQUIRED CONTRIBUTIONS

1. Present Value of Future Benefits.....	\$ 28,822,862
2. Excluded actuarial accrued liability.....	\$ 8,842,440
3. Actuarial Value of Assets.....	\$ 41,812,892
4. Present Value of Future Employees contributions.....	\$ 12,848,323
5. Present Value of Future Employees Normal Cost (I-D-D-R).....	\$ 8,879,818
6. Present Value of Future Salaries.....	\$ 248,248,281
7. Employee Normal Cost Normal Rate (R%).....	\$ 2.324375%
8. EXCLUDED Fiscal 1998 Salary for Current Membership.....	\$ 23,485,754
9. Employee Normal Cost as of July 1, 1998 (TRC).....	\$ 721,448
10. Amortization Payment on Unfunded Actuarial Liability of \$8,842,440 over 34 remaining years with payments decreasing at 2% per year.....	\$ 401,189
11. TOTAL Employee Normal Cost & Amortization Payment (R+D).....	\$ 2,556,587
12. Employee Normal Cost and Amortization Payment Interest Adjusted for Midyear Payment.....	\$ 1,457,821
13. Estimated Administrative Cost for Fiscal 1998.....	\$ 188,848
14. TOTAL Employee Actuarially Required Contribution for Fiscal 1998 (R+D).....	\$ 2,885,556
15. Projected Tax Contributions and Revenue Sharing Funds for Fiscal 1998.....	\$ 422,000
16. NET FISCAL EMPLOYEE Actuarially Required Contribution for Fiscal 1998 (R+D).....	\$ 2,463,556
17. Projected Payroll (July 1, 1998 through June 30, 1998).....	\$ 15,144,748
18. Net Fiscal Employee Actuarially Required Contribution as a % of Projected Payroll for Fiscal 1998 (R+D).....	\$ 2.35%
19. Actual Employee Contribution Rate for Fiscal 1998.....	2.75%
20. Contribution rate (TRC) as a Percentage of Payroll (I-D-D-R).....	2.41%
21. AMOUNT to Following Year Payment for Contribution Gain/Loss.....	\$ 428
22. Recommended Employee Contribution Rate for 1999 (I-D-D) (Based on current .35%).....	2.55%

Town of Olla, Louisiana

Notes to the Financial Statement (cont.)

66. CHARGES IN LONG-TERM DEBT - (CONT.)

66. Each month, there will be set aside into a fund called the "Sinking Fund" an amount constituting 10% of the cost principal and interest payment.

67. Each month, there will be set aside into a "Sewer Reserve Fund" 5% of the amount paid into the Sinking Fund until such time as there has been accumulated there in the sum of \$45,000. These funds may be used only for the payment of maturing bonds and interest coupons for which sufficient funds are not available in the Sinking Fund. As of June 30, 1998 the Town of Olla had set aside the amount of \$18,213 into this "Sewer Reserve Fund".

68. There will also be set aside into a "Sewer Depreciation and Contingency Fund" \$100 per month. These funds will be used to care for depreciation, extensions, additions, improvements and replacements necessary to operate the system properly, and to pay interest and principal on bonds when there is not sufficient money in the Sinking or Reserve Funds. When the Revenue Bonds dated August 14, 1991 are paid in full the monthly payment may be reduced to \$144.

69. 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 reported as surplus and may be used for any local purpose.

As June 30, 1998 the Enterprise Fund Retained Earnings were reserved for the purposes noted above as follows:

Revenue Bond Enterprise Fund	\$	54,048
Depreciation and Contingency Fund		38,175

Total	\$	92,224

7. EMPLOYEE RETIREMENT SYSTEMS

The Town participated in two non-employer multiple employer statewide retirement systems (ERS) for its employees. Each retirement system is administered and controlled by a separate board of trustees. The employee contributions to the systems are made through payroll deductions and the Town contributes similar amounts based on rates established by each system. The payroll for the ten full-time employees covered by the retirement systems totaled \$187,778 for the year ended June 30, 1998; the Town's total payroll was \$288,847.

The following is a brief description of the two retirement systems that the Town participates in:

Louisiana Municipal Employees' Retirement System

Generally, all regular employees working at least thirty-five hours per week and who are under age sixty (60) at date of employment are eligible to participate in this system provided they are not participating in another public funded retirement system. The system has two retirement plans available for its members: Plan "A" and Plan "B". These plans have different contribution rates and different retirement benefits. All employees of the Town who participate in this system are under Plan "B" and any member of Plan "B" can retire provided he meets one of the following criteria:

TOWN OF OULA, LOUISIANA
GENERAL FUND

SCHEDULE OF EXPENDITURES
BUDGET BASIS VS. ACTUAL
YEAR ENDED JUNE 30, 1996

Expenditures:	Budget	Actual	Variance
General Government -			
Salaries & Related Costs	\$ 14,428	\$ 14,115	\$ 313
Insurance	3,390	3,388	2
Repairs & Maint.-Equip.	180	274	94
Repairs & Maint.-Facilities	50	37	13
Official Printing	4,188	3,248	840
Utilities & Telephone	21,927	22,178	(251)
Advertising, Promotions & Misc.	2,188	2,378	(190)
Postage & Freight	421	349	72
Office Expense	2,188	2,884	(696)
Special Services	1,188	1,378	(190)
Traffic & Auto Expense	2,088	2,348	(260)
Legal	2,088	2,378	(290)
Printing	2,088	2,188	(100)
Cemetery	800	800	(0)
Business Fees	800	800	(0)
Exchange Fees	800	800	(0)
Capital Outlay	1,888	1,888	(0)
Debt	2,378	2,754	(376)
Tax Sell	800	484	316
Reserve Disburse & Bldg Chr.	11,888	12,428	(540)
Interlocal Contributions Fees	1,288	1,288	(0)
Total	\$ 82,888	\$ 82,888	\$ 0
Police -			
Salaries & Related Costs	\$ 40,200	\$ 40,200	\$ 0
Insurance	2,520	2,520	(0)
Supplies	2,280	2,274	6
Animal Control Office & Exp.	780	887	(107)
Auto Expense	4,780	4,888	(108)
Repairs & Maintenance	880	2,220	(1,340)
Traffic Expense	280	280	(0)
Uniform Replacement	1,280	1,440	(160)
Costs Allocated	2,480	2,520	(40)
Other	780	1,287	(507)
Capital Outlay	17,280	17,280	(0)
Total	\$ 122,880	\$ 122,880	\$ 0
Fire -			
Salaries & Related Costs	\$ 7,000	\$ 8,888	\$ 1,888
Utilities & Telephone	2,888	2,884	4
Truck Expense	1,888	1,888	(0)
Insurance	1,784	2,784	(1,000)
Supplies	1,288	2,288	(1,000)
Repairs & Maint.- Equip.	1,888	2,378	(490)
Repairs & Maint.- Facilities	2,088	2,781	(693)
Postage	278	280	(2)
Debt	1,288	2,288	(1,000)
Other	1,481	2,088	(607)
Capital Outlay	2,288	1,888	400
Total	\$ 32,288	\$ 32,288	\$ 0

The accompanying notes are an integral part of this statement.

Town of Olla, Louisiana

Notes to Financial Statements (cont.)

(5) ENTERPRISE FUND PROPERTY PLANT AND EQUIPMENT (cont.)

	Balance 6-30-96	Additions (Deductions)	Balance 6-30-97	6-30-96 Accumulated Depreciation
Buildings	\$ 21,878	\$ -0-	\$ 21,878	\$ 27,201
Water System	788,812	-0-	788,812	423,480
sewer System	1,898,819	-0-	1,898,819	948,288
TRUCKS, MACHINERY & Equipment	108,340	18,298	126,638	188,269
Subtotals	\$ 2,817,849	\$ 18,298	\$ 2,836,147	\$ 1,687,238
Net Depreciation	12,328,913	-0-	12,328,913	-0-
Net	\$ 1,494,487	\$ -0-	\$ 1,497,234	\$ 1,187,238

(6) CHANGES IN LONG-TERM DEBT

The following is a summary of bond and installment note payable transactions of the Town of Olla for the year ended June 30, 1996.

	Balance 6-30-95	Additions	Reductions	Balance 6-30-96
Revenue Bonds	\$ 825,000	\$ -0-	\$ 22,500	\$ 802,500

Bond and installment note payable at June 30, 1996 are comprised of the following individual items:

Revenue Bonds (Enterprise Fund)

\$ 228,000 Water Revenue Bonds dated 11-8-79; due in annual installments of \$ 5,000 to \$ 18,000 through December 4, 2002; interest at 8 percent. \$ 228,000

\$ 300,000 Sewer Revenue Bonds dated 8-28-81; due in annual installments of \$ 2,000 to \$ 8,000 through August 14, 2002; interest at 8 percent. 140,000

\$ 274,500 Water Revenue Bonds dated 8-1-82; due in annual installments of \$ 20,450 through August 14, 2002; interest at 8 percent. 473,500

TOTAL

\$ 842,500

The annual requirements to amortize all debt outstanding as of June 30, 1996, including interest payments of \$294,713 are as follows:

Town of Olla, Louisiana

Notes to Financial Statements (cont.)

I. COMPENSATED ABSENCES

Vacation and sick leave are recorded as an expenditure or expense when paid. Vacation earned is based on the number of years of service as follows:

<u>Full-Time Employment</u>	<u>Days Earned Per Year</u>
One year to less than three years	5
Three or more years	10

Vacation time is not cumulative and must be taken in 1/2 day or more increments. Sick leave is earned on the basis of one day per month of continuous employment. Unused accumulated sick leave from one year may be carried forward to the succeeding year. All sick leave is forfeited upon termination of employment with the Town.

Based on the above described compensated absence policy, no liability for compensated absences for the Town of Olla is required to be provided at June 30, 1995.

J. RESERVES

The Town records reserves to indicate that a portion of its retained earnings/fund balances are legally restricted for a specific future use. The following is a list of such reserves and a description of each:

Reserved for Depreciation and Contingencies

This amount represents monies reserved to make emergency repairs to the water and sewer systems.

Reserved - Reserve Bank

This amount represents monies reserved as required by the reserve bond indentures.

Reserved for Debt Service

Certain assets have been reserved in the Debt Service Fund for future payment of long-term liabilities of the governmental funds.

K. TOTAL COLUMNS ON COMBINED STATEMENTS - OVERVIEW

Total columns on the combined 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 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.

Town of Olla, Louisiana

Notes to Financial Statements (cont.)

F. CASH - FUNDS

Bank	Bank Statement Balance 6-30-96
Southern Heritage Bank	\$ 618,380
Bank of Louisiana	33,340
Crescentia Bank	18,327
Total	<u>\$ 670,047</u>

Amounts on deposit at the bank are secured by the following:

Description	Market Value
FDIC	\$ 148,847
Securities	521,200
Total	<u>\$ 670,047</u>

G. INVENTORIES

Immaterial amounts of inventory are maintained for general fund and enterprise fund operations and, accordingly, supplies are expensed as purchased.

H. BAD DEBTS - GENERAL FUND AND ALLOWANCE FOR BAD DEBTS - ENTERPRISE FUND

Uncollectible amounts due for customers' garbage billings are charged to a reserve for bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. At June 30, 1996 no reserve for bad debts was required since the estimated uncollectible receivables outstanding were considered immaterial. The Enterprise Fund allowance for bad debts was established at 5% of total receivables. Detail receivables of the Enterprise Fund follow:

	Enterprise Fund
Total Accounts Receivable	\$ 28,380
Allowance for Bad Debts	(1,158)
Net Accounts Receivable	<u>\$ 27,222</u>

Town of Olla, Louisiana

Notes to Financial Statements (cont.)

D. FIXED ASSETS AND LONG-TERM LIABILITIES(COST)

Depreciation of all depreciable fixed assets used by the proprietary fund is charged as an expense against its operations. Accumulated depreciation is reported on the proprietary fund balance sheet. Depreciation has been provided over the estimated useful lives using the straight line method. The estimated useful lives are as follows:

	Life in Years
Water System	50
Sewer System	50
Buildings	20
Trucks and Tractors	4-8
Equipment	10

E. BUDGETS AND BUDGETARY ACCOUNTING

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

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

F. CASH AND INVESTMENTS

All cash and investments (CDs) on deposit at banks are reported at cost and are on deposit at the following federally insured banks:

Town of Olla, Louisiana

Notes to Financial Statements (cont.)

recognized when they are incurred, and its expenses are recognized when they are incurred. Enterprise fund receivables are chargeable when collection efforts indicate that such amount is doubtful of being collected.

D. FIXED ASSETS AND LONG-TERM LIABILITIES

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance less current assets is considered a measure of "available spendable resources." Governmental fund operating statements present increases revenues and other financing sources and decreases expenditures and other financing used in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Public domain ("infrastructure") general fixed assets consisting of certain improvements, including roads, bridges, canals and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized.

All fixed assets of the Proprietary Fund are valued at historical cost. The General Fixed Assets Account Group properly records any not sufficiently detailed to provide data with respect to whether the assets acquired prior to June 30, 1992, are recorded at historical cost, estimated historical cost, or at estimated fair value on date donated. General fixed assets acquired subsequent to June 30, 1992 are recorded at historical cost, with the exception of a \$5,000 building donated to the Town in 1993 and \$3,500 worth of land donated in 1994.

Long-term liabilities expected to be financed from governmental funds 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. Because of their spending measurement focus, expenditures recognized for governmental fund type is limited to include amounts represented by measurement liabilities. Since they do not reflect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported a liabilities in the General Long-Term Account Group.

The proprietary fund is accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with its activity is included on its balance sheet. Its reported fund equity less total assets is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (decreases) and decreases (increases) in net total assets.

For the year ended June 30, 1996, no interest costs were capitalized for construction of fixed assets.

Town of Olla, Louisiana

Notes to Financial Statements (cont.)

PROPRIETARY FUND TYPES

Enterprise Fund

The Enterprise Fund is used to account for operations of that are financed and operated similar to private business enterprises whereby the intent of the governing body is that the costs, including depreciation, of providing goods or services to the general public be financed or recovered primarily through user charges or fees where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The Town's Enterprise Fund is comprised of its Utility Department's water and sewer systems.

ACCRUITS GROUPS

General Fixed Assets Account Group

This account group is established to account for all fixed assets of the Town, except those accounted for in the Enterprise Fund.

General Long-Term Debt Account Group

This account group is established to account for all long-term obligations of the Town, except those long-term obligations accounted for in the Enterprise Fund. The Town had no general long-term debt at June 30, 2006.

C. BASIS OF ACCOUNTING

Basis of accounting refers to the time at which revenues and expenditures or expenses are recognized in the accounts and reported in the financial statement. Basis of accounting refers to the timing of the measurement made, regardless of the measurement basis applied.

Governmental Funds

These funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available or not instant assets. Ad Valorem taxes and charges for services are considered "measurable" at the time of billing. Licenses and permits, intergovernmental revenues, sales franchise taxes and miscellaneous other revenues are generally recorded as revenues when received in cash because they are generally not measurable until actually received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which is recognized when due.

Enterprise Fund

This fund is accounted for using the accrual basis of accounting. Its revenues are

Town of Olla, Louisiana

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Olla was incorporated under the Louisiana Act in August of 1899. The Town operates under the Mayor-Board of Aldermen form of government. The Town provides the following significant services to its residents as provided by its charter: public safety (police and fire), highways and streets, sanitation, utilities (water and sewer services) and general administrative functions, including coordination of related services with Parish, State and Federal governing bodies.

The accounting policies of the Town of Olla conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

This report includes all funds and the account group which are controlled by or dependent on the Town's executive and legislative branches (the Mayor and Board of Aldermen). Control by or dependence on the Town was determined on the basis of adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

B. Fund Accounting

The accounts of the Town of Olla are organized on the basis of funds and an account group, each of which is considered a separate accounting entity. The various funds and account groups are reported by generic fund type in the financial statements. Each fund operates with a group 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 the individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following fund categories, fund types and account groups are used by the Town:

GOVERNMENTAL FUND TYPES

General Fund

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

Debt Service Funds

The Debt Service Funds are used to account for the accumulation of resources to pay general long-term debt principal, interest, and related costs. The Debt Service is comprised of the accounts to service the Town's Public Improvement Bonds issued in 1992.

NOTES TO THE FINANCIAL STATEMENTS

TOWN OF CELLA, LOUISIANA
STATEMENT OF CASH FLOWS

ALL PROPRIETARY FUND TYPES
ENTREPRENE FUND
YEAR ENDED JUNE 30, 1996

Cash from Operations:		
Net Income (Loss) Before Transfers		\$ 8,828
Operating Transfers		<u>4,125</u>
Net Income after Transfers		\$ 12,953
Adjustments to Net Income (Loss):		
Add - Depreciation	\$ 88,428	
Decrease in Accrued Interest	(100)	
Decrease in Accounts Receivable	3,000	
Decrease in Accounts Payable	<u>(2,800)</u>	
Net Adjustments		<u>88,528</u>
Cash Provided by Operations		\$ 78,432
Cash from Customer Deposits		<u>2,000</u>
Total Cash Provided		\$ 79,432
Cash Not Applied To:		
Restricted Funds	\$ 12,500	
Revenue Bonds	12,500	
Payable to LaBelle High School	3,428	
Investments	15,000	
Fixed Assets	<u>(12,200)</u>	
Total Cash Applied		<u>55,628</u>
Net Decrease (Increase) in Cash Flow		\$ 23,804
Cash Beginning of Year		<u>22,222</u>
Cash End of Year		<u>\$ 46,026</u>

The accompanying notes are an integral part of this statement.

TOWN OF OLLA, LOUISIANA
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
 ALL PROPRIETARY FUND TYPES
 ENTERPRISE FUNDS
 YEAR ENDED JUNE 30, 1996

OPERATING REVENUES:	
Water Department	
Charges for Service	\$ 129,135
Other Charges	5,212
Total Water Department	\$ 134,347
 sewer Department	
Charges for Service	\$ 182,242
Sales Taxes	42,217
Other Charges	288
Total Sewer Department	\$ 224,747
Total Operating Revenues	\$ 359,094
OPERATING EXPENSES:	
Water Department	
Salaries and Related Cost	\$ 48,757
Materials and Supplies	12,257
Depreciation	22,242
Repairs and Maintenance	12,772
Utilities	12,242
Insurance	2,224
Travel Expenses	2,222
Miscellaneous	2,222
Postage	2,222
Total Water Department	\$ 115,338
sewer Department	
Salaries and Related Costs	\$ 42,222
Materials and Supplies	2,222
Depreciation	22,222
Repairs and Maintenance	12,222
Utilities	2,222
Sewer Analysis	2,222
Insurance	2,222
Travel Expenses	2,222
Miscellaneous	2,222
Postage	222
Total Sewer Department	\$ 105,338
TOTAL OPERATING EXPENSES	\$ 220,676
Operating Income (Loss)	138,418
Non-operating Revenues (Expenses):	
Interest Income	\$ 17,222
Interest Expense	(22,222)
Transfers	14,222
TOTAL NON-OPERATING REVENUES (EXPENSES)	\$ 9,222
Ret Income Class	\$ 22,222
Retained Earnings (DEFICIT), Beginning	\$ 122,222
Retained Earnings (DEFICIT), Ending	\$ 153,662

The accompanying notes are an integral part of this statement.

TOWN OF OLLA, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 GENERAL AND CAPITAL PROJECTS FUNDS
 JUNE 30, 1996

	GENERAL FUND			CAPITAL PROJECTS		
	Budget	Actual BAP Base	Variance Favorable (Unfavorable)	Budget	Actual BAP Base	Variance Favorable (Unfavorable)
Revenues:						
Taxes	\$ 84,528	\$ 84,612	\$ 84	\$ -0-	\$ -0-	\$ -0-
Licenses and						
Fees	11,000	11,000	(1,000)	-0-	-0-	-0-
Intergovernmental	57,812	57,949	137	17,485	17,485	17,485
Charges for						
Services	15,000	15,078	78	-0-	-0-	-0-
Fines	88,000	88,000	(2,000)	-0-	-0-	-0-
Miscellaneous	48,000	48,000	-0-	-0-	-0-	-0-
Total Revenues	\$ 213,340	\$ 213,639	\$ 299	\$ 17,485	\$ 17,485	\$ 17,485
Expenditures:						
Current						
General						
Government	\$ 93,384	\$ 93,647	\$ 263	\$ -0-	\$ -0-	\$ -0-
Police	116,360	116,450	(90)	-0-	-0-	-0-
Fire	30,785	30,303	482	-0-	-0-	-0-
Firemen &						
Retirement	87,812	100,343	122,530	-0-	-0-	-0-
Public Works	-0-	-0-	-0-	13,425	17,828	4,403
Total Expenditures	\$ 228,341	\$ 240,743	\$ 112,402	\$ 13,425	\$ 17,828	\$ 4,403
Other Financing						
Debt	\$ 13,000	\$ 13,000	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Excess (Deficit) of						
Revenues Over (Under)						
Expenditures After						
Other Financing						
Source (Use)	\$ 85,000	\$ 72,896	\$ 121,504	\$ -0-	\$ -0-	\$ -0-
Other Financing						
Source (Use)						
Transfers	\$ -0-	\$ 28,732	\$ 28,732	\$ -0-	\$ -0-	\$ -0-
Loans	-0-	50,000	50,000	-0-	-0-	-0-
Total Other Financing						
Source (Use)	\$ -0-	\$ 78,732	\$ 78,732	\$ -0-	\$ -0-	\$ -0-
Excess (Deficit) of						
Revenues Over (Under)						
Expenditures After						
Other Financing						
Source (Use)	\$ 85,000	\$ 91,628	\$ 6,628	\$ -0-	\$ -0-	\$ -0-
Fund Balances						
Beginning of Year	188,812	188,812	-0-	-0-	-0-	-0-
Fund Balances End	\$ 188,812	\$ 188,812	\$ -0-	\$ -0-	\$ -0-	\$ -0-
of Year						

The accompanying notes are an integral part of this statement.

TOWN OF OLLA, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL TYPES
 YEAR ENDED JUNE 30, 1990

	General Fund	Capital Projects	Dept Services Funds	Totals (Noncombination Only)	Component UNIT COUNTY Board
REVENUES:					
Taxes	\$ 44,482	\$ -0-	\$ -0-	\$ 44,482	\$ -0-
Licenses & Permits	15,481	-0-	-0-	15,481	-0-
Intergovernmental	87,489	87,489	-0-	87,489	-0-
Charge for Services	78,374	-0-	-0-	78,374	-0-
Fines	85,481	-0-	-0-	85,481	-0-
Grants	-0-	-0-	-0-	-0-	6,473
Miscellaneous	11,105	-0-	-0-	11,105	-0-
Donations, Memorial, etc.	-0-	-0-	-0-	-0-	6,318
Special Income	-0-	-0-	-0-	-0-	6,815
TOTAL REVENUES	\$ 312,822	\$ 87,489	\$ -0-	\$ 399,311	\$ 19,606
EXPENDITURES:					
Current -					
General Government	\$ 83,447	\$ -0-	\$ -0-	\$ 83,447	\$ -0-
Public Works					
Police	124,488	-0-	-0-	124,488	-0-
Fire	10,318	-0-	-0-	10,318	-0-
Streets and Sanitation	179,344	-0-	-0-	179,344	-0-
Sanitary	-0-	-0-	-0-	-0-	8,100
Capital Projects	-0-	17,489	-0-	17,489	-0-
TOTAL EXPENDITURES	\$ 317,597	\$ 17,489	\$ -0-	\$ 335,086	\$ 8,100
NETTED DEFICIT OF REVENUES OVER (UNDER) EXPENDITURES UNDER OTHER FINANCING SOURCES (OVER)					
	\$ 100,000	\$ -0-	\$ -0-	\$ 100,000	\$ 10,000
STATE FINANCING SOURCES (OVER)					
Transfers	\$ 80,100	\$ -0-	\$ (80,100)	\$ -0-	\$ -0-
Loans	-80,100	-0-	-0-	-80,100	-0-
TOTAL STATE FINANCING SOURCES (OVER)	\$ -0-	\$ -0-	\$ (80,100)	\$ (80,100)	\$ -0-
NETTED DEFICIT OF REVENUES OVER (UNDER) EXPENDITURES AFTER OTHER FINANCING SOURCES (OVER)					
	\$ 81,400	\$ -0-	\$ (10,100)	\$ 71,300	\$ 7,900
FUND BALANCES, BEGINNING OF YEAR					
	112,812	-0-	18,212	131,024	112,111
FUND BALANCES, END OF YEAR					
	\$ 194,212	\$ -0-	\$ -0-	\$ 194,212	\$ 121,011

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

TOWN OF OLLA, LOUISIANA
COMBINED BALANCE SHEET, ALL FUND TYPES AND ACCOUNT GROUP
JUNE 30, 1990

	Governmental Fund Types		Proprietary Fund Types		Component Fund		Component Unit
	General Fund	Special Projects	Enterprise	Debt Service	General Fund	Total (Governmental)	County Board
Assets							
Cash	\$ 21,799	\$ -	\$ 29,213	\$ -	\$ -	\$ 51,012	\$ 229,144
Investment in State	269,246	-	49,846	-	-	319,092	2,169
Receivables:							
General Accts., Exp.	1,988	-	29,926	-	-	31,914	-
Finance Receivables	2,787	-	-	-	-	2,787	-
Restricted Assets:							
Debt	-	-	29,127	-	-	29,127	-
Investments	-	-	242,254	-	-	242,254	-
General Fund Assets	-	-	-	1,076,247	-	1,076,247	-
Plant & Equipment	-	-	1,829,984	-	-	1,829,984	-
Acc. Depreciation	-	-	(1,382,842)	-	-	(1,382,842)	-
TOTAL ASSETS	\$ 244,842	\$ -	\$ 2,847,409	\$ 1,076,247	\$ -	\$ 3,168,718	\$ 231,313
LIABILITIES & FUND EQUITY							
LIABILITIES							
Accounts Payable	\$ 1,844	-	4,264	-	-	6,108	-
Public Cost	-	-	-	-	-	-	-
Accrued Assets	-	-	95,519	-	-	95,519	-
LONG TERM LIABILITIES:							
Revenue Bonds	-	-	829,280	-	-	829,280	-
Lafayette High School	-	-	1,255	-	-	1,255	-
TOTAL LIABILITIES	\$ 1,844	\$ -	\$ 919,068	\$ -	\$ -	\$ 920,323	\$ -
Fund Equity							
Investment Capital	\$ -	\$ -	1,024,783	\$ -	\$ -	1,024,783	\$ -
Investment in General Fund Assets	-	-	-	1,076,247	-	1,076,247	-
Retained Earnings:							
Unreserved	-	-	89,224	-	-	89,224	-
Unreserved	-	-	(146,832)	-	-	(146,832)	-
Fund Balance	244,842	-	-	-	-	244,842	229,144
Restricted For Unreserved	-	-	-	-	-	-	-
Unassigned	244,842	-	-	-	-	244,842	229,144
TOTAL FUND EQUITY	\$ 244,842	\$ -	\$ 919,947	\$ 1,076,247	\$ -	\$ 2,246,294	\$ 231,313
TOTAL LIABILITIES AND FUND EQUITY	\$ 244,842	\$ -	\$ 1,847,815	\$ 1,076,247	\$ -	\$ 3,168,718	\$ 231,313

The accompanying notes are an integral part of this statement.

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

Town of Olla, Louisiana

Notes to Financial Statements (cont.)

ii CHANGES IN LONG-TERM DEBT (CONT.)

Year Ending June 30,	Water Revenue Bonds	Street Revenue Bonds	Total
1986	\$ 15,000	\$ 45,000	\$ 60,000
1987-2001	71,250	227,500	298,750
2002-2006	74,750	227,700	302,450
2007-2020	182,250	600,400	1,082,650
	-----	-----	-----
Total	\$ 343,250	\$ 1,480,700	\$ 1,784,000
	-----	-----	-----

Under the terms of the bond indentures on outstanding Water Revenue Bonds dated December 6, 1978, earnings of the waterworks system are to be maintained separately and used for the following purposes:

- kl Payment of all reasonable and necessary expenses of operating and maintaining the system.
- km Each month there will be set aside into a fund called the "Waterworks Revenue Bond and Interest Sinking Fund" an amount constituting 1/12 of the next principal and interest payment.
- kn Each month there will be set aside into a "Waterworks Reserve Fund" 1/12 of the amount paid into the Sinking Fund until such time as there has been accumulated there in the sum of \$18,750. These funds may be used only for the payment of maturing bonds and interest coupons for which sufficient funds are not available in the Sinking Fund. As of June 30, 1990 the Town of Olla had set aside the maximum required amount into this "Waterworks Reserve Fund".
- ko There will also be set aside into a "Waterworks Depreciation and Contingency Fund" \$60 per month. These funds will be used to care for depreciation, extensions, additions, improvements and replacements necessary to operate the system properly, and to pay interest and principal on bonds when there is not sufficient money in the Sinking or Reserve Fund.
- kp All of the revenues received in any fiscal year and not required to be paid in each fiscal year into any of the above noted funds shall be regarded as surplus and may be used for any lawful purpose.

Under the terms of the bond indentures on outstanding Street Revenue Bonds dated August 14, 1981 and those dated September 6, 1982, earnings of the sewer system are to be maintained separately and used for the following purposes:

- lq Payment of all reasonable and necessary expenses of operating and maintaining the system.

COMPONENT UNIT FINANCIAL STATEMENTS
OLLA CEMETERY BOARD

JOHN R. VERCHER PC
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE RELATED
TO MATTERS NOTED IN GENERAL PURPOSE FINANCIAL STATEMENT AUDIT**

The Honorable Bernard Miller, Mayor
and Members of the Board of Aldermen
Orla, Louisiana

I have audited the general purpose financial statements of the Town of Orla, Louisiana, as of and for the year ended June 30, 1996, and have issued my report thereon dated September 20, 1996.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. These standards require that I 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 my audit of the general purpose financial statements of the Town of Orla, Louisiana, for the year ended June 30, 1996, I considered its internal control structure in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control structure.

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

For the purpose of this report, I have classified the significant internal control structure policies and procedures in the following categories:

1. Budgets
2. Cash Receipts and Disbursements

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

Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my 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.

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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 Donald Miller, Mayor
and Members of the Board of Aldermen
Olla, Louisiana

I have audited the general purpose financial statements of the Town of Olla, Louisiana, as of and for the year ended June 30, 1996, and have issued my report thereon dated September 28, 1996.

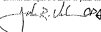
I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

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

The results of my test disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards except as follows:

- 1) The town does not maintain adequate records of its fixed assets and movable property as required by LSARS 284515.
- 2) The town overruns its general fund budget by 12% and made no amendments to said budget as required by LSARS 284119.

This report is intended for the information of management, and The Legislative Auditor's Office. However, this report is a matter of public record and its distribution is not limited.



John R. Vercher

Juno, Louisiana
September 28, 1996

JOHN B. VERCHIER PC
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INDEPENDENT AUDITOR'S REPORT ON
GENERAL PURPOSE FINANCIAL STATEMENTS

The Honorable Bernard Miller, Mayor
and Members of the Board of Aldermen
Orla, Louisiana

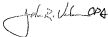
I have audited the accompanying general purpose financial statements of the Town of Orla, Louisiana, as of June 30, 1996, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Town of Orla, Louisiana, management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

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

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund group financial statements, schedules and graphs listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements of the Town of Orla, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

September 20, 1996
Jena, Louisiana



John B. Verchier

Town of Olla, Louisiana
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TOWN OF OLLA
 OLLA, LOUISIANA



* The Town of Olla was incorporated under the Louisiana Act in August of 1899. The Town operates under the Mayor/Board of Aldermen form of government. The Town provides the following significant services to its residents as provided by its charter: public safety (police and fire), highways and streets, sanitation, utilities (water and sewer service) and general administrative functions, including coordination of related services with Parish, State and Federal governing bodies.

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TOWNSHIP OF OLLA
LOUISIANA

GENERAL PURPOSE FINANCIAL STATEMENTS
COMBINING INDIVIDUAL FUND AND
ACCOUNT GROUP STATEMENTS AND SCHEDULES
AND SUPPLEMENTAL DATA

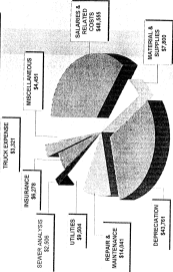
JUNE 30, 1996

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

Release Date DEC 18 1996

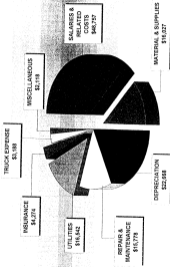
TOWN OF COLLA, LOUISIANA

SEWER DEPARTMENT EXPENSES 6/30/06



TOWN OF OLLA, LOUISIANA

WATER DEPARTMENT EXPENSES 6/30/96



TOWN OF OLLA, LOUISIANA

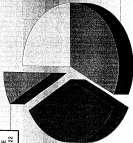
GENERAL FUND EXPENDITURES 6/30/96

FIRE
\$32,323

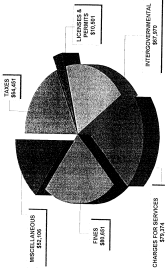
GENERAL
GOVERNMENT
\$63,487

POLICE
\$124,000

STREET
& SANITATION
\$131,341



TOWN OF OLLA, LOUISIANA
GENERAL FUND REVENUES JUNE 30, 1990



TOWN OF OLLA, LOUISIANA
MANAGEMENT LETTER COMMENTS

During the course of the audit, the Village's auditors observed conditions and circumstances that may be improved. Below are situations noted for improvement and the Village's response.

1) FIXED ASSET RECORDS COMPLIANCE FINDINGS

Situation: The Town does not maintain adequate records of its fixed assets and movable property as required by LA-RS 24513.

Recommendation: The Town should maintain records of all fixed assets and movable property in excess of \$500. The records should contain a description of the assets, date acquired and cost/estimated value where cost is not available.

Town's Response: The Town will begin maintaining fixed asset records.

2) AMENDED BUDGETS COMPLIANCE FINDINGS

Situation: The Town exceeded its budget by 10% and underbudgeted revenue by 7% in its General Fund. Louisiana Rev. Stat. 38:1313 requires that budgets be amended when actual revenue fails to meet budgeted revenue by 5% or more or when actual expenditures exceed budgeted expenditures by 5% or more.

Recommendation: Budgets should be amended when actual revenue fails to meet budgeted revenue by 5% or more or when actual expenditures exceed budgeted expenditures by 5% or more.

Town's Response: The Town will amend its budgets when actual revenue and expenditures vary by more than 5%.

TOWN OF OLLA, LOUISIANA
GENERAL FUND

SCHEDULE OF REVENUES
BUDGET BASIS VS. ACTUAL
YEAR ENDING JUNE 30, 1998

Revenue:	Budget	Actual	Variance
Taxes -			
Payment in Lieu of Taxes	\$ 2,322	\$ 2,322	\$ -0-
AD Valorem	25,899	25,324	174
Franchise	28,822	28,822	0
Total	\$ 57,043	\$ 56,468	\$ 575
LICENSES & FEES:	\$ 12,400	\$ 12,400	\$ 0
INTERGOVERNMENTAL Revenue -			
Volunteer Fee	\$ 2,000	\$ 2,222	\$ 222
Insurance Premium	20,000	20,000	0
Rear Fee	1,000	2,000	1,000
Video Rental	24,000	24,000	0
TOTAL	\$ 47,000	\$ 48,222	\$ 1,222
Charges for Services -			
Garbage Fees	\$ 27,000	\$ 28,224	\$ 1,224
Fish Production Charge	20,000	20,000	0
Dog Fences & Registration	200	200	0
Total	\$ 47,200	\$ 48,424	\$ 1,224
Fees -			
Public Utilities	\$ 28,000	\$ 28,000	\$ 0
Miscellaneous -			
Insurance	\$ 2,000	\$ 2,204	\$ 204
Permitted	2,000	2,000	0
Cost of Court	2,000	2,000	0
Mudrigg Reg. Fees	2,000	2,000	0
Rear Charge	100	100	0
TRUCK REGISTRATION	10	20	10
Recreation Fees	4,204	4,204	0
Miscellaneous	2,000	1,000	-1,000
Public Grants	2,000	10,272	8,272
IN FISH MANAGEMENT	2,000	2,100	100
Mowing, Etc.	2,000	2,000	0
TRUCK REG. CHARGE	-0-	100	100
Charges for Sewerage	200	200	0
Miscellaneous	200	270	70
20 Grant Funds	12,000	12,270	270
Map Sales	0	0	0
Map Checks	2,000	2,000	0
TOTAL	\$ 52,000	\$ 52,100	\$ 100
Total Revenue	\$ 109,043	\$ 106,892	\$ 2,151

The accompanying notes are an integral part of this statement.

OLLA CEMETERY BOARD
TOWN OF OLLA, LOUISIANA
COMPONENT UNIT

COMBINING BALANCE SHEETS
JUNE 30, 1995

	<u>General Fund</u>	<u>Perpetual Care Fund</u>	<u>Total</u>
ASSETS			
Cash	\$ 79,343	\$ 49,583	\$ 128,926
Investments	2,228	-----	2,228
TOTAL ASSETS	\$ 81,571	\$ 49,583	\$ 131,154
LIABILITIES AND EQUITY			
Fund Balance	\$ 79,721	\$ 49,583	\$ 129,304

The accompanying notes are an integral part of this statement.

GENERAL FUND

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

TOWN OF OLLA, LOUISIANA
STATEMENT OF GENERAL FIXED ASSETS
JUNE 30, 1996

GENERAL FIXED ASSETS

Land	\$ 84,500
Buildings	422,770
Improvements Other Than Buildings	56,400
Equipment	<u>222,107</u>
TOTAL GENERAL FIXED ASSETS	\$ 7,026,247

TOTAL INVESTMENTS IN GENERAL FIXED ASSETS	\$ <u>7,026,247</u>
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The accompanying notes are an integral part of this statement.

GENERAL FIXED ASSETS ACCOUNT GROUP

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

TOWN OF OLLA, LOUISIANA
STATEMENT OF CASH FLOWS

ALL PROPRIETARY FUND TYPES
ENTERPRISE FUND
YEAR ENDED JUNE 30, 1996

Cash from Operations:		
Net Income (Loss) Before Transfers		\$ 5,804
Operating Transfers		-----2,122
Net Income After Transfers		\$ 36,800
Adjustments to Net Income (Loss):		
Add - Depreciation	\$ 66,428	
Decrease in Accrued Interest	(509)	
Decrease in Accounts Receivable	2,848	
Decrease in Accounts Payable	(2,652)	

Net Adjustments		66,303

Cash Provided by Operations		\$ 76,422
Cash from Customer Deposits		2,054

Total Cash Provided		\$ 78,476
Cash Was Applied To:		
Restricted Funds	\$ 12,530	
Revenue Bonds	12,542	
Payable to Lafolle High School	2,422	
Investments	12,000	
Fixed Assets	18,394	

Total Cash Applied		\$ 58,894

Net Increase (Decrease) in Cash Flow		\$ 20,582
Cash Beginning of Year		29,721

Cash End of Year		\$ 50,313

The accompanying notes are an integral part of this statement.

TOWN OF OLLA, LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES
ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 1996

OPERATING REVENUES:	
Water Department	
Charges for Service	\$ 128,138
Other Charges	5,232
Total Water Department	\$ 133,370
Sewer Department	
Charges for Service	\$ 108,488
Sales Taxes	42,487
Other Charges	800
Total Sewer Department	\$ 151,775
TOTAL OPERATING REVENUES	\$ 285,145
OPERATING EXPENSES:	
Water Department	
Salaries and Related Cost	\$ 48,787
Materials and Supplies	18,827
Depreciation	22,488
Repairs and Maintenance	15,774
Utilities	14,040
Insurance	4,274
Truck Expenses	3,188
Miscellaneous	1,261
Postage	1,880
Total Water Department	\$ 130,609
Sewer Department	
Salaries and Related Costs	\$ 48,828
Materials and Supplies	7,828
Depreciation	42,781
Repairs and Maintenance	14,841
Utilities	2,884
Sewer Amenities	2,888
Insurance	8,274
Truck Expenses	3,321
Miscellaneous	3,798
Postage	861
Total Sewer Department	\$ 138,334
Total Operating Expenses	\$ 268,943
Operating Income (Loss)	\$ 16,202
NON-OPERATING REVENUE (EXPENSES):	
Interest Income	\$ 17,242
Interest Expense	147,898
Taxes/fees	12,158
TOTAL NON-OPERATING REVENUE (EXPENSES)	\$ 12,492
Net Income (Loss)	\$ 28,694
Retained Earnings (Deficit), Beginning	\$ 112,212
Retained Earnings (Deficit), Ending	\$ 140,906

The accompanying notes are an integral part of this statement.

TOWN OF OLLA, LOUISIANA
ENTERPRISE FUND
BALANCE SHEET
JUNE 30, 1996

ASSETS

CURRENT ASSETS:	
Cash	\$ 80,100
INVESTMENTS	89,000
Accounts Receivable:	
UTILITY BILLS 1995	____ 21,200
TOTAL CURRENT ASSETS	\$ _____ 190,300
RESTRICTED ASSETS:	
BOND AND INTEREST Sinking Fund	\$ 80,740
Revenue Bond Reserve Fund:	
Certificate of Deposits (all 1995)	48,300
Treasury Savings	2,950
Depreciation and Contingencies Fund:	
Checking-Interest Bearing	7,175
Certificate of Deposits	18,800
Customers' Deposits:	
Checking-Interest Bearing	4,870
Certificate of Deposits (all 1995)	____ 12,810
TOTAL RESTRICTED ASSETS	\$ _____ 278,645
PROPERTY, PLANT AND EQUIPMENT:	
FIXTURES, FURNITURE AND EQUIPMENT	\$ 2,628,904
Less Accumulated Depreciation	____ 12,120,800
NET PROPERTY, PLANT, AND EQUIPMENT	\$ 2,408,104
TOTAL ASSETS	\$ _____ 5,187,053
<u>LIABILITIES & FUND EQUITY</u>	
LIABILITIES:	
CURRENT LIABILITIES (Payable from Current Assets):	
Accounts Payable	\$ _____ 4,300
TOTAL CURRENT LIABILITIES (Payable from Current Assets)	\$ _____ 4,300
CURRENT LIABILITIES (Payable from Restricted Assets):	
Revenue Bonds Payable	\$ 11,040
Interest Payable	27,500
Customers' Deposits	____ 20,810
TOTAL CURRENT LIABILITIES (Payable from Restricted Assets)	\$ _____ 69,350
LONG-TERM LIABILITIES:	
Revenue Bonds Payable	\$ 620,000
Notes Payable (all in High Interest)	____ 2,000
TOTAL LONG-TERM LIABILITIES	\$ 622,000
TOTAL LIABILITIES	\$ _____ 795,650
FUND EQUITY:	
UNAPPORTIONED CAPITAL:	
Undesignated	\$ 100,000
State	200,000
Federal	____ 500,000
TOTAL UNAPPORTIONED CAPITAL	\$ _____ 800,000
RESERVED EARNINGS:	
Reserve for Contingencies & Contingencies	\$ 10,000
Reserve for Revenue Bonds	14,000
Unreserved Indefinite	____ 120,000
TOTAL RESERVED EARNINGS	\$ _____ 144,000
TOTAL FUND EQUITY	\$ _____ 944,000
TOTAL LIABILITIES & FUND EQUITY	\$ _____ 1,739,650

The accompanying notes are an integral part of this statement.

PROPRIETARY FUND TYPE - ENTERPRISE FUNDS

The Town's Enterprise Fund accounts for the provision of water and sewer services to the residents of the Town. All in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service, billing, and collection.

TOWN OF OLLA, LOUISIANA
 FERT SERVICE FUND

STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 YEAR ENDED JUNE 30, 1998

Revenues:

Interest Income	\$	-0-

Total Revenues	\$	-0-

Other Financing Sources (Uses):

Transfers	\$	124,529

Total Other Financing Sources (Uses)	\$	124,529

Fund Balance Beginning of Year	24,529

Fund Balance End of Year	\$	-0-

The accompanying notes are an integral part of this statement.

DEBT SERVICE FUNDS

Public Improvement Bond - Series A - City Sewer

To accumulate moneys for the payment of \$50,000 of Public Improvement Bonds issued 7.1.55, due in annual installments of \$2,000 through January 1, 1961; interest at 6%

TOWN OF OLLA, LOUISIANA
 CAPITAL PROJECTS FUND
 STATEMENT OF REVENUE, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 BUDGET VS. ACTUAL

FOR THE YEAR ENDED JUNE 30, 1996

	BUDGET	ACTUAL 191-9543	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Intergovernmental	\$ 17,820	\$ 17,820	\$ -0-
TOTAL REVENUE	\$ 17,820	\$ 17,820	\$ -0-
EXPENDITURES			
Administration	\$ 5,925	\$ 5,925	\$ -0-
Public Works	11,000	11,000	-0-
Total Expenditures	\$ 17,925	\$ 17,925	\$ -0-
Excess (Deficiency) of Revenues Over Expenditures	\$ -0-	\$ -0-	\$ -0-
Fund Balance Beginning of Year	-0-	-0-	-0-
Fund Balance End of Year	-0-	-0-	-0-

The notes to the financial statements are an integral part of this statement.

TOWN OF OLLA, LOUISIANA
 CAPITAL PROJECTS FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 JUNE 30, 1966

	1966
REVENUES	101-0042

Intergovernmental	\$ 17,425

EXPENDITURES	
Administration	\$ 5,425
Public Works	12,000

Total Expenditures	\$ 17,425

Excess (Deficiency) of Revenues Over Expenditures	-0-
Fund Balance Beginning of Year	-0-

Fund Balance End of Year	\$ -0-

The notes to the financial statements are an integral part of this statement.

TOWN OF OLLA, LOUISIANA
 CAPITAL PROJECTS FUND

BALANCE SHEET
 JUNE 30, 1986

	LCING 181-0042

ASSETS	
Cash	\$ -0-
TOTAL ASSETS	\$ -0- -----
 LIABILITIES AND FUND BALANCE	
Fund Balance	-0-
TOTAL LIABILITIES AND FUND BALANCE	\$ -0- -----

The notes to the financial statements are an integral part of this statement.

CAPITAL PROJECTS FUNDS

To account for

LCR# 181.6042 in the amount of \$17,625 for water system construction.

TOWN OF OLLA, LOUISIANA
GENERAL FUND

SCHEDULE OF EXPENDITURE - (CONTD)
BUDGET VS. ACTUAL
YEAR ENDED JUNE 30, 1966

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Street & Sanitation -			
Salaries & Related Costs	\$ 75,000	\$ 76,576	\$ 1,576
Travel Expense	2,000	2,400	400
Insurance	4,000	4,000	-
Supplies & Materials	4,200	4,200	-
Repairs & Maint. Equip.	4,000	4,000	-
Other	1,100	1,000	(100)
Computer Maintenance	50	50	-
Ordinary Repairs & Maintenance	400	500	100
Contract Labor	1,000	1,000	-
Capital Purchases	21,000	21,000	-
Debt Service	---	---	---
Total	\$ 117,000	\$ 121,026	\$ 4,026
Total Expenditures	\$ 117,000	\$ 121,026	\$ 4,026

(Continued)

The accompanying notes are an integral part of this statement.

OLLA CEMETERY BOARD
TOWN OF OLLA, LOUISIANA
COMPONENT UNIT

COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
ALL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1986

	<u>General Fund</u>	<u>Perpetual Care Fund</u>	<u>Total</u>
REVENUE			
Interest and Dividends	\$ 3,789	\$ 188	\$ 3,977
Donations, Memorials, Etc.	2,478	1,000	3,478
Equity Income	228	2,800	3,028
TOTAL REVENUE	\$ 6,495	\$ 3,088	\$ 9,583
EXPENDITURES			
Utilities	\$ 354	\$ -0-	\$ 354
Maintenance	2,900	-0-	2,900
Other	72	-0-	72
TOTAL EXPENDITURES	\$ 3,326	\$ -0-	\$ 3,326
EXCESS REVENUE OVER EXPENDITURES	\$ 3,169	\$ 3,088	\$ 6,257
FUND BALANCE BEGINNING	68,124	46,607	114,731
	\$ 73,443	\$ 49,695	\$ 123,138

The accompanying notes are an integral part of this statement.

TOWN OF OLLA, LOUISIANA
GENERAL FUND

STATEMENT OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET COMP BASIS VS ACTUAL
YEAR ENDED JUNE 30, 1996

	Budget	ACTUAL	VARIANCE
REVENUES:			
Taxes	\$ 88,304	\$ 94,451	\$ 6,147
Licenses & Permits	14,000	15,881	1,881
Intergovernmental	52,543	57,970	5,427
Charge for Services	78,300	78,304	4,004
Fees	84,000	87,451	3,451
Miscellaneous	49,104	51,100	2,000
TOTAL REVENUES	\$ 316,551	\$ 335,957	\$ 19,406
EXPENDITURES:			
Current -			
General Government	\$ 95,000	\$ 95,643	\$ (643)
Police	126,000	126,000	0
Fire	32,700	32,000	700
Street and Sanitation	87,812	132,364	44,552
TOTAL EXPENDITURES	\$ 341,512	\$ 386,007	\$ 44,495
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (DEBT)			
	\$ (14,961)	\$ 49,950	\$ 64,911
OTHER FINANCING SOURCES (DEBT)			
Traffic	\$ 0	\$ 24,751	\$ 24,751
Loans	-----	--25,000	--25,000
TOTAL OTHER FINANCING SOURCES (DEBT)	\$ -----	\$ -25,000	\$ -25,000
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AFTER OTHER FINANCING SOURCES (DEBT)			
	\$ (14,961)	\$ 24,950	\$ 39,911
FUND BALANCE, BEGINNING OF YEAR			
	112,812	112,812	-----
FUND BALANCE, END OF YEAR			
	\$ 97,851	\$ 137,762	\$ 39,911

The accompanying notes are an integral part of this statement.