

TOWN OF BLANCHARD, LOUISIANA

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FINANCIAL STATEMENTS

June 30, 1967

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TOWN OF BLANCHARD, LOUISIANA

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GENERAL PURPOSE FINANCIAL STATEMENTS

TOWN OF BLANCHARD, LOUISIANA

Continental Balance Sheet - All Fund Types and Account Group
June 30, 1988

	Fund Types		Account Group		Total Miscellaneous Fund	
	General	Special	General Fund	Special	1987	1988
4050275						
Cash and cash equivalents	\$ 79,000	\$ 100,040	\$	\$	\$ 253,079	\$ 582,147
Investments	5,561	16,707			28,278	24,200
Receivable:						
Accounts	194,140				194,140	198,100
Due from other funds	1,800				1,800	1,800
Other	148	1,200			1,208	24,200
Prepaid expenses and deposits	6,800				6,800	7,800
Restricted assets:						
Cash and cash equivalents	682,000				682,000	617,000
Investments	2,998,140				2,998,140	68,200
Fixed assets, net of accumulated depreciation	8,077,178		798,170		8,040,295	5,890,000
Construction in progress - LCPS90	148,100				148,100	442,100
Unamortized bond issue costs	85,000				85,000	43,100
Total Assets	\$ 10,222	\$ 1,000,000	\$ 798,170	\$	\$ 11,158,000	\$ 8,800,150

	Partial Year	Account Balances	Trans. Memorandum Bal.
Statement	Balance		
— Grand	— Balance	— 1967	— 1968
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable and accrued expenses	\$ 12,778	\$ 17,346	\$ 17,848
Due to other funds	1,868		1,868
Payable from restricted assets:			
Current maturities of long-term debt	191,881	191,881	46,879
Accrued interest on long-term debt	186,086	198,996	88,270
Mutual deposits	128,828	128,828	128,828
Long-term debt, excluding current maturities	8,026,119		8,281,115
Total liabilities	14,528	8,439,061	8,497,838
Retained earnings/fund equity:			
Contributed capital	3,218,628		3,218,628
Investment in general fund assets		168,178	268,178
Retained earnings:			
Accrued for revenue bond retirement	491,224		581,474
Unexpended	175,520		688,792
Fund balance	87,883		74,887
Total retained earnings/fund equity	87,883	358,178	4,539,358
Total liabilities and fund equity	\$ 15,223	\$ 8,800,320	\$ 9,305,124

This accounting report is prepared by the City of Chicago.

TOWN OF BLANCHARD, LOUISIANA

Combined Statement of Revenues, Expenditures and Changes
in Fund Balance - All Governmental Fund Types
Year Ended June 30, 1997

	General	Capital Projects	Totals (Memorandum Only)	
			1997	1996
Revenues:				
Taxes	\$ 68,580	\$	\$ 68,580	\$ 60,217
License and permits	68,580		68,580	49,855
Intergovernmental	51,982		51,982	69,697
Charges for services	66,021		66,021	63,814
Fines and forfeitures	38,286		38,286	39,829
Interest revenue	4,264		4,264	
Miscellaneous	8,910		8,910	39,216
LCRMS Capital grant				492,682
Total revenues	<u>296,473</u>	<u>-</u>	<u>296,473</u>	<u>895,521</u>
Expenditures:				
Current:				
General government	40,808		40,808	28,567
Public safety	160,843		160,843	134,690
Sanitation	59,617		59,617	49,816
Streets and right-of-ways	13,010		13,010	64,407
Buildings and grounds	37,297		37,297	58,446
Capital outlay - LCRMS		2,058	2,058	625,804
Total expenditures	<u>298,175</u>	<u>2,058</u>	<u>298,233</u>	<u>892,920</u>
Excess (deficiency) of revenues over expenditures	(1,699)	(2,058)	(14,760)	22,601
Other financing sources:				
Operating transfers in	<u>18,809</u>	<u>-</u>	<u>18,809</u>	<u>17,789</u>
Excess (deficiency) of revenues and other sources over expenditures	(1,699)	(2,058)	(5,794)	47,726
Fund balance at beginning of year	<u>20,000</u>	<u>2,080</u>	<u>24,087</u>	<u>38,889</u>
Fund balance at end of year	<u>\$ 18,301</u>	<u>\$ -</u>	<u>\$ 18,301</u>	<u>\$ 74,615</u>

TOWN OF BLANCHARD, LOUISIANA

Exhibit 3

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (2006) (Revised) and Actual - General Fund
Year Ended June 30, 2007

	Budget	Actual	Variance - Favorable Adverse
Revenues:			
Taxes	\$ 40,000	\$ 48,280	\$ 8,280
Licenses and permits	45,000	66,534	21,534
Intergovernmental	30,000	51,800	21,800
Charges for services	50,000	66,021	16,021
Fees and forfeitures	30,000	30,288	288
Miscellaneous	14,780	15,268	488
Total revenues	<u>240,000</u>	<u>280,471</u>	<u>40,471</u>
Expenditures:			
Current:			
General government	38,875	40,608	(1,733)
Public safety	148,000	169,843	(21,843)
Sanitation	58,000	65,817	(7,817)
Streets and right-of-ways	18,800	19,010	(210)
Building and grounds	30,000	27,282	2,718
Total expenditures	<u>292,175</u>	<u>295,170</u>	<u>2,995</u>
Excess (deficiency) of revenues over expenditures	(52,175)	(14,699)	(37,476)
Other financing sources:			
Operating transfers in	_____ 10,000	_____ 10,000	_____ 0,000
Excess (deficiency) of revenues and other sources over expenditures	(42,175)	(4,699)	(37,476)
Fund balance at beginning of year	_____ 23,000	_____ 23,000	_____ 0
Fund balance at end of year	<u>\$ 10,825</u>	<u>\$ 18,301</u>	<u>\$ 7,476</u>

TOWN OF BLANCHARD, LOUISIANA

Exhibit

Statement of Revenues, Expenses, and
Changes in Retained Earnings -
Proprietary Fund Type
Year Ended June 30, 1997
With Comparative Amounts for the Year Ended June 30, 1996

	Proprietary Fund	
	1997	1996
Operating revenues:		
Charges for services	\$ 1,183,214	\$ 1,084,379
Operating expenses:		
Personal services	212,894	201,833
Maintenance and supplies	185,733	176,844
Insurance	27,478	31,250
Automotive	17,218	16,250
Employee benefits	62,247	60,821
Telephone and utilities	59,894	62,214
Depreciation	204,149	192,927
Professional services	7,500	7,000
Attorney's fees	6,700	8,700
Miscellaneous	12,800	14,200
Payroll taxes	74,800	72,140
Total operating expenses	1,027,879	988,588
Operating income	155,335	195,791
Non-operating revenues (expenses):		
Interest income	45,258	34,690
Ad valorem taxes	10,300	9,000
Gain on sale of assets		781
Amortization of bond issue costs	7,890	11,580
Interest expense	(251,547)	(205,090)
Net non-operating revenues (expenses)	(190,509)	(157,639)
Income before operating transfers	(35,174)	38,152
Operating transfers to other funds	112,690	112,789
Net income	77,516	90,891
Depreciation transferred to contributed capital		789
Increase in retained earnings for revenue bond retirement	(208,729)	(29,117)
Net change in unreserved retained earnings for the year	(131,213)	61,774
Retained earnings unreserved July 1	259,720	201,487
Retained earnings unreserved June 30	\$ 128,507	\$ 263,261

TOWN OF BLANCHARD, LOUISIANA

Statement of Cash Flows - Proprietary Fund Type For the Year Ended June 30, 1997

	Enterprise Fund	
	1997	1996
Cash flows from operating activities:		
Cash received from customers	\$ 1,320,899	\$ 874,812
Cash payments to suppliers for goods and services	(548,307)	(568,230)
Cash payments to employees for services	(275,458)	(291,858)
Net cash provided by operating activities	497,134	44,724
Cash flows from noncapital financing activities:		
Ad valorem taxes	10,282	8,228
Net cash provided by noncapital financing activities	10,282	8,228
Cash flows from capital and related financing activities:		
Proceeds from Act 019 - construction		292,800
Proceeds from issuance of bonds	3,646,415	
Acquisition of property, plant and equipment	(487,286)	(417,818)
Proceeds from sale of equipment		761
Interest paid on revenue bonds	(185,758)	(205,899)
Principal paid on revenue bonds	(46,875)	(46,582)
Transfer to General Fund	(12,853)	(12,788)
Net cash used for capital and related financing activities	(2,925,850)	(418,206)
Cash flows from investing activities:		
Proceeds from sale of investments		28,000
Purchase of investments	(2,842,478)	
Interest on investments	81,832	40,864
Net increase (decrease) in cash and cash equivalents	(2,557,536)	(389,054)
Net increase (decrease) in cash and cash equivalents	(81,871)	63,552
Cash and cash equivalents at beginning of year (including \$417,084 in restricted accounts for 1997, \$383,602 in 1996)	329,227	265,671
Cash and cash equivalents at end of year (including \$607,317 in restricted accounts for 1997, \$417,264 in 1996)	\$ 247,356	\$ 329,227

See accompanying notes to financial statements.

Exhibit 3

	<u>Corporate Year</u>	
	<u>1997</u>	<u>1996</u>
<i>Reconciliation of operating income to net cash provided by operating activities:</i>		
Operating income	\$ 249,238	\$ 278,040
<i>Adjustments to reconcile operating income to net cash provided by operating activities:</i>		
Depreciation	205,740	182,827
<i>Changes in assets and liabilities:</i>		
Increase (decrease) in customer accounts receivable	84,484	(37,465)
(Increase) in other accounts receivable		(18,080)
(Increase) in other assets	(184,840)	
Decrease (increase) in accounts payable and accrued expenses	69,682	(209)
Increase in customer deposits	12,976	7,488
Net increase in due to/from other funds		3,848
Total adjustments	<u>121,802</u>	<u>128,489</u>
Net cash provided by operating activities	<u>\$ 371,040</u>	<u>\$ 406,529</u>

TOWN OF BLANCHARD, LOUISIANA

Table B

Statement of Revenues, Expenses, and Changes in Retained Earnings - Actual Compared to Budgetary Basis - Proprietary Fund Type Year Ended June 30, 1987

	Budget	Actual on Budgetary Basis	Variance - Favorable (Unfavorable)
Operating revenues:			
Manufacture sales	\$ 808,080	\$ 1,104,388	\$ 296,308
Installations	48,080	24,180	(23,900)
Permits and other fees	28,000	20,889	(7,111)
Total operating revenues	<u>1,000,080</u>	<u>1,209,757</u>	<u>209,677</u>
Operating expenses:			
Salaries, wages and fees	\$18,800	\$27,720	(7,920)
Other operating expenses	224,200	208,084	16,116
Total operating expenses	<u>243,000</u>	<u>235,804</u>	<u>7,196</u>
Operating income	<u>498,580</u>	<u>973,953</u>	<u>475,373</u>
Non-operating revenues (expenses):			
Interest revenue	20,000	48,788	28,788
Debt reduction	(48,870)	(28,884)	(19,986)
Interest expense	(210,800)	(201,247)	(9,553)
Ad valorem taxes	9,500	10,280	880
Capital expenditures	(25,000)	(240,858)	(215,858)
Total non-operating revenues (expenses)	<u>(204,170)</u>	<u>(181,921)</u>	<u>22,249</u>
Income before other financing sources	<u>180,000</u>	<u>79,032</u>	<u>(100,968)</u>
Other financing sources (uses):			
State financial assistance			
Operating transfers out	(20,000)	(10,000)	10,000
Total other financing sources (uses)	<u>(20,000)</u>	<u>(10,000)</u>	<u>10,000</u>
Net income before adjustments	<u>160,000</u>	<u>69,032</u>	<u>(90,968)</u>
Adjustments to actual to convert to budgetary basis:			
Depreciation	(204,148)	(204,148)	-
Amortization of bond issue costs	(1,284)	(1,284)	-
Principal paid on debt	48,870	48,888	18
Proporp, plant, and equipment	(28,280)	242,081	273,861
Net income after adjustments	<u>24,868</u>	<u>107,009</u>	<u>82,141</u>
Increases in retained earnings for revenue			
Debt retirement	(24,868)	(208,120)	(232,988)
Net change in unreserved retained earnings	<u>\$0</u>	<u>\$78,889</u>	<u>(78,889)</u>
Retained earnings, July 1, 1986	858,732	858,732	-
Retained earnings, June 30, 1987	<u>\$ 858,732</u>	<u>\$ 937,621</u>	<u>\$ 78,889</u>

TOWN OF BLANCHARD, LOUISIANA

Notes to Financial Statements
June 30, 2007

The Town of Blanchard was incorporated in 1881 under the provisions of the Louisiana Act. The Town operates under the Mayor-Board of Aldermen form of government.

1. Summary of Significant Accounting Policies:

The accounting and reporting policies of the Town of Blanchard conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the "Louisiana Municipal Audit and Accounting Guide."

The following is a summary of certain significant accounting policies:

Financial Reporting Entity - This report includes all funds and account groups 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 budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

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 purpose for which they are to be spent and the means by which spending activities are controlled. The following funds and groups of accounts are used by the Town:

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.

Capital Projects Fund - The Capital Projects Fund is used to account for the Louisiana Community Development Block Grant for the acquisition of capital facilities for the Proprietary Fund.

Proprietary Fund:

Enterprise Fund - The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Town maintains an Enterprise Fund for water and sewer utilities provided. The Town applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 08, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Account Group:

General Fixed Assets Account Group - The General Fixed Assets Account Group is used to account for fixed assets used in governmental fund type operations for control purposes. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Depreciated fixed assets are valued at their estimated fair value on the date of valuation. No depreciation is recorded on general fund assets.

TOWN OF BLANCHARD, LOUISIANA

Notes to Financial Statements
June 30, 1987

1. Summary of Significant Accounting Policies: (Continued)

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

All proprietary funds 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 revenues (e.g., revenues) and expenses (e.g., expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes available if they are collected within 60 days after year end. A one-year availability period is used for revenue recognition for all other governmental revenues. Expenditures are recorded when the related liability is incurred.

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

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

The preparation of financial statements generally requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Budget and Budgetary Accounting - The Town follows these procedures in establishing the budgetary data reflected in these financial statements:

The Mayor and the City Clerk prepare a proposed budget and submit same to the Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.

A summary of the budget is published and the public notified that the budget is available for inspection in the office of the Town Clerk.

The budget resolution is adopted by the Town Council prior to the fiscal year for which the budget is adopted.

The adoption of the budget resolution constitutes an appropriation of the sums for the specified purpose and from the funds indicated. The appropriations which are not encumbered or expended lapse at the end of the fiscal year.

No funds are expended or obligation incurred other than in accordance with the budget resolution and/or budgetary arrangements, except that the Mayor is authorized to expend in any fiscal year up to 10% of any Department budget approved by the Board of Aldermen.

TOWN OF BLANCHARD, LOUISIANA

Notes to Financial Statements
June 30, 1997

1. Summary of Significant Accounting Policies: (Continued)

Budget and Budgetary Accounting (Continued)

The Board of Aldermen may revise or amend the budget at its discretion during legally defined sessions. Amendments to the budget were made and adopted by the Board of Aldermen during fiscal year ended June 30, 1997.

The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). The budget for the Water and Sewer Enterprise Fund is adopted on a basis consistent with GAAP, except that depreciation and amortization are not considered and capital expenses and debt principal payments are included.

Investments - Legal investments by municipalities are restricted according to Louisiana Revised Statute 20:1276. Further, the Town's investment policy allows investments only in:

- (1) Direct U. S. Treasury obligations, the principal and interest of which are fully guaranteed by the U. S. government.
- (2) The certificate of deposit of state banks organized under the laws of Louisiana, or national banks having their principal offices in the state of Louisiana, savings accounts or shares of savings and loan associations and savings banks, or share accounts and share certificates accounts of federally or state chartered credit unions issuing time certificates of deposit. Funds invested in accordance with this paragraph shall not exceed at any time the amount insured by the Federal Deposit Insurance Corporation in any one bank, or in any one savings and loan association, or by the National Credit Union Administration in any one credit union, unless the uninsured portion is collateralized by the pledge of securities in the manner provided in F.I.S. 50-1221.
- (3) Mutual or trust fund institutions which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the U. S. Government or its agencies.

Cash and cash equivalents are comprised of daily cash balances above the day-to-day needs and funds set aside for portfolio strategy reasons. Short term investments of cash and cash equivalents may be placed in:

- (1) Obligations of the U. S. Treasury, federal agencies, or U. S. government instrumentalities (as provided herein) with maturities of less than 2 years.
- (2) Time certificates of deposit, as provided herein.
- (3) Money market mutual funds, as provided herein.
- (4) The Louisiana Asset Management Pool, Inc. as provided in Op. Atty. Gen. 89-180.

The Town's investments at June 30, 1997, consist of certificates of deposit with original maturity dates in excess of three months, and of U.S. Treasury Notes with original maturities of 18 months or less. These investments are stated at amortized cost, which approximates market value.

Inventory - Inventory of supplies in the proprietary fund is not material and is charged to operations as purchased.

TOWN OF BLANCHARD, LOUISIANA

Notes to Financial Statements
June 30, 2007

5. Summary of Significant Accounting Policies (Continued)

Bad Debts - Uncollectible amounts due for the customers' utility receivables are recognized as bad debts through the establishment of an allowance account of the same informative purpose possible which would indicate the uncollectibility of the particular receivable. No provision has been deemed necessary for 2007 or 2006.

Statement of Cash Flows - For the purposes of the Statement of Cash Flows, the Enterprise Fund considers all highly liquid investments (including restricted assets) with a maturity of three months or less to be cash equivalents.

Property, Plant, and Equipment -

General Fixed Assets Account Group:

Property, plant, and equipment used in governmental fund type organizations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as acquisitions in the governmental fund types when purchased. Public domain (infrastructure)-general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are not capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

Water and Sewer Systems:

Depreciation is provided in the Enterprise Fund in amounts sufficient to replace the cost of the depreciable assets to operations over their estimated service lives on the straight-line basis. The estimated service lives by asset type are as follows:

Water Utility:	
Purification Plant	50 Years
Lines and Meters	50 Years
Other Equipment	3-15 Years
Sewerage Utility:	
Lines and Pumps	30-50 Years
Other Equipment	3-4 Years

Restricted Assets - The Enterprise Funds, because of certain bond covenants, are required to maintain and maintain restricted amounts of resources (consisting of cash and temporary investments) that can be used only to service outstanding debt. The Enterprise Fund also restricts customer and vendor deposits.

Compensatory Absences - The Town's liability for accrued vacation leave is considered a current liability payable from current resources. The amounts applicable to the General Fund of \$5,004 and the Enterprise Fund of \$0,804 have been recorded. The accumulated unpaid vacation expires on the employee's anniversary date of employment following the year in which it is earned. Therefore, no liability exists.

Comparative Data - Comparative totals for the prior year have been presented in the accompanying general purpose financial statements in order to provide an understanding of changes in the Town's financial position and operations. Comparative data by fund type is included in the individual fund type financial statements.

TOWN OF BLANCHARD, LOUISIANA

Notes to Financial Statements
June 30, 1987

1. Summary of Significant Accounting Policies (Continued)

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

Fixed Equity

Contributed capital is recorded in the Enterprise Fund for capital grants restricted for the acquisition or completion of capital assets. Contributed capital is not amortized based on the depreciation recognized on the portion of the assets acquired or constructed from such resources.

Reserves represent those portions of fund equity not appropriate for expenditures or legally obligated for a specific future use.

Interfund Transactions - Interfund transactions that would be treated as revenues, expenditures, or deposits if they involved organizations external to the Town are accounted for as revenues, expenditures, or expenses in the funds involved. Transactions which constitute reimbursements of a fund for expenditures or expenses initially made from it which are properly applicable to another fund are recorded as expenditures or expense (as appropriate) in the reimbursing fund, or as reductions of the expenditures or expense in the fund that is reimbursed and are designated fund revenues, expenses, or expenditures in the financial statements. These items are reported in the "Other Financing Sources (Uses)" section in the statement of revenues, expenditures, and changes in fund balance (governmental funds) and in the "Operating Treasury" section in the statement of revenues, expenses, and changes in retained earnings (proprietary funds).

Refundable Deposits - The Enterprise Fund of the Town requires customers to place a deposit before service is rendered. These monies are considered restricted and are held until the customer discontinues service.

Reclassification - Certain 1986 amounts were reclassified to conform to 1987 presentation.

2. Cash and Investments

Deposits (cash and investments) are valued at cost which approximates market value.

The Town's deposits are categorized to give an indication of the level of risk assumed by the Town at June 30, 1987. The categories are described as follows:

Category 1 - Insured or collateralized with securities held by the entity or by its agent in the entity's name.

Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.

Category 3 - Uncollateralized.

TOWN OF BLANCHARD, LOUISIANA

Notes to Financial Statements
June 30, 1997

3. Cash and Investments: (Continued)

Deposits, categorized by level of risk, are:

<u>Deposition</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>Bank Balance</u>	<u>Carrying Amount</u>
General Fund	\$ 80,897	\$	\$	\$ 80,897	\$ 76,583
Enterprise Fund	3,618,827	808,292	-	4,427,119	4,409,220
Total cash and investments	<u>\$ 3,700,024</u>	<u>\$ 808,292</u>	<u>\$ -</u>	<u>\$ 4,554,216</u>	<u>\$ 4,508,803</u>

3. Ad Valorem Taxes:

Taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied on September 15 and are payable by December 31. The Town bills and collects its own property taxes. Property tax levies are recognized when levied to the extent that they result in current receivables.

The Town levies taxes at the rate of 0.28 mills on the dollar of assessed valuation of property. Of the total millage levied, 7.37 mills is available for general purposes and 2.08 mills is available to cover depreciation. The assessed valuation of property was \$8,867,850 for the year ended June 30, 1997. Total taxes levied after adjustments were \$52,588.

4. Components of Restricted Assets:

Restricted assets in the Enterprise Fund consist of the following at June 30:

	<u>1997</u>	<u>1996</u>
Cash and cash equivalents:		
Revenue Bonds and Interest Sinking Fund	\$ 41,804	\$ 115,180
Water Depreciation Fund	5,070	108,290
Construction Fund	251,870	
Note Fund	60,292	
Contingency Fund	8,213	
Revenue Fund	12,813	
1997 Sinking Fund	126,471	
Bond Contingency Fund	151,500	134,089
Water Deposit Fund	46,508	37,889
Total cash and cash equivalents	<u>\$ 695,211</u>	<u>\$ 417,089</u>
Investments:		
Water Deposits Fund	\$ 90,502	\$ 90,502
1997 Water Expansion	3,035,804	-
	<u>\$ 3,086,306</u>	<u>\$ 90,502</u>

TOWN OF BLANCHARD, LOUISIANA

Notes to Financial Statements
June 30, 1987

4. Components of Restricted Assets: (Continued)

The resolutions authorizing the Water and Sewer System revenue bonds require that the Town establish a sinking fund (Sinking Bond and Interest Sinking Fund), a reserve fund (Water Depreciation Fund), and a contingency fund (Bond Contingency Fund) and make periodic payments in order to satisfy payments of principal and interest on all bonds payable. At June 30, 1987, the funds were in compliance with required deposits.

The amount of retained earnings received for revenue bond retirement is detailed as follows:

Restricted Assets, Sinking Reserve, and Contingency Funds	\$ 704,429
Less:	
Accrued interest, attributable to revenue bonds, payable from restricted assets	100,000
Current installments of revenue bonds payable from restricted assets	181,870
Reserve for bond retirement	<u>\$ 421,559</u>

5. Changes in General Fixed Assets:

A summary of changes in general fixed assets is as follows:

	Balance June 30, 1986	Additions	Deletions	Balance June 30, 1987
Land	\$ 2,000			\$ 2,000
Buildings and improvements	175,000	408,170		583,170
Equipment	148,700	22,914		171,614
Construction (sewer plant) in progress - L22880	446,740		446,740	
	<u>\$ 774,440</u>	<u>\$ 431,084</u>	<u>\$ 446,740</u>	<u>\$ 758,784</u>

A summary of Enterprise Fixed property, plant, and equipment at June 30, 1987 and 1986, is as follows:

	1987	1986
Land	\$ 27,880	\$ 27,880
Buildings	210,200	18,080
Water system	5,821,818	5,807,008
Sewer system	871,107	871,107
Equipment	288,873	193,138
	<u>7,225,858</u>	<u>6,817,183</u>
Less accumulated depreciation	(4,252,128)	(3,887,882)
Property, plant and equipment - net	<u>\$ 2,973,730</u>	<u>\$ 2,929,301</u>

TOWN OF BLANCHARD, LOUISIANA

Notes to Financial Statements
June 30, 1987

5. Changes in General Fund Assets (Continued):

In fiscal year 1987, the following construction projects were completed and recorded in the books as follows:

Purchases and renovation of building	\$ 187,118	
Increases in buildings	\$ 187,118	

6. Due to/from Other Funds:

As of June 30, 1987, interfund receivables and payables were as follows:

	Due From	Due To
General Fund	\$ 1,000	\$ 1,000
Water and Sewer Fund	1,000	1,000
	\$ 2,000	\$ 2,000

7. Changes in Long-Term Debt:

The following is a summary of bond transactions of the Town of Blanchard for the year ended June 30, 1987:

	Enterprise Fund
Obligations	
Bonds payable at June 30, 1986	\$ 2,560,000
Less bond payments	(48,074)
Add issuance of bonds	2,879,070
Bonds payable at June 30, 1987	4,942,000
Less current portion	701,881
Long-term debt	\$ 4,240,119

TOWN OF BLANCHARD, LOUISIANA

Notes to Financial Statements
June 30, 1997

2. Changes in Long-Term Debt (Continued)

Bonds payable at June 30, 1997, are comprised of the following:

Farmers Home Administration, 3.75%, 40-year revenue promissory note in the original amount of \$251,760 dated June 8, 1956; payable in annual installments including principal and interest of \$17,676. The note is in the form of Water Revenue Bonds and is collateralized by revenues and bond assets of the water system.	\$ 125,880
Water Revenue Refunding Bond, 1 1/8%, dated April 6, 1968, in the original amount of \$785,447. Scheduled principal and interest payments are due semiannually through April 1, 2025. The bond is collateralized by revenues of the water system.	688,570
Farmers Home Administration, 7%, 40-year note dated February 1, 1960, in the original amount of \$1,680,808 payable in annual installments including principal and interest of \$125,702. The note is in the form of Water Revenue Bonds and is collateralized by revenues of the water system.	1,118,680
Water Revenue Bonds, Series 1907, notes varying from 6.125% - 7%, dated April 1, 1980, in the original amount of \$2,715,808. Scheduled principal and interest payments due annually through March 1, 2025. The bonds are collateralized by the revenues of the water system.	2,692,418
The bonds are collateralized by the revenues of the water system.	\$ 6,185,358

The annual requirements to service all debt outstanding as of June 30, 1997, including interest payments of \$7,444,417 are as follows:

Year Ending June 30,	Enterprise Fund Allocation
1998	\$ 827,448
1999	501,822
2000	508,760
2001	526,704
2002	525,119
2003-2012	3,087,834
2013-2025	4,897,478
2026-2028	550,822
	\$ 10,427,157

Agreements are attached to the Enterprise Fund notes payable to Farmers Home Administration (FHA) requiring the following:

The FHA 3.75% rate agreement requires that the following payments are to be made monthly:

\$1,500 is to be deposited into an account entitled "Waterworks Revenue Bonds and Interest Sinking Fund";

\$100 is to be deposited into an account entitled "Depreciation Fund"; and

TOWN OF BLANCHARD, LOUISIANA

Notes to Financial Statements
June 30, 1997

7. Changes in Long-Term Debt (Continued)

The 1988 Water Revenue Refunding Bonds require that the following payments are to be made monthly:

An amount equal to the sum of one-twelfth (1/12%) of the next principal payment and one-sixth (1/6%) of the next interest payment is to be deposited into an account entitled "Waterworks Revenue Bond and Interest Sinking Fund."

5% of the amount required to be deposited into the Waterworks Revenue Bond and Interest Sinking Fund is to be deposited into an account entitled "Waterworks Reserve Fund"; and 5% of the amount required to be deposited into the Waterworks Revenue Bond and Interest Sinking Fund is to be deposited into an account entitled "Waterworks Depreciation and Contingency Fund."

The 1990 Water Revenue Bonds ordinance requires that the following payments are to be made monthly:

\$11,808.50 is to be deposited into a Sinking Fund;

\$555.45 is to be deposited into a Reserve Fund until this fund has accumulated \$105,782; and

\$1,248.08 is to be deposited into a Contingency Fund.

As reflected in Note 4, various funds (installments of debt and investments) are to be set up with proceeds from the 1987 Water Revenue Bonds.

8. Interfund Operating Transfers:

Individual fund operating transfers to cover operational expenditures for fiscal year 1997 were as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 10,000	\$
Enterprise Fund		10,000
Totals	<u>\$ 10,000</u>	<u>\$ 10,000</u>

9. Municipal Police Employees' Retirement System of Louisiana (System):

Full-time police officers who earn at least \$275 per month (excluding supplemental pay, or an elected chief of police whose salary is at least \$100 per month) are eligible to receive retirement benefits from the Municipal Police Employees' Retirement System of Louisiana, which is a contributing, multiple-employer defined benefit plan administered by a separate board of trustees. Further information relative to the plan follows:

Plan Description - Employees who retire at or after age 55 with at least 20 years of creditable service or at or after age 58 with at least 10 years of creditable service are entitled to a retirement benefit payable monthly for life, equal to 2 1/2 percent of their base-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 30 consecutive or pruned months that produce the highest average. Employees who terminate with at least the amount of creditable service state above, and do not withdraw their employer contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

TOWN OF BLANCHARD, LOUISIANA

Notes to Financial Statements
June 30, 1987

9. Municipal Police Employees' Retirement System of Louisiana (System) - (Continued)

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 6401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-0248, or by calling (504) 389-7417.

Funding Policy - Plan members are required by state statute to contribute 7.5 percent of their annual covered salary and the Town is required to contribute at an actuarial determined rate. The current rate is 8.0 percent of annual covered payroll. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:153, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town's contributions to the System for the years ending June 30, 1987, 1986, and 1985, were \$7,020, \$5,879, and \$5,894, respectively, equal to the required contributions for each year.

10. Contingent Liabilities

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town carries commercial insurance for all risks of loss, including workers' compensation and employee health and accident insurance. Settlements have not exceeded insurance coverage in any of the past three fiscal years.

The Town participates in certain federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

During the various fiscal years, the Town of Blanchard has been required to relocate water lines along Highway 1 to accommodate a Department of Transportation and Development, State of Louisiana, highway construction project. Funding is provided by the State of Louisiana to the Town pursuant to Act 219 (R.S. 48:219-1(2)). In accordance with provisions of this Act, the Town is forever prohibited from locating a utility installation in any state owned right-of-way until the Town reimburses the State for the cost of the relocation.

11. Related Party Transactions

Proceedings, observations, and inquiries did not disclose any material related party transactions for the year ending June 30, 1987.

**FINANCIAL STATEMENTS OF
INDIVIDUAL FUNDS AND ACCOUNT GROUP**

GENERAL FUND

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

TOWN OF BLANCHARD, LOUISIANA

General Fund
Balance Sheet
June 30, 1997

With Comparative Amounts as of June 30, 1996

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and cash equivalents	\$ 78,080	\$ 68,580
Investments	8,881	8,881
Prepaid expenses	8,881	7,880
Receivable checks	148	88
Utility deposits	50	50
Total assets	<u>\$ 96,020</u>	<u>\$ 91,889</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable and accrued expenses	\$ 12,770	\$ 7,040
Due to Utility Fund	3,580	3,580
Total liabilities	14,000	8,080
Fund balance - unreserved	82,020	73,589
Total liabilities and fund balance	<u>\$ 96,020</u>	<u>\$ 91,889</u>

TOWN OF BLANCHARD, LOUISIANA

General Fund
 Schedule of Expenditures Compared to Budget (GAAP Basis)
 Year Ended June 30, 1997
 With Comparative Actual Results for Year Ended June 30, 1996

	1997				
	Budget	Actual	Variance Favorable (Unfavorable) Amount	%	1996 Actual
General government:					
Address fees	\$ 7,200	\$ 7,200	\$		\$ 7,200
Election expense		14	14		
Fire minutes expense	2,000	2,111	(111)	5.5%	2,000
Attorney fees	2,400	2,248	152	6.3%	2,200
Insurance	10,000	10,800	(800)	(8.0%)	400
Tuition		3,000	(3,000)		
Guest and subscribers	1,300	408	892	69.0%	340
Miscellaneous services	2,500	729	1,771	70.8%	1,000
Audit	2,000	2,000			1,000
Supplies	280	90	190	67.9%	280
Salaries-Town Clerk	10,000	11,258	(1,258)	(12.50%)	10,000
Employee Social Security	780	784	(4)	(0.5%)	717
Employee benefits	575	680	(105)	(18.27%)	680
Total general government	28,855	49,683	(20,828)	(72.2%)	28,087
Public safety:					
Police:					
Personnel services	80,000	79,000	1,000	(1.25%)	79,000
Employee benefits	23,000	17,040	6,960	30.3%	16,700
Insurance	95,000	7,701	87,299	90.8%	16,800
Uniforms	1,400	1,214	186	13.3%	1,500
Automobile expense	6,000	12,808	(6,808)	(113.3%)	10,200
Utilities-phones	1,500	2,754	(1,254)	(83.6%)	1,200
Communications expense	600	776	(176)	29.3%	700
Equipment expense	2,000	2,568	(568)	(28.4%)	1,200
Capital outlay	24,000	23,014	986	4%	13,000
Miscellaneous	280	1,241	(961)	(343.2%)	540
Continuing education, training	2,800	1,979	821	29.3%	2,100
Total public safety	148,580	163,992	(15,412)	(10.4%)	124,680
Sanitation:					
Garbage collection	30,000	32,311	(2,311)	(7.7%)	48,000

TOWN OF BLANCHARD, LOUISIANA

A-2 - Cont.

General Fund
 Schedule of Expenditures Compared to Budget (GAMP Basis)
 Year Ended June 30, 1997
 With Comparative Actual Amounts for Year Ended June 30, 1996

	1997				1996 Actual
	Budget	Actual	Variance Favorable (Unfavorable) Amount	%	
Streets and right-of-ways:					
Street lights	14,000	10,408	3,592	25.7%	13,180
Automotive expense		108	(108)		
Miscellaneous	1,000	474	1,326	73.7%	1,380
Capital outlay	1,000		1,000	100.0%	
Total streets and right-of-ways	18,000	10,812	5,708	32.8%	14,860
Buildings and grounds:					
Utilities-Town Hall	1,200	708	492	33.4%	788
Maintenance and supplies	8,000	6,818	1,182	12.7%	5,370
Tennis courts	300	440	(140)	(47.7)%	544
Community Center	2,000	881	1,119	57.0%	2,518
Library	600	501	99	11.6%	200
Miscellaneous		1,018	(1,018)		
Capital outlay	35,400	25,487	9,913	28.0%	1,850
Total building and grounds	47,500	37,287	10,213	21.5%	11,610
Total expenditures	\$ 297,173	\$25,170	\$ 2,090	7%	\$ 285,858

PROPRIETARY FUND

Water and Sewer Enterprise Fund - To account for the provision of water and sewer services to the residents of the Service area. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

TOWN OF BLANCHARD, LOUISIANA

Water and Sewer Enterprise Fund
Balance Sheet
June 30, 1997

With Comparative Amounts as of June 30, 1996

ASSETS

	1997	1996
Current assets:		
Cash and cash equivalents	\$ 188,040	\$ 112,180
Investments	18,727	18,827
Receivables		
Customers	734,148	768,122
Interest	1,380	1,004
Other		23,627
Due from other funds	1,550	1,550
Total current assets	<u>944,885</u>	<u>725,280</u>
Restricted assets:		
Cash and cash equivalents	800,212	417,084
Investments	<u>2,398,148</u>	<u>80,827</u>
Total restricted assets	<u>3,198,360</u>	<u>507,911</u>
Property, plant and equipment:		
Land	27,880	27,880
Water system	6,821,218	6,827,028
Sewer system	871,427	871,427
Building	216,200	18,090
Furniture and equipment	128,241	121,484
Automotive equipment	<u>28,232</u>	<u>23,829</u>
	7,979,254	6,812,156
Less accumulated depreciation	<u>2,252,328</u>	<u>1,882,887</u>
Property, plant and equipment - net	<u>5,726,926</u>	<u>4,929,269</u>
Other assets:		
Unamortized bond issue costs	48,850	43,180
Construction in progress	<u>190,228</u>	<u> </u>
Total other assets	<u>239,078</u>	<u>43,180</u>
Total assets	<u>\$ 13,382,969</u>	<u>\$ 13,088,180</u>

LIABILITIES AND FUND EQUITY

	1997	1996
Current liabilities payable from current assets:		
Accounts payable and accrued expenses	\$ 17,942	\$ 90,808
Current liabilities payable from restricted assets:		
Water deposits	109,805	100,808
Current maturities of long-term debt	191,807	49,675
Amounts due on long-term debt	188,268	87,618
Total current liabilities payable from restricted fund assets	399,880	238,101
Long-term debt excluding current maturities	8,081,313	2,218,587
Total liabilities	8,689,903	2,556,596
Contributed capital:		
Federal agencies	1,460,880	1,460,880
State and local governments	376,184	376,184
Citizens	409,589	409,589
Total contributed capital	2,246,653	2,246,653
Retained earnings:		
Reserved for sewer bond retirement	484,094	561,474
Unreserved	707,690	808,732
Total retained earnings	1,191,784	1,370,206
Total fund equity	3,438,437	3,616,859
Total liabilities and fund equity	\$ 8,689,980	\$ 6,098,189

TOWN OF BLANCHARD, LOUISIANA

Water and Sewer Intergas Fund
 Statement of Revenues, Expenses, and Changes in Retained Earnings
 Year Ended June 30, 1987
 With Comparative Amounts for the Year Ended June 30, 1986

	1987		1986	
	Water Department	Sewer Department	Combined	Combined
Operating revenues:				
Sales and service	\$ 1,007,009	\$ 87,308	\$ 1,094,385	\$ 941,760
Installations	94,100		94,180	82,188
Fees and other fees	17,835	7,085	24,980	30,882
Total operating revenues	1,098,944	94,393	1,193,325	1,054,830
Operating expenses:				
Personnel services	189,801	17,943	212,844	201,000
Maintenance and supplies	181,803	28,000	189,723	178,645
Insurance	27,475		27,475	21,288
Automotive	14,767	2,547	17,314	18,288
Employee benefits	87,247		87,247	48,681
Telephone and utilities	42,808	18,078	60,886	58,074
Depreciation	170,442	24,737	294,748	180,807
Professional services	4,000	3,500	7,500	7,000
Attorney fees	9,200	2,400	8,700	8,700
Miscellaneous	12,381	2,788	12,858	15,052
Payroll taxes	14,880	2,888	14,880	13,148
Total operating expenses	718,283	121,814	817,873	748,338
Operating income (loss)	372,596	227,579	345,328	306,502
Non-operating revenues (expenses):				
Interest income	41,828	9,828	45,258	54,828
Art veterans taxes		10,382	10,382	9,258
Gain on sale of asset				780
Amortization of bond issue costs	(1,580)		(1,580)	(1,890)
Interest expense	(251,547)		(251,547)	(275,828)
Total non-operating revenues (expenses)	(211,299)	14,811	(187,202)	(181,898)
Income before other financing sources	160,988	242,390	147,826	124,604
Other financing sources (uses):				
Operating transfers out	(18,083)		(18,083)	(17,758)
Net income (loss)	\$ 142,905	\$ 242,390	\$ 129,743	\$ 106,846
Depreciation transferred to contributed capital				708
Retained earnings July 1			1,325,185	1,323,824
Retained earnings June 30			\$ 1,454,928	\$ 1,431,368

TOWN OF BLANCHARD, LOUISIANA

Water and Sewer Enterprise Fund
Schedule of Actual Operating Expenses
Compared to Budgetary Basis
Year Ended June 30, 1997

With Comparative Amounts for the Year Ended June 30, 1996

	1997				
	Budget	Actual	Variance Favorable (Unfavorable) Amount	%	1996 Actual
Water Department					
Office supplies	\$ 1,000	\$ 2,679	\$ 1,679	48.0%	\$ 2,864
Legal and audit	1,000	4,000	3,000	30.0%	5,808
Computer costs & maintenance	95,800	3,488	14,312	88.7%	14,794
Postage	8,800	7,000	1,800	92.8%	8,000
Occupational license	1,000	1,500			3,000
Maintenance and supplies	125,000	147,319	(22,319)	38.1%	129,915
Auto expense	29,000	14,768	5,231	26.2%	14,762
Utilities	45,000	42,804	2,195	4.8%	28,884
Telex System	1,000	958	242	50.0%	1,804
Booster	500	150	250	66.0%	2,878
Uniforms	2,800	1,982	818	8.4%	1,318
Continence and education	7,800	4,188	1,912	28.8%	4,452
Printing machine expense	1,100	1,233	(133)	(12.1%)	1,187
Insurance	20,000	27,479	7,479	21.9%	28,288
Payroll taxes	14,000	14,862	(862)	85.8%	12,148
Employee benefits	45,000	57,242	(12,242)	(29.2%)	48,851
Total water operating expense	349,200	399,171	(50,129)	9.0%	319,844
Sewer Department					
Legal and audit	2,800	3,680	(1,880)	(73.0%)	2,000
Maintenance	20,000	25,800	(1,812)	8.1%	17,941
Office supplies	3,000	2,000	1,000	33.3%	783
Chemical supplies	3,000	3,418	(2,418)	(80.6%)	1,683
Insurance	5,000	5,000	5,000	10.0%	4,934
Auto expense	4,000	3,847	1,453	36.3%	1,536
Laboratory fees	2,800	2,348	180	8.4%	1,800
Utilities	11,200	16,079	(5,079)	(46.0%)	10,238
Miscellaneous	500	449	51	18.2%	508
Total sewer operating expense	51,600	59,245	(8,248)	8.8%	45,788
Total operating expense	\$ 400,800	\$ 458,416	\$ 58,287	1.8%	\$ 365,632

TOWN OF BLANCHARD, LOUISIANA

G-1

General Fixed Assets Account Group
 Schedule of General Fixed Assets - By Source
 June 30, 1997
 with Comparative Amounts as of June 30, 1996

	<u>1997</u>	<u>1996</u>
General fixed assets:		
Land	\$ 2,000	\$ 2,000
Buildings and improvements	581,898	125,000
Police department equipment	182,809	188,800
Other equipment	30,797	30,797
Construction in progress - LCDBG		<u>492,588</u>
Total general fixed assets	<u>\$ 797,504</u>	<u>\$ 779,985</u>
Investments in general fixed assets by source:		
General Fund	\$ 797,504	\$ 287,408
Special Revenue Funds	4,000	4,000
Contributions	2,000	2,000
State grants	2,400	2,400
Federal grants - LCDBG		<u>443,197</u>
Total investments in general fixed assets	<u>\$ 798,504</u>	<u>\$ 739,205</u>

TOWN OF BLANCHARD, LOUISIANA

09

General Fixed Assets Account Group
 Schedule of General Fixed Assets Account Group -
 by Function and Activity
 June 30, 1987

	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Police Department Equipment</u>	<u>Other Equipment</u>	<u>Total</u>
General government	\$ 2,000	\$ 180,812	\$	\$ 20,557	\$ 203,369
Public safety:					
Police department equipment			100,000		100,000
Sanitation, streets, right-of-ways				8,070	8,070
Power plant for Proprietary Plant		440,748			440,748
Total general fixed assets	<u>\$ 2,000</u>	<u>\$ 621,560</u>	<u>\$ 100,000</u>	<u>\$ 28,627</u>	<u>\$ 752,187</u>

TOWN OF BLANCHARD, LOUISIANA

C-3

General Fixed Assets Account Group
 Schedule of Changes in General Fixed Assets Account Group -
 by Function and Activity
 June 30, 1987

	Balance June 30, 1986	Additions	Deletions	Balance June 30, 1987
General government	\$ 968,995	\$ 25,476	\$ -	\$ 1,000,000
Police safety:				
Police department equipment	108,000	20,000	-	128,000
Sewer, street, right-of-ways	8,275	-	-	8,275
Sewer plant for Proprietary Fund	480,248	-	-	480,248
Total general fixed assets	\$ 1,565,518	\$ 45,476	\$ -	\$ 1,611,000

TOWN OF BLANCHARD, LOUISIANA

Schedule of Mayor's, Aldermen's, and Alderwomen's
Compensation and Reimbursed Expenses
For the Year Ended June 30, 1997

	<u>Compensation</u>	<u>Reimbursed Expenses</u>	<u>Total</u>
Mayor Pennington	\$ 3,600	\$ 00	\$ 3,600
Alderman Adair	2,400		2,400
Alderman Cain	2,400		2,400
Alderman Jones	2,400		2,400
Alderman Pennington	2,700	500	3,200
Alderman Pennington	2,400		2,400
Total	<u>\$ 15,900</u>	<u>\$ 500</u>	<u>\$ 16,400</u>



SMITH PUGH RABINOWITZ L.L.P. CERTIFIED PUBLIC ACCOUNTANTS

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

The Honorable Larry Fontenot, Mayor
and the Members of the Board of Aldermen of
The Town of Blanchard, Louisiana

We have audited the general purpose financial statements of the Town of Blanchard, Louisiana, as of and for the year ended June 30, 1997, and have issued our report thereon dated September 8, 1997.

We conducted our 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 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 Blanchard, 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. Misuse of internal 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.

In planning and performing our audit of the general purpose financial statements of the Town of Blanchard, Louisiana, for the year ended June 30, 1997, 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.

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

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

Smith Pugh Rabinowitz L.L.P.
Certified Public Accountants

September 8, 1997



SMITH PUGH RABENOWITZ L.L.P. CERTIFIED PUBLIC ACCOUNTANTS

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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 Larry Fournier, Mayor
 and the Members of the Board of Aldermen of
 The Town of Blanchard, Louisiana

We have audited the general purpose financial statements of the Town of Blanchard, Louisiana, as of and for the year ended June 30, 1997, and have issued our report thereon dated September 8, 1997.

We conducted our 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 we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

The results of our tests disclosed no instances of non-compliance that are required to be reported under Government Auditing Standards.

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

Smith Pugh Rabenowitz L.L.P.
 Certified Public Accountants

September 8, 1997