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**INDEPENDENT AUDITORS' REPORT**

The Honorable Harold Taylor, Mayor,  
 and the BOARD of Aldermen  
 Village of Palmetto, Louisiana

We have audited the general purpose financial statements of Village of Palmetto, Louisiana, and the combining, individual fund, and account group financial statements of the Village as of and for the year ended July 31, 1997, as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the Louisiana Governmental Audit Guide. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes reasoning, on a test basis, evidence supporting the accuracy and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Village of Palmetto, Louisiana, as of July 31, 1997, and the results of its operations and the cash flows of its proprietary fund type for the year then ended, in conformity with generally accepted accounting principles. Also, in our opinion, the combining, individual fund and account group financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds and account groups of Village of Palmetto, Louisiana, as of July 31, 1997, and the results of operations of such funds and the cash flows of the individual proprietary funds for the year then ended, in conformity with generally accepted accounting standards.

**Auditors:**

Walter B. Broussard, CPA # 2000

Leon B. Foche, CPA # 2000

James H. Lewis, CPA # 1987

James H. Walker, CPA # 1988

George S. Lewis, CPA # 1987

Geoffrey E. Winkler, CPA # 1988

Madeline L. Young, CPA # 1988

Levy M. Broussard, CPA # 1991

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 State of Louisiana Chapter  
 Public Accountants

In accordance with Government Auditing Standards, we have also issued our report dated October 31, 1997, on our consideration of Village of Palmetto's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Palmetto's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

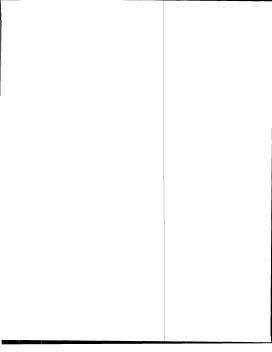
Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the combining, individual fund, and account group financial statements. The financial information listed as "schedules" in the table of contents (including the schedule of expenditures of federal awards) is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-128, "Audit of States, Local Governments and Non-profit Organizations," and is not a required part of the financial statements of Village of Palmetto, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose, combining, individual fund, and individual account group financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds, taken as a whole.

The financial information for the 1996 fiscal year, which is included for comparative purposes, was taken from the financial report of Village of Palmetto, Louisiana, for that year in which we expressed an unqualified opinion on the combined (general purpose), combining, individual fund and account group financial statements.

*James H. Rhee, Jr., CPA*

Lafayette, Louisiana  
October 31, 1997

GENERAL PURPOSE FINANCIAL STATEMENTS  
(COMBINED STATEMENTS - OVERVIEW)



VILLAGE OF PALMOTO, LOUISIANA  
 COMBINED BALANCE SHEET -  
 ALL FUND TYPES AND ACCOUNT GROUPS  
 July 31, 1997

ASSETS	Governmental Fund Types	
	General	Special Revenue
Cash and interest-bearing accounts	\$ 12,843	\$ 5,817
INVESTMENTS, AT COST	93,348	-
Accounts receivable less of allowances for uncollectibles	2,457	-
Grant funds receivable	2,500	7,878
Due from other funds	2,188	-
Interest receivable	-	-
RESTRICTED ASSETS:		
Cash and interest-bearing accounts	-	-
INVESTMENTS, AT COST	-	-
Unamortized debt discount	-	-
LAND	-	-
Buildings	-	-
Machinery and equipment	-	-
Utility plant and equipment	-	-
Accumulated depreciation	-	-
AMOUNT TO BE PROVIDED FOR RETIREMENT by general long-term debt	-	-
<b>Total assets</b>	<b>\$ 114,988</b>	<b>\$ 13,695</b>

Proprietary Fund Type	Fiduciary Fund Type	Account Groups				Totals	
		General		Capital		Compendium Only	
		Fund	Assets	Long-Term	Debt	2007	2008
\$ 235,763	\$ 1,882	\$ -	\$ -	\$ -	\$ 235,188	\$ 233,188	
271,094	-	-	-	-	268,828	261,470	
28,388	-	-	-	-	28,046	28,281	
-	-	-	-	-	18,180	18,288	
18,180	-	-	-	-	22,481	23,513	
4,428	-	-	-	-	8,424	9,981	
29,126	-	-	-	-	29,216	28,788	
134,481	-	-	-	-	128,483	140,208	
1,000	-	-	-	-	1,000	1,431	
-	-	1,750	-	-	1,750	1,750	
148,818	-	400,483	-	-	546,898	534,188	
55,250	-	48,800	-	-	375,850	38,800	
1,887,483	-	-	-	-	1,887,483	1,888,178	
627,221	-	-	-	-	187,121	184,701	
				3,288	1,148	8,627	
\$ 1,884,173	\$ 1,882	\$ 481,883	\$ 3,288	\$ 1,883,812	\$ 1,883,812	\$ 1,883,208	

Cont. In next



VILLAGE OF PALMISTO, LOUISIANA

COMBINED BALANCE SHEET -  
ALL FUND TYPES AND ACCOUNT GROUPS (CONTINUED)  
July 31, 1997

	GOVERNMENTAL Fund Types	
	General	Special Services
<b>LIABILITIES AND FUND EQUITY</b>		
<b>Liabilities:</b>		
Accounts payable and accrued expenses	\$ 8,883	\$ 6,508
Due to other funds	6,793	3,187
Payable from restricted assets -		
Customer deposits	-	-
Revenue bonds payable	-	-
Accrued interest on bonds	-	-
Revenue bonds payable	-	-
Capital leases payable	-	-
total liabilities	<u>15,676</u>	<u>9,695</u>
<b>Fund equity:</b>		
Contributed capital	-	-
Investment in general fixed assets	-	-
Retained earnings -		
Reserved for SDC service	-	-
Unreserved	-	-
Fund balances -		
Unreserved and undesignated	<u>181,821</u>	<u>-</u>
total fund equity	<u>181,821</u>	<u>-</u>
<b>Total Liabilities and fund equity</b>	<b>\$ 217,503</b>	<b>\$ 9,695</b>

See Notes to Financial Statements.

Proprietary Fund Type	Fiduciary Fund Type	Account Groups				Totals	
		General Fund	Special Accounts	General Long-Term Debt	Compendium Only		
		Agency			2007	1999	
\$ 34,843	\$ 3,778	\$ -	\$ -	\$ -	\$ 47,718	\$ 47,718	
11,403	28	-	-	-	30,484	30,317	
48,718	-	-	-	-	48,718	48,881	
24,884	-	-	-	-	24,884	24,828	
33,435	-	-	-	-	33,435	34,383	
508,489	-	-	-	-	508,489	524,843	
				3,148	3,388	6,827	
<u>618,833</u>	<u>1,803</u>	<u>-</u>	<u>3,148</u>	<u>683,834</u>	<u>704,563</u>		
382,385	-	-	-	382,385	408,728		
-	-	882,082	-	452,843	433,382		
78,283	-	-	-	78,283	78,343		
778,781	-	-	-	778,781	828,283		
				382,823	88,282		
<u>1,288,218</u>	<u>-</u>	<u>882,882</u>	<u>3,148</u>	<u>1,801,828</u>	<u>1,718,882</u>		
<u>1,188,173</u>	<u>1,803</u>	<u>882,882</u>	<u>3,148</u>	<u>1,801,828</u>	<u>1,418,282</u>		

## VILLAGE OF FAIRBURY, LOUISIANA

COMBINED STATEMENT OF REVENUE, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES  
 Year Ended July 31, 1997

	Amount	Special Account	Totals	
			1997	1996
<b>REVENUE:</b>				
Taxes	\$ 13,788	\$ -	\$ 13,788	\$ 13,800
Licenses and permits	18,876	-	18,876	18,881
Intergovernmental	48,737	26,178	74,915	48,468
Charges for services	8,488	-	8,488	8,788
Fines and forfeits	8,261	-	8,261	18,481
INTEREST	8,188	-	8,188	8,000
Miscellaneous	18,758	-	18,758	8,327
<b>Total revenues</b>	<b>118,828</b>	<b>26,178</b>	<b>144,996</b>	<b>148,828</b>
<b>Expenditures:</b>				
<b>CURRENT -</b>				
General government	18,287	-	18,287	31,861
Public safety	18,237	-	18,237	48,880
Public transportation	11,523	-	11,523	-
Highways and streets	18,283	-	18,283	18,283
Health and welfare	-	18,478	18,478	29,814
<b>DEBT SERVICE -</b>				
Principal	8,878	-	8,878	8,883
Interest	828	-	828	873
<b>Total expenditures</b>	<b>87,256</b>	<b>18,478</b>	<b>105,734</b>	<b>139,899</b>
Excess (deficiency) of revenues over expenditures	31,572	(2,300)	29,272	8,929
<b>Other financing sources (uses):</b>				
Operating transfers in	8,384	8,488	16,872	12,584
Operating transfers out	(26,828)	-	(26,828)	(26,788)
Excess (deficiency) of revenues and other sources over expenditures and other uses	13,128	6,188	19,316	(4,681)
Fund balances, beginning	80,268	-	80,268	80,428
Fund balances, ending	\$ 93,396	\$ 6,188	\$ 99,584	\$ 75,747

See Notes to Financial Statements.

VILLAGE OF PALMYRA, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCES - BUDGET (ORAS BUDGET) AND ACTUAL -  
 GENERAL AND SPECIAL REVENUE FUNDS  
 YEAR Ended July 31, 1987

	General Fund		Variance - Favorable (Unfavorable)
	Budget	Actual	
<b>Revenues:</b>			
Taxes	\$ 12,769	\$ 12,989	\$ 220
Licenses and permits	12,049	12,976	1209
Intergovernmental	28,709	28,932	223
Charges for services	7,000	6,496	(504)
Fines and forfeits	9,049	9,261	212
Interest	2,249	2,249	-
Miscellaneous	2,282	22,316	20,034
Total revenues	<u>108,117</u>	<u>123,219</u>	<u>15,102</u>
<b>Expenditures:</b>			
Current -			
General government	22,241	22,227	(14)
Public safety	28,049	28,227	178
Public transportation	12,287	21,522	9,235
Highways and streets	12,204	14,222	2,018
Health and welfare	-	-	-
Debt service -			
Principal	2,878	2,878	-
Interest	426	426	-
Total expenditures	<u>91,425</u>	<u>97,282</u>	<u>5,857</u>
Excess (deficiency) of revenues over expenditures	8,892	25,937	17,045
Other financing sources (uses):			
Operating transfers in	2,224	2,224	-
Operating transfers out	-	(2,222)	(2,222)
Excess of revenues and other sources over expenditures and other uses	<u>11,116</u>	<u>21,939</u>	<u>10,823</u>
Fund balance, beginning		<u>82,226</u>	
Fund balance, ending		<u>\$ 104,165</u>	

See Notes to Financial Statements.

VILLAGE OF PALMISTO, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN RETAINED EARNINGS - FUND BALANCE (RESTRICTED) FUND TYPE  
 Years Ended July 31, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
Operating revenues:		
Sales	\$ 438,178	\$ 380,870
Other	<u>22,822</u>	<u>41,328</u>
Total operating revenues	<u>\$461,000</u>	<u>\$422,198</u>
Operating expenses:		
Gas purchases	175,311	108,947
Personnel costs	23,840	28,025
Operating and maintenance expenses	28,311	34,281
Office and computer expenses	28,827	29,578
Telephone and utilities	24,708	28,160
Insurance	53,848	34,888
Professional fees	21,527	18,324
Depreciation	28,828	52,176
Other	<u>22,848</u>	<u>23,282</u>
Total operating expenses	<u>\$483,652</u>	<u>\$428,120</u>
Operating income	\$ 77,348	\$ 94,078
Nonoperating revenues (expenses):		
Interest revenue	28,328	24,775
Interest expense	(28,328)	(28,293)
Other, net	<u>20,138</u>	<u>21,218</u>
Income before operating transfers	20,138	28,288
Operating transfers out:	<u>(21,388)</u>	<u>(21,388)</u>
Net income	\$ 18,750	\$ 26,900
Add Depreciation on fixed assets acquired by contributions restricted for capital construction that reduces contributed capital	<u>12,581</u>	<u>12,581</u>
Increase in retained earnings	\$ 31,331	\$ 39,481
Retained earnings, beginning	<u>\$28,318</u>	<u>\$28,318</u>
Retained earnings, ending	<u>\$ 59,669</u>	<u>\$ 67,800</u>

See Notes to Financial Statements.

## VILLAGE OF PASADENA, LOUISIANA

COMBINED STATEMENT OF CASH FLOWS -  
PROPRIETARY (ENTERPRISE) FUNDS 1998  
Years Ended July 31, 1997 and 1996

	1997	1996
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating income	\$ 8,170	\$ 2,868
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	54,438	52,778
Recovery of previous write-offs	480	78
Changes in assets and liabilities	18,338	128,800
Net cash provided by operating activities	71,426	284,524
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Increase in customer deposits, net of refunds	618	2,457
Transportation charges	3,252	2,220
Net cash provided by noncapital financing activities	3,870	4,677
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition of capital assets	(105,040)	(125,297)
Principal paid on revenue bond securities	(24,900)	(23,780)
Interest paid on revenue bonds	(22,818)	(21,204)
Transfers to other funds	(3,204)	(2,394)
Other	28,118	28,280
Net cash used in capital and related financing activities	(127,844)	(144,405)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of investment securities, net	(11,138)	(9,843)
Interest revenue	22,884	22,430
Net cash provided by investing activities	11,746	12,587
<b>Net increase (decrease) in cash and cash equivalents</b>	65,100	(17,806)
Cash and cash equivalents at beginning of year	224,208	242,014
Cash and cash equivalents at end of year	\$ 289,308	\$ 224,208

See Notes to Financial Statements.

VILLAGE OF PALMETTO, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The financial statements of the Village of Palmetto have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Village's accounting policies are described below.

Reporting entity:

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Primary government:

Village of Palmetto - The Village operates under an elected Mayor/Councilor (members) form of government. The Village's operations include police protection, streets and drainage, and general administrative services. The Village owns and operates gas and water utilities systems and a cable television system.

St. Landry Parish Housing Authority - The Village of Palmetto is not financially accountable for the Authority. In addition, the nature and significance of the Authority's relationship with the Village is not such that exclusion of the Authority would cause the Village's financial statements to be misleading or incomplete and therefore, it is not a component unit. In addition, no other entities meet the above criteria for inclusion as a component unit of the Village of Palmetto.

Fund accounting:

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

## INDEX TO FINANCIAL STATEMENTS

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

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

Governmental funds are used to account for all or most of the Village's general activities, including the collection and disbursement of earmarked monies (special revenue funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities provided to outside parties are accounted for in enterprise funds.

Proprietary funds are reported in accordance with GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and other Governmental Entities that use Proprietary Fund Accounting. This standard requires that all applicable GASB pronouncements, Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) issued on or before November 30, 1989 be applied to proprietary activities unless they (FASB Statements and Interpretations, APB Opinions, and ARBs) conflict with or contradict GASB pronouncements.

GASB Statement No. 20 also states that for proprietary activities, management may elect to apply all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements. Proprietary activities under the control of the Village will not elect to apply FASB Statements and Interpretations issued after November 30, 1989, unless they are adopted by GASB.

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



## NOTES TO FINANCIAL STATEMENTS

### Basis of accounting:

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

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

The modified accrual basis of accounting is used by all governmental fund types and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

All values based are recognized as revenue in the year they are collected. Other major revenues considered susceptible to accrual are earned grant revenues and interest on investments. Franchise fees, licenses and permits, and court fines are recognized when received because they are not objectively determinable.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except that principal and interest on general long-term debt is recognized as an expenditure when due.

Purchases of operating supplies are regarded as expenditures at the time purchased and inventories of such supplies (if any) are not recorded as assets at the close of the fiscal year.

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

## NOTE TO FINANCIAL STATEMENTS

### Budgets:

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general, special revenue and enterprise funds.

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

1. The Mayor submits a proposed operating budget for the General Fund and enterprise funds to the Board of Aldermen at the first meeting of each fiscal year.
2. The proposed budget is discussed and adopted at the public meeting when presented.
3. The Program Administrator submits a proposed operating budget for the Summer Food Services Fund prior to the start of the program, which must be approved by the grantor and adopted at a public meeting by the Board of Aldermen.
4. The General Fund and Summer Food Services Fund budgets were adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets for enterprise funds are adopted on a non-GAAP basis.
5. All appropriations lapse at year end.

Budgeted amounts are as originally adopted, or as amended by the Board of Aldermen.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is utilized in the governmental funds. Encumbrances outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. There were no encumbrances outstanding at July 31, 1993.

### Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles 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 the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates.

## INDEX TO FINANCIAL STATEMENTS

### Cash and interest bearing deposits and investments:

Cash includes amounts in demand deposits and with the paying agent, as well as certificates of deposits.

INVESTMENTS consist of amounts invested in the Louisiana Asset Management Fund, Inc. (LAMF), a nonprofit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool and which local governments are authorized to invest in. Investments are stated at cost.

For purposes of statements of cash flows for proprietary fund types, highly liquid investments fluctuating in value are treated as cash with a maturity of three months or less when purchased and investments in LAMF are considered to be cash equivalents.

### Short-term interfund receivables/payables:

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

### Restricted assets:

Certain resources of the Gas and Water Utility Funds are classified as restricted assets on the balance sheet because their use is limited by bond covenants or because they represent customers' deposits being held by the Funds.

### Fixed assets:

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost.

During the fiscal year ended July 31, 1994, the Village took an inventory of its general fixed assets. Prior to this time, they were not maintaining a listing of such assets. In addition, they were capitalizing some public works ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems. The Village wrote off these infrastructure fixed assets in 1994 and will not capitalize them in the future, as they are immovable and of value only to the Village.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

## NOTES TO FINANCIAL STATEMENTS

Assets in the general fixed assets account group are not depreciated. Depreciation of buildings, equipment and vehicles in the proprietary fund types is computed using the straight-line method.

### Compensated absences:

Vested or accumulated annual leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated annual leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts. Vested or accumulated annual leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

Employees of the Village of Palmetto earn annual leave of five working days per year and may accumulate a maximum of five days of annual leave, which is paid at termination. Through July 31, 1987, all material available leave has been taken, and therefore, no liability is recorded.

Sick leave is earned at the rate of 1/8 day for each month worked. There is no maximum amount of sick leave which may be accumulated, but no sick leave is paid to employees at termination. In accordance with the provisions of statement of financial accounting standards No. 33, "Accounting for Compensated Absences," no liability is recorded for vesting accumulating rights to receive sick pay benefits.

### Long-term obligations:

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

### Fund equity:

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers or other funds. Reserves represent those portions of fund equity not appropriate for expenditure or legally segregated for a specific future use.

NOTES TO FINANCIAL STATEMENTS

Interfund transactions:

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

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

Memorandum only - total columns:

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

Comparative data:

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the village's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in each of the statements because their inclusion would make the statements unduly complex and difficult to understand.

Certain amounts in the 1996 financial statements have been reclassified to the 1997 presentation. Such reclassifications had no material effect on fund equity as previously reported.

Note 2. Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	Balance <u>07/31/96</u>	ADDITIONS	DEPRECIATIONS	Balance <u>07/31/97</u>
Land	\$ 2,150	\$ -	\$ -	\$ 2,150
Buildings	481,450	-	-	481,450
Equipment	<u>47,262</u>	<u>1,268</u>	<u>          </u>	<u>48,530</u>
TOTAL	<u>\$ 511,862</u>	<u>\$ 1,268</u>	<u>\$          </u>	<u>\$ 513,130</u>

NOTES TO FINANCIAL STATEMENTS

A summary of proprietary fund type property, plant and equipment at July 31, 1987 follows:

	Gas	Waterworks	Cable
	Utility	System	System
	Fund	Fund	Fund
Utility plant and equipment	\$ 989,713	\$ 1,103,188	\$ 179,188
Furniture and fixtures	11,713	7,481	-
Vehicles	38,513	7,743	-
Buildings	71,813	21,888	-
	104,179	1,119,700	179,188
Accumulated depreciation	(422,713)	(128,278)	(77,888)
	\$ 667,060	\$ 991,422	\$ 101,300

In proprietary funds, the following estimated useful lives are used to compute depreciation:

Gas system	10 years
Waterworks system	10 years
Cable system	10 years
Buildings	25 years
Other equipment	3-15 years

Note 3. Ad Valorem Taxes

Ad valorem taxes are levied on all real-estate land on property as of January 1 of each year. Taxes are levied by the Village in October and are actually billed to taxpayers in November or December. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed and recognized as revenues when collected.

The Village bills and collects its own property taxes using the assessed values determined by the Tax Assessor of St. Landry Parish.

For the years ended July 31, 1987 and 1986, rates of 4.76 mills and 7.80 mills, respectively, were levied on property with assessed valuations of \$28,488 and \$287,816, respectively, and were dedicated for general corporate purposes.

Total taxes levied were \$1,771 for 1987 and \$2,488 for 1986. Taxes receivable as July 31, 1987 totaled \$78, all of which is considered collectible. No receivable has been recorded for this delinquent amount.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. Long-Term Debt.

**Revenue Bonds.** The Village has issued bonds which are payable from a specific revenue source, income derived from the proprietary funds. Proceeds were used for the acquisition and construction of major capital facilities of the waterworks and cable television systems. These bonds, expected to be paid from the Water Utility and Cable System proprietary funds, are reported in those funds. Revenue bonds outstanding at July 31, 1997 are as follows:

	1990 DATE	Maturity DATE	ISSUANCE AMOUNT	Balance Outstanding
<b>Waterworks</b>				
Revenue Bonds	04/01/90	01/01/98	4,700	\$ 81,800
	11/01/90	01/01/94	5,000	150,000
	05/01/92	01/01/98	5,000	142,000
	02/01/93	01/01/98	5,000	<u>21,200</u>
				<u>\$ 485,000</u>
<b>Cable System</b>				
Revenue Bonds	01/01/90	01/01/98	7.00 - 7.75	<u>\$ 80,000</u>

Annual debt service requirements to maturity of bonds, including interest of \$182,840, are as follows:

Year	Total
1998	\$ 52,978
1999	57,128
2000	58,322
2001	60,324
2002	62,420
2003	62,420
2004	62,717
2005	68,847
2006	67,827
2007	68,080
2008-2013	344,531
2013-2017	342,000
2018-2020	61,632
2021-2027	50,780
2028-2030	50,780
2031	<u>4,041</u>
	<u>\$ 2,018,189</u>

VILLAGE OF SALBERTO  
SALBERTO, LOUISIANA

STATEMENT OF FINANCES AND COMBINED STATE  
YEAR ENDED JULY 31, 1987

I. Summary of Auditors' Results

The following summarizes the auditors' results in accordance with GAO Circular 8-122:

- a. An unqualified opinion was based on the general purpose, combining, individual fund and account group financial statements of Village of Salberto, Louisiana, as of and for the year ended July 31, 1987;
- b. The reportable condition in internal control was disclosed by the audit of the financial statements and such condition was considered a material weakness;
- c. The audit did not disclose any noncompliance considered material to the financial statements of Village of Salberto, Louisiana;
- d. The audit did not disclose any items required to be reported under the Circular 8-122;
- e. An unqualified opinion was issued on compliance for major programs;
- f. The audit did not disclose any audit findings related to federal awards;
- g. The Food Stamp Program (FNS 185) was a major program for the year ended July 31, 1987;
- h. \$100,000 was the threshold used to distinguish Type A from Type B programs; and
- i. Village of Salberto, Louisiana, did not qualify as a low-risk auditee.

II. Findings in Accordance with Government Auditing Standards

The following finding relates to the financial statements and is required to be reported in accordance with Government Auditing Standards:

Finding 887-2 -

Because only two people are employed in the village's administrative offices, the Village does not have adequate internal control procedures because of an inadequate segregation of duties. A system of internal control procedures contemplates an adequate segregation of duties so no one individual handles a transaction from its inception to its completion. While we recognize that the Village may not be large enough to permit an adequate segregation of duties for an effective system of internal control procedures, it is important that you be aware of this condition. This condition was also included in the 1986 audit.



III. Findings and Questioned Costs for Federal Records

No findings or questioned costs related to FEDERAL records were disclosed by the audit.

## VILLAGE OF ELIZABETH, LOUISIANA

SUPPLEMENTARY SOURCE OF CONTRIBUTIONS OF FEDERAL AGENCIES  
Year Ended July 31, 1977

<u>Federal Agency/Pass-Through Account/Original Title</u>	<u>CFDA Number</u>	<u>Federal Assistance U.S. Dollar</u>	<u>Amount</u>	<u>Category or Service Description</u>	<u>Subcontractor/ Beneficiary</u>	
<u>U.S. DEPARTMENT OF AGRICULTURE</u> Green Program Food Stamp	16-551	-	\$ 188,808	0	288,000	\$ 570,281
<u>Pass-Through Grant</u> Department of Agriculture, Food Stamp	16-961	-	17,870	07,278	07,278	37,278
<u>Pass-Through Grant</u> Department of Education, Summer Food Service Program	59-608	PT 1987	16,158	18,276	18,276	18,276
<u>U.S. DEPARTMENT OF JUSTICE</u> CURET Program, CURE FOOD Grant	-	950800010	85,412	13,182	13,182	13,182
			\$ 201,248	\$ 201,248	\$ 201,248	\$ 418,025

NOTES TO FINANCIAL STATEMENTS

**Capital Lease.** The Village entered into a lease agreement in August of 1987 for the purchase of a tractor. The original amount financed under the lease was \$13,892 and it is considered a capital lease for accounting purposes. The debt service requirements to maturity of the lease at July 31, 1989, including interest payments of \$188 follows:

1988	\$ 3,800
1989	_____208
	<u>\$ 4,008</u>

The following is a summary of debt transactions of the Village of Baldwin for the year ended July 31, 1989:

	Balance 07/31/88	ADDITIONS	RETIREMENTS	Balance 07/31/89
Capital leases	\$ 4,879	\$ -	\$ 3,478	\$ 1,401
Revenue bonds	_____242,248	_____	_____24,242	_____218,006
	<u>\$ 487,127</u>	<u>\$ _____</u>	<u>\$ 27,720</u>	<u>\$ 459,407</u>

**Note 3. Cash and Interest-Bearing Deposits and Investments**

**Deposits:**

At July 31, 1989, the carrying amount of the Village's deposits was \$285,951 and the bank balance was \$184,894. Of the bank balance, \$173,898 was covered by Federal Depository Insurance and the remaining balance of \$10,996 was covered by collateral held by the Village's agent in the Village's name. Cash on hand approximated \$18.

**Investments:**

Investments held at July 31, 1989 consist of \$248,900 in the Louisiana Asset Management Fund, Inc. (LAMF), a local government investment pool (see summary of significant accounting policies). In accordance with state codification Section 188.188, the investment in LAMF at July 31, 1989 is not categorized in the three risk categories provided by State Codification Section 188.204 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. LAMF is administered by LAMF Inc., a nonprofit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1980. The corporation is governed by a Board of directors comprising the State Treasurer, representatives from various organizations of local government, the Government Finance Officers Association of Louisiana, and the Society of Louisiana CGAs. Only local governments having contracted to participate in LAMF have an investment interest in its pool of assets. The primary objective of LAMF is to provide a safe environment for the placement of public funds in short-term,

NOTES TO FINANCIAL STATEMENTS

high-quality investments. The LAMP portfolio included only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by U.S. securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of an exposure with a maturity in excess of 90 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

Note 8. Interfund Receivables, Payables

	Interfund Receivables	Interfund Payables
GENERAL		
Special revenue fund:		
Revenue bond services fund	\$ 3,288	\$ 4,715
Enterprise funds:		
Gas Utility Fund	-	3,187
Water Utility Fund	3,878	13,358
Cable Fund	13,907	184
Trust and agency fund:		
Payroll fund	2,288	-
	-----	-----
	\$ 20,461	\$ 22,454

Note 9. Restricted Assets - Enterprise Funds

Restricted assets of the enterprise funds were applicable to the following as of July 31, 1987:

	Gas Utility Fund	Water Utility Fund	Cable System Fund
Cash on deposits	\$ 50,845	\$ 14,134	\$ -
Revenue bond reserve fund	-	40,588	-
Depreciation and contingency fund	-	33,808	-
Bond and interest amortization fund	-	14,344	-
Certificates of indebtedness sinking fund	-----	-----	2,222
	\$ 50,845	\$ 103,874	\$ 2,222

NOTES TO FINANCIAL STATEMENTS

Note B. Flow of Funds; Restrictions on Use - Utilities Revenues

Under the terms of various bond indentures on outstanding Waterworks Revenue Bonds, all income and revenues earned from the operation of the waterworks system are pledged and dedicated to the retirement of said bonds and are to be deposited in funds as follows:

All revenues must be deposited into a System Fund to be first used for the payment of all reasonable and necessary expenses of operating and maintaining the system.

An Amortization Fund (Bond and Interest Sinking Fund) shall be established and maintained by transferring monthly from the System Fund a sum whereby there will accumulate an amount sufficient to pay all interest and principal due on the succeeding January 1.

A Reserve Fund shall be established and maintained by transferring each month from the System Fund 5% of the amount paid to the Amortization Fund, until such time as there has been accumulated a sum equal to the highest combined principal and interest falling due in any year on all bonds payable from the sinking fund. These funds shall be retained solely for the purpose of paying the principal and interest on the bonds should the Amortization Fund be in default.

A Depreciation and Contingencies Fund shall be established and maintained by transferring 10% each month from the System Fund. The money shall be used to care for depreciation, extension, additions, improvements and replacement necessary to operate the system properly. Money in this fund shall also be used for the payment of principal and interest on bonds if there is not sufficient money in the Amortization or Reserve Fund. If used for this purpose, such money shall be replaced as soon as possible out of system savings after all required payments are made.

Under the terms of a bond indenture on outstanding Cable System Revenue Bonds, all income and revenues earned from the operation of the cable system are pledged and dedicated to the retirement of said bonds and are to be deposited in funds as indicated below:

All revenues must be deposited into a System Fund to be first used for the payment of all reasonable and necessary expenses of operating and maintaining the system.

A Sinking Fund shall be established and maintained by transferring monthly from the System Fund a sum whereby there will accumulate an amount sufficient to pay all interest due on the succeeding September 1 and all interest and principal due on the succeeding March 1.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. Segment Information - Enterprise Funds

The Village maintains three enterprise funds to account for operations of a gas and water utility and a cable television system. Segment information for these funds as of July 31, 1997 and for the year then ended, is as follows:

	Gas Utility Fund	Water Utility Fund	Cable System Fund	TOTAL Enterprise Funds
Operating revenues	\$189,534	\$127,804	\$ 12,791	\$ 329,129
Depreciation expense	18,888	26,153	13,438	58,479
Operating Income (Loss)	(28,750)	28,228	10,812	\$ 110
Operating Transfers OUT	3,384	-	-	3,384
Net Income	28,247	28,484	7,464	64,195
Property, plant and equipment additions	29,584	18,087	-	47,671
Net working capital	284,410	48,488	18,874	351,772
Total assets	481,388	1,842,431	138,375	3,462,194
Bonded indebtedness	-	488,283	48,000	536,283
Total equity	487,873	534,888	88,188	1,110,949

At July 31, 1997, allowances for uncollected receivables totaled 12,044; 11,804 in the Gas Utility Fund, \$1,488 in the Water Utility Fund and 552 in the Cable System Fund. These allowances were computed as a percentage of aged receivables outstanding at July 31, 1997.

NOTE 10. Construction of Gas Line

The Village has completed construction of a gas line to a nearby manufacturing facility as called for in an agreement signed by the parties on February 11, 1998. The cost of construction was \$181,078, and was reimbursed in full by the facility. The line was placed in use in December 1998, and the manufacturing facility reimbursed the purchase price paid by Palmetto for any gas flowing through the line along with a fee for transportation of the gas.

NOTES TO FINANCIAL STATEMENTS

The term of the agreement is for three years, with a three year renewal option. On October 26, 1988, the original agreement was extended until January 3, 1997 and on December 9, 1994, it was again extended until January 1, 1999. At the end of the initial or extended term of the contract, the manufacturer has the right to acquire the line and apparatuses for \$104.

Note 10. Investment in Direct Financing Lease

The Village is the lessor of a wastewater treatment plant under an agreement. The original of which was dated April 20, 1988, which allows the lessee to purchase the plant at the end of the term for \$104. On November 3, 1993, the agreement was amended indefinitely and as of July 31, 1994, all lease payments had been received.

Note 12. Compensation of Elected Officials

A detail of compensation paid to individual elected officials for the year ended July 31, 1997 follows:

Harold Taylor, Mayor	\$ 480
Members:	
Earline Hiles	2,380
Keith Myers	2,380
Helene Guidry	<u>2,380</u>
	<u>\$ 7,620</u>

Note 13. Food Stamps

A Food Stamp Program is operated by Village of Palmetto under an agreement with the Louisiana Department of Health and Hospitals. Village of Palmetto is reimbursed 50% of its operating costs by LHH based on monthly user reports. Funds are provided by the U. S. Department of Agriculture through the State administrative match program. Activity in the Food Stamp Program, which information is not reflected in the financial statements, during the year ended July 31, 1997 is as follows:

Beginning inventory	\$ 600,140
Food stamps received	588,000
Food stamps issued	1598,981
Food stamps mutilated	<u>140</u>
Ending inventory	<u>\$ 588,719</u>

NOTES TO FINANCIAL STATEMENTS

Note 14. JOINT VENTURE

The Village has entered into a joint venture with Opelousas General Hospital whereby a nonprofit corporation was formed to construct and operate a rural health clinic. The Village owns 51% of the Corporation and has paid for the construction of the building to house the clinic. The building is being leased to the clinic and the hospital has been awarded the management contract. The current lease requires a monthly payment of \$1,500 and expires on October 3, 1988. The building also houses a home health agency under a two-year lease agreement expiring June 30, 1988 for \$2,128 per month.



**GENERAL FUND**

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

VILLAGE OF FRANKFORD, LOUISIANA  
GENERAL FUND

RELEASED SHEETS  
July 31, 1997 and 1996

ASSETS	<u>1997</u>	<u>1996</u>
Check and interest bearing accounts	\$ 12,963	\$ 12,329
Investments, ad. acct	82,145	87,890
Accounts receivable	3,487	-
Grant funds receivable	2,500	13,313
Due from other funds	<u>5,000</u>	<u>0</u>
Total assets	<u>\$ 106,105</u>	<u>\$ 123,532</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable and accrued expenses	\$ 4,493	\$ 22,877
Due to other funds	<u>4,713</u>	<u>2,413</u>
Total liabilities	8,206	25,290
Fund balance	<u>100,425</u>	<u>98,242</u>
Total liabilities and fund balance	<u>\$ 108,631</u>	<u>\$ 123,532</u>

See NOTES to Financial Statements.

VILLAGE OF PALMISTO, LOUISIANA  
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET (BASE BILLS) AND ACTUAL  
Year Ended July 31, 1997  
With Comparative Actual Results for Year Ended July 31, 1996

	1997			
	Budget	Actual	Variance - Favorable (Unfavorable)	1996 Actual
<b>REVENUES:</b>				
Taxes -				
Ad valorem	\$ 3,750	\$ 3,923	\$ 173	\$ 3,813
Franchise	9,028	8,888	(140)	9,303
Licenses and permits	11,945	14,478	2,533	22,533
Intergovernmental -				
Beer and tobacco tax	1,400	1,258	(142)	1,728
Sealing authority on line of taxes	100	43	(57)	64
Federal grant	48,800	49,838	1,038	51,480
State grant	10,800	10,000	-	14,281
Charges for services -				
Grass cutting	7,800	9,466	1,666	8,334
Fines and forfeits	8,000	9,853	1,853	18,448
Interest	3,800	4,248	448	3,883
Miscellaneous	5,300	28,716	23,416	3,223
Total revenues	<u>108,123</u>	<u>128,218</u>	<u>20,095</u>	<u>223,223</u>
<b>Expenditures:</b>				
CURRENT -				
General government	32,341	38,287	5,946	51,988
Public safety	58,068	38,137	(19,931)	40,998
Public transportation	11,287	12,922	1,635	-
Highways and streets	13,534	14,183	649	38,700
Public service	3,208	3,268	60	3,224
Total expenditures	<u>118,438</u>	<u>136,807</u>	<u>18,369</u>	<u>183,910</u>
Excess of revenues over expenditures				
	8,685	20,898	12,213	9,683
Other financing sources (uses):				
Operating transfers in	3,304	3,304	-	18,289
Operating transfers out	-	(12,823)	(12,823)	(12,823)
Excess of revenues and other sources over expenditures and other uses				
	<u>\$ 11,989</u>	<u>\$ 10,779</u>	<u>\$ 1,210</u>	<u>\$ 4,149</u>
Fund balance, beginning				
		<u>62,266</u>		<u>62,266</u>
Fund balance, ending				
		<u>\$ 73,245</u>		<u>\$ 66,415</u>
See Notes to Financial Statements.				

VILLAGE OF BAHAMON, LOUISIANA  
GENERAL FUND

STATEMENT OF EXPENDITURES - BUDGET (GRAND BASIS) AND ACTUAL  
YEAR ENDED July 31, 1997

With Comparative Actual Accounts for Year Ended July 31, 1996

	1997		Variances - Favorable	1996 Actual
	Budget	Actual		
<b>General government:</b>				
Personnel costs	\$ 4,445	\$ 4,454	\$ (11)	\$ 4,474
Professional fees	474	350	524	443
Maintenance	4,380	4,357	1,243	7,489
Insurance	4,480	4,040	11,461	9,733
Office supplies	2,000	2,000	100	1,444
Taxes	769	168	633	613
Capital expenditures	-	3,444	(3,444)	3,444
Debt	750	375	375	743
Miscellaneous	7,738	4,147	4,611	4,600
Total general government	31,344	28,387	2,204	31,844
<b>Public safety:</b>				
Police department -				
Personnel costs	23,348	24,938	440	24,243
Supplies and auto expenses	3,000	3,895	185	4,343
Miscellaneous	602	314	288	543
Total public safety	26,950	29,147	613	29,130
<b>Public transportation:</b>				
Personnel costs	4,287	3,834	453	-
Insurance	1,400	1,389	11	-
Gas and oil	2,600	2,747	(147)	-
Debt	3,800	3,345	455	-
Miscellaneous	422	380	44	-
Total public transportation	12,529	11,301	1,228	-
<b>Highways and streets:</b>				
Repair and maintenance	-	-	-	24,244
Supplies	4,500	5,717	(1,217)	3,433
Tractor expenses	2,400	3,445	(1,045)	3,275
Miscellaneous	628	623	55	623
Total highways and streets	7,528	9,785	(2,257)	29,575

(continued)

VILLAGE OF SHREVEPORT, LOUISIANA  
 GENERAL FUND

STATEMENT OF EXPENDITURES - BUDGET MARK BASED AND ACTUAL (CONTINUED)  
 Year Ended July 31, 1997  
 With Comparative Actual Revenues for Year Ended July 31, 1996

	1997		Variance - Favorable (Unfavorable)	1996
	Budget	Actual		Actual
DEBT SERVICE:				
Principal	2,476	2,476	-	2,476
Interest	426	426	-	426
Total debt service	<u>2,902</u>	<u>2,902</u>	<u>0</u>	<u>2,902</u>
Total expenditures	<u>\$ 27,426</u>	<u>\$ 27,362</u>	<u>\$ 64</u>	<u>\$ 244,378</u>

(See Notes to Financial Statements.)

SPECIAL REVENUE FUND

SUMMER FOOD SERVICES PROGRAM FUND - To account for Federal funds received to provide lunches during the summer months to economically disadvantaged children.

VILLAGE OF PALMETTO, LOUISIANA  
SPECIAL REVENUE FUND  
SEWER FUND SERVICES DEPARTMENT

BALANCE SHEETS  
July 31, 1997 and 1998

ASSETS	1997	1998
Cash and interest-bearing deposits	\$ 2,007	\$ 474
Grant funds receivable	7,478	9,879
Due from other funds	-	4,055
<b>Total assets</b>	<b>\$ 9,485</b>	<b>\$ 14,408</b>
LIABILITIES AND FUND BALANCES		
<b>Liabilities:</b>		
Accounts payable	\$ 4,488	\$ 4,432
Due to other funds	4,182	4,208
<b>Total liabilities</b>	<b>8,670</b>	<b>10,640</b>
<b>Fund balances:</b>		
Unreserved and undesignated	865	3,768
<b>Total liabilities and fund balances</b>	<b>\$ 9,485</b>	<b>\$ 14,408</b>

See Notes to Financial Statements.

VILLAGE OF FARMERS, LOUISIANA  
 SPECIAL PROGRAM FUND  
 SUMMER FOOD SERVICES PROGRAM

STATEMENTS OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE  
 Years Ended July 31, 1997 and 1996

	1997	1996
Revenues:		
Intergovernmental -		
Federal grant	\$ 16,179	\$ 17,349
Expenditures:		
Current -		
Health and welfare	10,815	12,814
Excess (Deficiency) of revenues over expenditures	(1,691)	1,649
Other financing sources (uses):		
Transfers from other funds	2,692	1,649
Excess (Deficiency) of revenues and other sources over expenditures and other uses	-0-	-0-
Fund balance, beginning	-	-
Fund balance, ending	\$ 2,692	\$ 1,649

See NOTES to Financial Statements.



VILLAGE OF PALMISTO, LUISIANA  
 SPECIAL REVENUE FUND  
 SENIOR FOOD SERVICES PROGRAM

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET MARK BASED AND ADJUSTED  
 Year Ended July 31, 1997

With Comparative Actual Amounts for Year Ended July 31, 1996

	1997		Variance - Favorable Unfavorable	1996 Actual
	Budget	Actual		
Revenues:				
Intergovernmental:				
Federal grant	\$ 12,824	\$ 20,276	\$ 7,452	\$ 17,349
Expenditures:				
Current:				
Health and welfare:				
Administrative salaries	1,594	1,989	395	2,141
Operational salaries	4,807	4,807	208	4,803
Food	4,880	4,887	147	5,966
Supplies	276	576	300	687
Insurance	1,588	995	593	2,050
Telephone and utilities	1,810	799	1,011	884
Professional fees	850	850	-	850
Other	2,340	4,327	(1,987)	2,180
Total expenditures	22,845	18,878	3,967	22,814
Excess (deficiency) of revenues over expenditures	-	11,398	(3,488)	11,600
Other financing sources (uses):				
Transfers from other funds		2,408	2,408	2,600
Excess of revenues and other sources over expenditures	\$ 2,408	\$ -	\$ 2,408	\$ -
Fund balance, beginning				
Fund balance, ending		\$ 2,408		\$ 2,408

See Notes to Financial Statements.

**EXTRACURRICULAR FUNDS**

**GAS UTILITY FUND** - To account for the provision of gas service to the residents of the Village and some residents of the Parish. All activities necessary to provide such service are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related O&M service, and billing and collection.

**WATER UTILITY FUND** - To account for the provision of water service to the residents of the Village and some residents of the Parish. All activities necessary to provide such service are accounted for in this fund.

**CABLE SYSTEM FUND** - To account for the provision of cable television service to the residents of the Village and some residents of the Parish. All activities necessary to provide such service are accounted for in this fund.

VILLAGE OF PALMISTO, LOUISIANA  
ALL ENTERPRISE FUNDS

COMBINED BALANCE SHEET

July 31, 1997

With Comparative Totals for July 31, 1996

ASSETS	Gas	SEWER	Water	Totals	
	Utility	Utility	System	1997	1996
	Fund	Fund	Fund		
<b>CURRENT ASSETS</b>					
Cash and interest-bearing deposits	\$ 256,217	\$ 21,817	\$ 8,643	\$ 286,677	\$ 211,010
Investments, at cost	188,888	51,823	7,587	248,298	254,178
Accounts receivable - customers	21,495	23,422	2,128	47,045	52,227
Allowance for uncollectible accounts	(1,894)	(1,499)	(443)	(3,836)	(3,246)
Accounts receivable - Marine	300	-	-	300	-
Due from other funds	2,870	13,807	2,188	18,865	18,989
Interest receivable	4,814	-	-	4,814	3,951
<b>Total current assets</b>	<b>476,827</b>	<b>86,929</b>	<b>22,977</b>	<b>586,733</b>	<b>503,427</b>
<b>RESTRICTED ASSETS</b>					
Cash and interest-bearing deposits	12,890	16,328	-	29,218	28,728
Investments, at cost	18,028	108,482	2,825	129,335	144,220
<b>Total restricted assets</b>	<b>30,918</b>	<b>124,810</b>	<b>2,825</b>	<b>158,553</b>	<b>172,948</b>
<b>PLANT AND EQUIPMENT</b>					
Utility plant and equipment	688,722	1,122,188	274,586	1,895,496	1,896,178
Furniture and fixtures	12,721	7,481	-	20,202	14,078
Vehicles	28,122	7,187	-	35,309	28,224
Buildings	73,483	73,483	-	146,966	132,724
Accumulated depreciation	(188,222)	(128,278)	(77,868)	(394,368)	(384,221)
<b>Total plant and equipment</b>	<b>594,826</b>	<b>1,082,181</b>	<b>196,718</b>	<b>1,873,725</b>	<b>1,787,983</b>
<b>DEFERRED DEBITS</b>					
Unamortized debt discount	-0-	-0-	2,028	2,028	2,422
<b>Total assets</b>	<b>1,102,571</b>	<b>11,969,620</b>	<b>1,118,479</b>	<b>12,988,670</b>	<b>11,897,780</b>

See Notes to Financial Statements.

LIABILITIES AND FUND EQUITY	Sea	Water	Cable	Totals	
	Utility Fund	Utility Fund	System Fund	1997	1998
<b>CURRENT LIABILITIES (payable from current assets)</b>					
Accounts payable and accrued liabilities	\$ 18,389	\$ 21,769	\$ 3,700	\$ 43,858	\$ 43,858
Due to other funds	12,358	304	-	13,662	14,562
Total	30,747	22,073	3,700	57,520	58,420
<b>CURRENT LIABILITIES (payable from restricted assets)</b>					
Customers' deposits	18,968	18,748	-	44,716	44,716
Revenue bonds payable	-	24,854	16,069	24,854	24,854
Accrued interest on bonds	-	28,364	1,252	15,626	16,300
Total	18,968	71,966	17,321	87,254	87,870
Total current liabilities	49,715	94,039	14,021	144,774	146,290
<b>OTHER LIABILITIES</b>					
Revenue bonds payable	-	478,428	26,058	508,486	524,544
Total liabilities	49,715	947,467	40,079	653,260	670,834
<b>FUND EQUITY</b>					
Contributed capital	138,888	323,383	28,175	490,446	490,446
Retained earnings:					
Reserved for debt service	-	78,281	-	78,281	78,281
Unreserved	407,028	212,561	47,266	716,791	725,948
Total retained earnings	407,028	290,842	47,266	795,078	804,229
Total fund equity	545,916	614,225	75,441	1,215,529	1,215,529
Total liabilities and fund equity	\$ 1,045,631	\$ 1,561,692	\$ 115,520	\$ 1,868,793	\$ 1,885,798

VILLAGE OF PALMETTO, LOUISIANA  
 GAS ENTERPRISE FUNDS

COMBINED STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN DEFERRED SACRIFICE

Year Ended July 31, 1987

With Comparative Totals for Year Ended July 31, 1986

	Gas	Water	Cable	Totals	
	Utility Fund	Utility Fund	System Fund	1987	1986
Operating revenues:					
Sales	\$ 284,248	\$ 221,893	\$ 28,936	\$ 535,077	\$ 388,873
Service charges	748	345	65	1,158	1,187
Late charges	3,598	1,813	788	7,200	8,399
Miscellaneous	543	818	1,884	3,250	1,850
Total operating revenues	<u>288,137</u>	<u>223,869</u>	<u>31,763</u>	<u>546,829</u>	<u>399,109</u>
Operating expenses:					
Gas purchases	176,213	-	-	176,213	188,843
Personnel costs	59,837	22,188	-	82,025	82,853
Operating and maintenance expenses	13,088	3,381	787	21,157	26,808
Truck expenses	3,323	3,484	118	6,925	8,283
Travel	8,541	-	-	8,541	8,788
Office supplies and expenses	4,344	4,883	18	9,245	11,805
Computer expenses	4,323	4,138	-	8,461	8,774
Telephone and utilities	18,888	13,881	2,078	34,847	36,388
Insurance	7,283	8,244	478	16,005	14,488
Professional fees	5,483	5,482	818	11,783	13,118
Research expenses	-	-	8,018	8,018	8,481
Depreciation	18,888	28,131	13,438	60,457	62,776
Other	8,222	8,843	2	17,067	15,448
Total operating expenses	<u>338,388</u>	<u>122,332</u>	<u>22,912</u>	<u>483,632</u>	<u>388,328</u>
Operating income (loss)	(50,251)	101,537	18,851	8,137	1,081
Nonoperating revenues (expenses):					
Interest revenue	28,848	4,683	1,085	34,616	34,178
Interest expense	-	(25,243)	(3,958)	(29,201)	(28,281)
Amortization expense	-	-	(4,800)	(4,800)	(4,800)
Loss on disposal of assets	(671)	-	-	(671)	(680)
Gain	28,188	13,817	-	42,005	39,688
Other, net	8,248	-	-	8,248	3,178
Income before operating transfers	<u>28,503</u>	<u>10,267</u>	<u>7,144</u>	<u>45,914</u>	<u>28,283</u>

(Cont'd. next page)

VILLAGE OF DANFORTH, IOWA  
ALL DIFFERENTIAL FUNDS

COMBINED STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN RETAINED EARNINGS COMPONENTS  
Year Ended July 31, 1997  
With Comparative Totals for Year Ended July 31, 1996

	Gas	Water	Cable	Totals	
	Utility Fund	Utility Fund	System Fund	1997	1996
Income before operating transfers through forward)	23,321	20,884	7,488	51,693	28,728
Operating transfers out: Transfer to General Fund	<u>(12,284)</u>			<u>(12,284)</u>	<u>(1,108)</u>
Net income	20,247	20,884	7,488	51,287	24,928
Add depreciation on fixed assets acquired by con- tributions restricted for capital mainte- nance that reduces contributed capital increase to retained earnings	<u>4,218</u>	<u>4,872</u>	<u>8,224</u>	<u>17,314</u>	<u>12,381</u>
Retained earnings, beginning	24,583	15,156	22,819	62,558	38,465
Retained earnings, ending	<u>872,448</u>	<u>288,888</u>	<u>23,122</u>	<u>1,184,458</u>	<u>745,319</u>
Retained earnings, ending	<u>\$ 882,523</u>	<u>\$ 323,884</u>	<u>\$ 31,306</u>	<u>\$ 1,237,713</u>	<u>\$ 824,718</u>

See Notes to Financial Statements.

VILLAGE OF PRINCETON, LOUISIANA  
ALL ENTERPRISE FUNDS

COMBINED STATEMENT OF CASH FLOWS  
Year Ended July 31, 1997

With Comparative Totals for Year Ended July 31, 1996

	Gas Utility Fund	Water Utility Fund	Cable System Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (28,718)	\$ 15,129	\$ 20,819
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	18,888	20,142	11,639
Recovery of previous write-offs	482	-	-
Changes in assets and liabilities:			
Decrease (increase) in -			
Accounts receivable	2,853	898	445
Due from other funds	2,997	(428)	(2,348)
Increase (decrease) in -			
Accounts payable and accrued liabilities	7,818	4,388	(78)
Due to other funds	1,224	388	-
Net cash provided by operating activities	2,852	18,587	28,424
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Increase in customer deposits, net of refunds	218	290	-
Transportation charges (net)	2,268	-	-
Net cash provided by noncapital financing activities	2,486	290	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and construction of capital assets	(12,256)	(12,817)	-
Payments on revenue bonds -			
Principal	-	(14,509)	(12,000)
Interest	-	(25,659)	(4,000)
Transfers to other funds	(2,184)	-	-
Bonds	28,128	14,945	-
Net cash used in capital and related financing activities	(6,312)	(27,031)	(16,000)

		<u>Income</u>	
		<u>1993</u>	<u>1994</u>
0	0,113	0	0,000
	14,028		12,770
	482		20
	3,700		(3,344)
	(1000)		(20,700)
	12,101		7,422
	<u>3,488</u>		<u>(12,278)</u>
	<u>16,028</u>		<u>20,220</u>
	028		0,487
	<u>5,068</u>		<u>3,200</u>
	<u>5,068</u>		<u>5,200</u>
	010,061		125,091
	024,000		120,700
	020,000		121,000
	13,100		(1,204)
	<u>16,125</u>		<u>20,000</u>
	<u>020,000</u>		<u>100,000</u>

(continued)



VILLAGE OF PRAYETTE, LOUISIANA  
ALL ENTERPRISE FUNDS

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)  
Year Ended July 31, 1997  
With Comparative Totals for Year Ended July 31, 1996

	Gas Utility Fund	Water Utility Fund	Cable system Fund
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of investments: securities, net	15,480	(1,042)	1081
Interest revenue	<u>18,320</u>	<u>8,888</u>	<u>1,808</u>
Net Cash provided by investing activities	<u>3,840</u>	<u>7,846</u>	<u>2,889</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	18,341	18,828	4,873
Cash and cash equivalents at beginning of year	<u>178,478</u>	<u>128,882</u>	<u>28,817</u>
Cash and cash equivalents at end of year	<u>\$ 196,819</u>	<u>\$ 147,710</u>	<u>\$ 33,690</u>
<b>Cash and cash equivalents as shown on balance sheet:</b>			
<b>Current assets:</b>			
Cash and interest-bearing deposits	\$ 154,518	\$ 11,817	\$ 8,847
Investments	38,839	12,023	7,887
<b>Restricted assets:</b>			
Cash and interest-bearing deposits	12,892	14,895	-
Investments	<u>18,879</u>	<u>108,482</u>	<u>8,285</u>
	188,819	136,409	27,217
Less cash and interest-bearing deposits with maturities in excess of three months	<u>(128,104)</u>	<u>(128,450)</u>	<u>(18,890)</u>
Cash and cash equivalents at end of year	<u>\$ 196,819</u>	<u>\$ 147,710</u>	<u>\$ 33,690</u>

See Notes to Financial Statements.

<u>Totals</u>	
<u>2020</u>	<u>2021</u>
111,188	18,940
<u>25,884</u>	<u>23,488</u>
85,304	42,452
41,340	17,061
<u>206,688</u>	<u>201,681</u>
<b><u>\$ 148,120</u></b>	<b><u>\$ 184,828</u></b>

\$ 214,793	\$ 221,812
171,064	128,874
43,729	92,938
<u>329,586</u>	<u>443,624</u>
173,624	82,822
<u>155,962</u>	<u>360,802</u>
<b><u>\$ 183,320</u></b>	<b><u>\$ 284,828</u></b>

VILLAGE OF BALSHTO, LOUISIANA  
 ENTERPRISE FUNDS  
 WATER UTILITY FUND

STATEMENT OF CHANGES IN ASSETS RESTRICTED FOR  
 REVENUE BOND DEBT SERVICE  
 YEAR ENDED JULY 31, 1999

	Amortization Fund	Bond Reserve Fund	Depreciation and Contingencies Fund	Total
Restricted assets, beginning	\$ 34,346	\$ 48,324	\$ 31,340	\$ 107,970
Transfers from operating cash	12,244	-	2,848	15,092
Total cash and interest-bearing deposits	46,590	48,324	34,188	129,002
Expenditures:				
Principal payments	14,505	-	-	14,505
Interest payments	22,829	-	-	22,829
Total expenditures and transfers	37,334	-	-	37,334
Restricted assets, ending	\$ 9,256	\$ 48,324	\$ 34,188	\$ 91,768

FINANCIAL (AGENCY) FUND

PAYROLL FUND - To account for payroll expenditures of the Village. Individual funds transmit monies needed to cover their share of payroll costs.

VILLAGE OF BASKETT, LOUISIANA  
 ASSESSMENT FUND TYPE  
 FUNDROLL FUND

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 Year Ended July 31, 1997

	Balance July 31, 1996	Additions	Deletions	Balance July 31, 1997
<b>ASSETS</b>				
Cash	\$ 157	\$ 147,548	\$ 147,548	\$ 1,887
<b>LIABILITIES</b>				
Accrued liabilities	\$ 28	\$ 147,548	\$ 147,548	\$ 1,719
Due to other funds	28	-	-	28
	\$ 185	\$ 147,548	\$ 147,548	\$ 1,800

See Notes to Financial Statements.

GENERAL FIXED ASSETS ACCOUNT GROUP

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



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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
 OVER FINANCIAL REPORTING BASED ON AN AUDIT  
 OF FINANCIAL STATEMENTS PERFORMED IN  
 ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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**Revised:**

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 Kenneth Wilson, CPA, FIRM  
 George A. Lewis, CPA, FIRM  
 Frederick J. Woodruff, CPA, FIRM  
 Robert L. Soper, CPA, FIRM  
 Larry S. Raymond, CPA, FIRM  
 Richard Lawrence Lewis of  
 Higginsbard, Pohrett,  
 Lewis & Breaux, Accountants  
 Public Accountants

To the Honorable Harold Taylor, Mayor  
 and the Board of Aldermen  
 Palmetto, Louisiana

We have audited the financial statements of Village of Palmetto, Louisiana, and the combining, individual fund and account group financial statements as of and for the year ended July 31, 1997, and have issued our report thereon dated October 13, 1997. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we considered to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment,

could adversely affect the Village's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as Item 27-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in accounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is a material weakness.

This report is intended for the information of management, Federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

*D. Armand, Ralph, Lewis & Brown*

Lafayette, Louisiana  
October 11, 1991





**HENNESSY, POHLE, LEWIS & BREAUX**  
**OFFICE OF THE PUBLIC ACCOUNTANTS**

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE  
 TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
 COMPLIANCE IN ACCORDANCE WITH GAO CIRCULAR A-133**

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 Eunice, LA  
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To the Honorable Harold Taylor, Mayor,  
 and the Board of Aldermen  
 Palmetto, Louisiana

We have audited the compliance of Village of Palmetto, Louisiana, with the types of compliance requirements described in the U.S. Office of Management and Budget, OMB Circular A-133, Compliance Requirements that are applicable to its major federal program for the year ended July 31, 1997. The Village's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Village's management. Our responsibility is to express an opinion on the Village's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Village of Palmetto, Louisiana's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Village of Palmetto, Louisiana's compliance with those requirements.

In our opinion, Village of Palmetto, Louisiana, complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended July 31, 1997.

Executive & Senior CPAs  
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 L. Charles Walker, CPA  
 Kenneth E. Payne, CPA  
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 Stephen G. Sandberg, CPA  
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 Fred L. Smith, CPA  
 Michael P. Gardner, CPA  
 George L. Wagner III, CPA  
 David D. O'Neil, CPA  
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 D. Ross Williams, CPA  
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Affiliated:  
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 Tom R. Peck, CPA, FRM  
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 Bruce R. Nelson, CPA, FRM  
 George J. Lewis, CPA, FRM  
 Kathleen S. Winkler, CPA, FRM  
 Rodney L. Neely, CPA, FRM  
 Larry W. Brummett, CPA, FRM  
 Members of American Institute of Certified Public Accountants  
 in the City of Louisiana Capital  
 Public Accountants

### Internal Control Over Compliance

The management of Village of Lakeview, Louisiana, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to Federal programs. In planning and performing our audit, we considered Village of Lakeview, Louisiana's internal control over compliance with requirements that could have a direct and material effect on the major Federal programs in order to determine our auditing procedures for the purpose of expressing our opinion on compliance with laws and report on internal control over compliance in accordance with OMB Circular 4-113.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major Federal program 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 over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of management, Federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

*Broussard, Roth, Jones & Grant*

Lafayette, Louisiana  
October 21, 1997