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TOWN OF LAKE ARTHUR, LOUISIANA

ANNUAL FINANCIAL REPORT

JULY 21, 1967

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Release Date NOV 26 1967

TOWN OF LAKE ARTHUR, LOUISIANA

ANNUAL FINANCIAL REPORT
Year Ended July 31, 1997

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14-53

TIME OF LAST MEETING, LOUISIANA

July 22, 1897

STATE

The Honorable E. P. Siler

BOARD OF ALLEGES

By: Robert Beckwith
Mr. Ellsworth Deham
Mr. David Banks

Mr. Betty Moore
Mr. Mack Lapoint

LEGAL COUNSEL

Mr. Bennett Lapoint

TOWN CLERK

Mrs. Dorothy Charles

MCELROY, QUIRK & BUNCH

IS PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Board of Aldermen,
Town of Lake Arthur,
Lake Arthur, Louisiana

We have audited the accompanying general purpose financial statements of the Town of Lake Arthur, Louisiana, and the combining, individual fund and account group financial statements of the Town as of July 31, 1997, and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the Town of Lake Arthur, Louisiana 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 and the standards applicable to financial audits contained in Government Audit Standards issued by the Comptroller General of the United States. 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as assessing the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the aforementioned general purpose financial statements present fairly, in all material respects, the financial position of the Town of Lake Arthur, Louisiana at July 31, 1997, and the results of its operations and changes in 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 the Town of Lake Arthur, Louisiana at July 31, 1997, and the results of operations of such funds and the cash flows of the individual proprietary fund for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note 25 to the financial statements, during the fiscal year ended July 31, 1997, the Town of Lake Arthur, Louisiana, expended certain federal grant funds in a manner that may have violated certain of the restrictive provisions of the related grants. NO ACTION HAS BEEN TAKEN ON THIS MATTER and the possible outcome is uncertain at this time. Accordingly, no provision for any liability has been made in the financial statements for possible federal claims for refund of these grant monies.

In accordance with Government Auditing Standards, we have also issued a report dated September 3, 1997, on the Town of Lake Arthur's compliance with laws and regulations and on its internal control over financial reporting.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the Town of Lake Arthur, Louisiana, taken as a whole. The accompanying 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-113, Notice of Status, Local Governments, and Non-Profit Organizations, and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

The financial information for the preceding year, which is included for comparative purposes, was taken from the financial report for that year in which we expressed an unqualified opinion on the combined, combining, individual fund, and account group financial statements, except for the general fixed assets account group of which we expressed no opinion, of the Town of Lake Arthur, Louisiana.

McElroy Smith + Beach
Lake Charles, Louisiana
September 3, 1997

COMBINED STATEMENTS - CONDENSED
("LAPTRAK" GENERAL PURPOSE
FINANCIAL STATEMENTS)

TOWN OF LAKE ARTHUR, LOUISIANA

COMBINED BALANCE SHEET--ALL FUND TYPES AND ACCOUNT GROUPS
July 31, 2007

ASSETS	Governmental Fund Types		
	General	Special Revenue	Debt Service
Cash	\$ 54,327	\$ 100,079	\$ 176,579
Investments, at cost	810,040	240,873	140,014
Receivables	12,820	-	-
Due from other funds	218,880	60,810	20,260
Restricted assets:			
Cash	-	-	-
Property and equipment, less accumulated depreciation	-	-	-
Amount available in debt service funds	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-
TOTAL ASSETS	\$ 1,106,067	\$ 641,762	\$ 336,853
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$ 30,340	\$ 1,000	\$ -
Payroll taxes payable	400	-	-
Other payables	9,240	-	-
Due to other funds	100,040	0,000	20,110
Payable from restricted assets:			
Customer deposits	-	-	-
Bonds and notes payable	-	-	-
General obligation bonds payable	-	-	-
Accrued interest payable	-	-	-
Total Liabilities	\$ 139,980	\$ 1,000	\$ 20,110
Fund equity:			
Contributed capital	-	-	-
Investment in general fixed assets	-	-	-
Retained earnings:			
Unreserved	-	-	-
Fund balances:			
Reserved for debt service	-	-	140,000
Unreserved:			
Designated for subsequent year's expenditures	517,325	670,222	80,140
Total retained earnings/fund balances	517,325	670,222	420,140
Total fund equity	517,325	670,222	420,140
Total liabilities and fund equity	\$ 1,106,067	\$ 641,762	\$ 336,853

(See accompanying notes to financial statements)

Capital Stocks	Proprietary Fund From Enterprises	Account Groups		Totals	
		General Long-Term Debt	General Funds Assets	Comprehensive Total	
		1997	1998	1997	1998
\$ -	\$ 84,800	\$ -	\$ -	\$ 804,087	\$ 458,040
-	195,800	-	-	1,418,188	1,443,418
-	97,118	-	-	50,974	88,087
-	85,493	-	-	368,488	342,159
-	348,780	-	-	348,788	197,148
-	4,192,843	-	2,405,878	2,427,818	2,873,898
-	-	508,428	-	998,848	331,328
-	-	30,453	-	30,458	32,828
<u>\$ -</u>	<u>\$ 4,762,724</u>	<u>\$ 518,881</u>	<u>\$ 2,405,878</u>	<u>\$ 3,630,187</u>	<u>\$ 3,712,802</u>
\$ -	\$ 14,958	\$ -	\$ -	\$ 47,487	\$ 82,321
-	-	-	-	488	348
-	-	-	-	7,148	4,378
-	188,488	-	-	388,888	848,158
-	38,388	-	-	88,188	93,428
-	2,188,888	-	-	2,388,888	2,258,817
-	48,888	888,888	-	788,888	784,817
-	38,388	-	-	38,388	38,372
<u>\$ -</u>	<u>\$ 2,419,552</u>	<u>\$ 888,888</u>	<u>\$ -</u>	<u>\$ 3,318,708</u>	<u>\$ 3,388,247</u>
-	1,848,888	-	-	1,848,888	888,888
-	-	-	2,488,872	2,488,872	2,578,448
-	878,848	-	-	878,848	788,188
-	-	-	-	348,888	812,378
-	-	-	-	1,488,888	1,487,872
-	872,888	-	-	2,188,708	2,881,127
-	2,822,424	-	2,828,872	2,328,872	2,827,578
<u>\$ -</u>	<u>\$ 4,782,120</u>	<u>\$ 888,888</u>	<u>\$ 2,828,872</u>	<u>\$ 3,630,187</u>	<u>\$ 3,712,802</u>

TOWN OF LAKE ARTHUR, LOUISIANA

(CONSOLIDATED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES)

Year Ended July 31, 1997

	Governmental Fund Types		
	General	Special Revenue	Debt Service
Revenues:			
Taxes	\$ 243,793	\$ 228,888	\$ 48,463
Licenses and permits	86,887	-	-
Intergovernmental	287,103	-	-
Charges for services	261,893	-	-
Fines and forfeits	88,888	-	-
Interest earned	38,881	-	18,328
(a) and gas taxes and royalties	4,887	-	-
Landfill revenues	41,888	-	-
Miscellaneous	24,228	19,228	-
TOTAL REVENUES	<u>1,007,882</u>	<u>248,116</u>	<u>66,796</u>
Expenditures:			
CURRENT:			
General government	249,443	-	-
Public safety	383,888	-	-
Highways and streets	88,848	188,888	-
Health and recreation	194,323	-	-
Economic development	7,328	-	-
Debt amortization	-	-	-
Debt service:			
Principal retirement	-	-	4,888
Interest and financial charges	-	-	18,438
Total expenditures	<u>812,692</u>	<u>188,888</u>	<u>23,326</u>
Excess of revenues over expenditures	<u>1,921</u>	<u>69,228</u>	<u>43,470</u>
Other financing sources (uses):			
Operating transfers in	-	144,881	-
Operating transfers out	-	(174,888)	-
Appropriations to utility system fund	-	(48,888)	-
Total other financing sources (uses)	<u>-</u>	<u>(78,885)</u>	<u>-</u>
Excess of revenues and other sources over expenditures and other uses	<u>1,921</u>	<u>90,343</u>	<u>43,470</u>
Fund balance at beginning of year	<u>328,321</u>	<u>881,328</u>	<u>328,811</u>
Fund balance at end of year	<u>\$ 330,242</u>	<u>\$ 971,671</u>	<u>\$ 372,281</u>

See accompanying notes to financial statements

Capital Expenditures	Totals	
	Memorandum Only	
	1958	1959
\$ -	\$ 415,800	\$ 568,200
-	86,887	48,200
-	127,203	83,385
-	181,893	314,288
-	82,888	78,388
-	60,803	42,381
-	4,887	4,828
-	61,888	48,871
<u>142,422</u>	<u>122,822</u>	<u>572,638</u>
<u>142,422</u>	<u>1,168,158</u>	<u>1,872,868</u>
-	288,843	288,188
-	182,888	314,288
-	127,204	188,482
-	184,313	288,188
-	7,285	17,487
142,422	188,888	588,421
-	8,888	8,888
<u>142,422</u>	<u>18,828</u>	<u>18,728</u>
<u>142,422</u>	<u>1,122,842</u>	<u>1,888,728</u>
-	128,288	128,288
-	144,288	272,288
-	1274,288	1288,288
<u>142,422</u>	<u>188,878</u>	<u>318,282</u>
-	178,882	28,828
-	87,887	142,274
<u>142,422</u>	<u>1,182,288</u>	<u>1,812,272</u>
<u>\$ 142,422</u>	<u>\$ 1,828,152</u>	<u>\$ 2,788,848</u>

TOWN OF LAKE ARTHUR, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-BUDGET (BASE BASIS) AND ACTUAL-GENERAL AND SPECIAL REVENUE FUND TYPES
Year Ended July 31, 1997

	General Fund		Variance Favorable Unfavorable
	Subject	Actual	
Revenues:			
Taxes	\$ 187,000	\$ 143,783	\$ 43,217
License and permits	70,000	88,887	18,887
Intergovernmental	75,000	187,583	112,583
Charges for services	384,000	181,893	202,107
Fines and forfeits	17,000	88,887	71,887
Interest earned	32,000	38,883	6,883
Oil and gas lease and royalties	3,000	8,887	5,887
Landfill revenues	18,000	41,888	23,888
Miscellaneous	42,500	58,386	15,886
Total revenues	812,500	788,887	23,613
Expenditures:			
Current:			
General government	388,180	388,843	663
Public safety	148,180	168,888	20,708
Highways and streets	78,500	88,888	10,388
Health and recreation	288,000	188,818	99,182
Economic development	3,820	3,328	492
Total expenditures	912,680	838,825	73,855
Excess (deficiency) of revenues over expenditures	(120,180)	5,062	125,242
Other financing sources (uses):			
Operating transfers in	88,000	-	88,000
Operating transfers out	-	-	-
Appropriations to utility system fund	-	-	-
Total other financing sources (uses)	88,000	-	88,000
Excess (deficiency) of revenues and other sources over expenditures and other uses	148,180	5,062	153,242
Fund balance at beginning of year	828,121	828,323	-
Fund balance at end of year	\$ 976,301	\$ 833,385	\$ 142,916

See accompanying notes to financial statements

<u>Special Revenue Funds</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 328,000	\$ 328,000	\$ 0
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>14,000</u>	<u>14,000</u>	<u>0</u>
<u>342,000</u>	<u>342,000</u>	<u>0</u>
-	-	-
-	-	-
190,000	188,000	20,000
-	-	-
<u>190,000</u>	<u>188,000</u>	<u>20,000</u>
-	-	-
<u>88,000</u>	<u>88,000</u>	<u>0</u>
642,000	644,000	2,000
1176,000	1174,000	2,000
<u>182,000</u>	<u>182,000</u>	<u>0</u>
<u>182,000</u>	<u>178,000</u>	<u>4,000</u>
104,000	9,000	95,000
<u>902,000</u>	<u>902,000</u>	<u>0</u>
<u>\$ 626,000</u>	<u>\$ 626,000</u>	<u>\$ 0</u>

TOWN OF LAKE ARCADE, LOUISIANA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
 RETAINED EARNINGS - ENTERPRISE FUND TYPE
 Years Ended July 31, 1997 and 1996

	<u>Enterprise Fund</u>	
	<u>1997</u>	<u>1996</u>
Operating revenues:		
Charges for services-water	\$ 113,048	\$ 113,038
Charges for services-sewerage	<u>204,112</u>	<u>203,433</u>
Total operating revenues	<u>317,160</u>	<u>316,471</u>
Operating expenses:		
Personnel services	54,836	71,204
Other services and charges	21,263	25,476
Supplies	21,208	22,794
Heat, light and power	47,838	34,885
Depreciation	<u>118,787</u>	<u>92,187</u>
Total operating expenses	<u>264,312</u>	<u>246,546</u>
Operating income	<u>52,848</u>	<u>69,925</u>
Nonoperating revenues (expenses):		
Water and sewer connection fees	1,886	1,195
Miscellaneous	1,800	-
Interest earned	6,915	6,132
Interest and fiscal charges	<u>(72,228)</u>	<u>(84,266)</u>
Total nonoperating revenues (expenses)	<u>(61,627)</u>	<u>(76,939)</u>
Income before operating transfers	<u>(8,779)</u>	<u>12,986</u>
Other financing sources (uses):		
Transfers from other funds	78,883	28,240
Transfers to other funds	<u>-</u>	<u>(68,820)</u>
Total other financing sources (uses)	<u>78,883</u>	<u>(40,580)</u>
Net income	<u>69,104</u>	<u>72,406</u>
Retained earnings at beginning of year	<u>798,383</u>	<u>725,977</u>
Retained earnings at end of year	<u>\$ 867,487</u>	<u>\$ 798,383</u>

See accompanying notes to financial statements

TOWN OF LAKE ARTHUR, LOUISIANA

STATEMENT OF CASH FLOW - FUND-BY-FUND TYPE
Years Ended July 31, 1997 and 1996

	Subsequent	
	1997	1996
CASH FLOW FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 373,447	\$ 376,484
Cash payments to suppliers for goods and services	(96,802)	(87,561)
Cash payments to employees	(24,815)	(22,288)
Net cash provided by operating activities	<u>251,830</u>	<u>266,635</u>
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES		
Operating transfers in	26,483	26,162
Connection and reconnection fees	2,595	2,155
Miscellaneous	2,999	-
Operating transfers out	-	(94,000)
Increase in customer deposits	4,328	2,188
Advances from (to) other funds	(21,888)	(25,262)
Net cash provided by (used in) noncapital financing activities	<u>8,417</u>	<u>(68,857)</u>
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Contributed capital	549,458	549,100
Bonds and loans proceeds received	84,029	295,513
Interest paid on bonds	(117,402)	(88,244)
Payments on loans	(78,828)	(85,880)
Net cash provided by capital and related activities	<u>437,257</u>	<u>670,589</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Interest on investments	2,424	5,100
Purchase of property and equipment	(219,657)	(190,843)
Purchase of investments	(2,810)	-
Net cash used in investing activities	<u>(219,043)</u>	<u>(185,743)</u>
Net increase in cash and cash equivalents	48,244	46,209
Cash and cash equivalents:		
Beginning of year	<u>285,282</u>	<u>249,298</u>
End of year	<u>\$ 333,526</u>	<u>\$ 295,507</u>

(continued on next page)

FORM OF LAKE WATER, LOSALAMAS

STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE
 Years Ended July 31, 1987 and 1986
 (Continued)

	<u>EXERCISE</u>	
	<u>1987</u>	<u>1986</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 88,882	\$ 133,903
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	118,757	81,180
Changes in assets and liabilities:		
(Increase) decrease in receivables	(784)	0
(Increase) in payables	(2,483)	(1,214)
Net cash provided by operating activities	<u>\$ 204,372</u>	<u>\$ 312,669</u>

See accompanying notes to financial statements

TOWN OF LAKE ARTHUR, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

July 31, 1987

3) Summary of Significant Accounting Policies

The Town of Lake Arthur, Louisiana was incorporated in 1904, under the provisions of the Louisiana Act. The Town operates under a Mayor-Board of Aldermen form of government.

The accounting and reporting policies of the Town of Lake Arthur, Louisiana conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 181007 and to the guidance set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies.

A. Financial Reporting Entity

The accompanying financial statements include the various departments, activities, and organizational units that are within the control and authority of the Mayor and Board of Aldermen of the Town of Lake Arthur, Louisiana. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Statement No. 14 of the Governmental Accounting Standards Board. This Statement defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

Based on the foregoing criteria, the Town of Lake Arthur has no other financial or significant managerial responsibility over any other governmental unit that is not included in the financial statements of the Town of Lake Arthur.

B. Fund Accounting

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

GOVERNMENTAL FUNDS

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

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources other than major capital projects that are legally restricted to expenditures for specified purposes.

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

Capital Project Funds - Capital Project Funds are used to account for funds received and expenditures made in connection with large capital projects.

ENTERPRISE FUNDS

Enterprise Funds - Enterprise Funds are used to account for operations in that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (2) where the governing body has decided periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The proprietary funds are accounted for on a cost of services or "capital maintenance" measurement basis. This means that all assets and all liabilities (whether current or long-term) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into restricted capital and retained earnings components. Proprietary fund type operating statements present increases (revenue) and decreases (expenses) in net total assets.

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

Water and sewer lines	18 years
Autos and trucks	3-5 years
Machinery and equipment	1-10 years

All fixed assets of the proprietary funds are stated at historical cost or estimated historical cost if actual historical cost is not available. One million four hundred two thousand dollars (\$1,402,000) of fixed assets in the proprietary fund are stated at estimated historical cost. These costs were estimated based on price levels at the estimated date of acquisition and funds raised and capital contributed to finance the purchases.

ACCOUNT GROUPS

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by the measurement basis.

All governmental fund type operations are accounted for on a spending or "financial flow" measurement basis. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenue) and other financing sources and decreases (expenditures and other financing used) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

General Fixed Asset Account Group - Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Assets purchased are recorded as expenditures in the governmental funds and capitalized at cost in the General Fixed Asset Account Group.

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

The General Long-Term Debt and General Fixed Asset Account Groups are not considered to be a "fund". They are concerned only with the measurement of financial position, and are not involved with measurement of results of operations.

For purposes of the statement of cash flows, the Utilities System Fund considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

C. Basis of Accounting

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred except that accumulated unpaid vacation and sick pay are not accrued and principal and interest on general long-term debt is recognized when due. Purchases of various operating supplies are regarded as expenditures at the time purchased.

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

For the fiscal year ended July 31, 1987, fixed assets were recorded and depreciation has been estimated for.

D. Budgets and Budgetary Accounting

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

1. Prior to July 31, the Town Clerk submits to the Mayor and Aldermen a proposed operating budget for the fiscal year commencing the following August 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comment.
3. Prior to July 31, the budget is legally enacted through passage of an ordinance.

4. Any revisions that alter total expenditures of any fund must be approved by the Aldermen. Expenditures cannot legally exceed appropriations on a fund level.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds.
6. The budget and actual comparison presented on page 9 in the accompanying financial report includes the General Fund and Special Revenue Funds. The capital budget ordinances which encompass the Capital Projects Funds present cumulative as opposed to annual budget accounts and thus budget and actual comparisons are not reported in the accompanying financial report for these funds. There were no capital project funds at July 31, 1997.
7. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted accounts are as originally adopted, or as amended by the Board of Aldermen.
8. All budgetary appropriations except for Capital Projects lapse at the end of each fiscal year.

Encumbrance accounting is not used.

B. Cash and Investments

Deposits:

As of July 31, 1997, the carrying amount and book balance of the Town's deposits were as listed below. Of this amount, \$487,414 was insured by Federal depository insurance or by collateral held by the pledging bank's trust department (Category 1).

	<u>Carrying Amount</u>	<u>Book Balance</u>
Deposits	\$ 150,843	\$ 150,458

Investments:

Investments are stated at cost. All deposits in excess of \$100,000 are supported by pledged collateral and all deposits under \$100,000 are insured by FDIC.

Investments of the Town consist of certificates of deposit totaling \$1,318,949, insured money market accounts totaling \$194,225 and a passbook account totaling \$7,815. Cost and market value of these accounts are approximately equal. (Category 1)

Credit Risk Categories:

The Town's deposits and investments are categorized above in accordance with GASB Statement No. 3 to give an indication of the level of risk assumed at year end. Category 1, which represents the lowest level of risk, includes investments and deposits that are insured or registered or for which the securities are held by the Town as its agent or the Town's name. Category 2 includes uninsured and unregistered investments with the securities held by the financial institution's trust department or agent in the Town's name. Category 3, which represents the greatest level of risk, includes uninsured and unregistered investments or deposits which are not protected by collateral, or for which securities are not held in the Town's name. Categories 2 and 3 were not applicable to any deposits or investments at any time during the fiscal year ended July 31, 1997.

F. Inventory

Purchases of various 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.

G. Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Town's financial position and operations. However, comparative *il. et.* presentation of prior year totals by fund type data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

H. Total Columns on Combined Statements - Overview

Total columns on the Combined Statements - Overview are captioned Memoranda Only as indicated 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 consolidated-inferfund elimination have not been made in the aggregation of this data.

3. **Bad Debts**

Uncollectible accounts due for ad valorem taxes and customers' utility receivables are recognized as bad debts through the establishment of an allowance account as the time information becomes available which would indicate the uncollectibility of the receivable.

10. **Ad Valorem Taxes**

The Town levies taxes on real and business personal property located within its boundaries. Property taxes are levied by the Town on property values assessed by the Jeff Davis Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

For the year ended July 31, 1987, taxes of 24.53 milia were levied on property with assessed valuations totaling \$8,453,868 and were dedicated as follows:

General corporate purposes	7.18 milia
Firefight maintenance	3.48 milia
Street and alley maintenance	3.48 milia
Waste service	3.00 milia

The town property taxes are levied on November 1 and are due December 31, and are delinquent by January 1st. Delinquent property taxes attach an enforcement lien on property as of April 30.

11. **Changes in Long-Term Debt**

The following is a summary of changes to bonds and notes payable of the Town for the year ended July 31, 1987:

	General Obligations	Revenue	Total
Bonds and notes payable at August 1, 1986	\$ 704,740	\$ 2,259,410	\$ 2,964,150
Bonds and loans made	84,121	-	84,121
Bonds and notes retired	<u>(28,820)</u>	<u>(127,617)</u>	<u>(316,437)</u>
Bonds payable at July 31, 1987	<u>\$ 759,041</u>	<u>\$ 2,131,793</u>	<u>\$ 2,890,834</u>

Bonds and notes payable at July 31, 1997 are comprised of the following individual issues:

General obligation bonds:

\$208,000 General Obligation Bonds, Town of Lake Arthur, 5-8-81, interest at 5 percent, principal and interest payable through the year 2021	\$ 143,000
\$175,000 General Obligation Bonds, Sewerage District No. 1, 5-8-81, interest at 5 percent, principal and interest payable through the year 2021	143,000
\$552,000 General Obligation Bonds, Series 1996, interest at 2.45%, administrative fee .5%, principal and interest payable through the year 2025	<u>466,000</u>
	<u>\$ 752,000</u>

Revenue bonds payable:

\$1,300,000 Sewer Revenue bonds payable, interest at 2.45%, administrative fee .5%, principal and interest payable through the year 2014	<u>\$ 1,184,000</u>
--	---------------------

The annual requirements to amortize all debt outstanding as of July 31, 1997, including interest payments of \$704,287, are as follows:

Annual Requirements to Amortize Long-Term Debt
July 31, 1997

Year Ending <u>July 31</u>	General <u>Obligation</u>	Revenue	Total
1997-1998	\$ 111,148	\$ 524,184	\$ 635,332
1998-2000	260,640	816,188	1,076,828
2001-2002	285,208	812,488	1,097,696
2003-2004	276,717	817,000	1,093,717
2005-2008	<u>182,000</u>	<u>0</u>	<u>182,000</u>
Total	<u>\$ 1,115,713</u>	<u>\$ 2,159,760</u>	<u>\$ 3,275,473</u>

The amount of \$182,000 is available in the Debt Service Funds to service the general obligation bonds.

There are a number of limitations and restrictions contained in the various bond indentures. The Town is in compliance with all significant limitations and restrictions.

40 Other Required Individual Fund Disclosures

Individual fund interfund receivables and payables

Such balances at July 31, 1997 were:

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 128,898	\$ 128,848
Special Revenue Funds:		
Street and Alley Maintenance	1,738	548
Waste Management	44,213	1,775
Sidewalk Account	-	275
Debt Service Fund:		
Public Improvement Bond	2,998	-
Sewerage District No. 1	-	742
Combined Road Fund	27,883	21,400
Utilities System Fund	<u>28,823</u>	<u>151,845</u>
	<u>\$ 188,532</u>	<u>\$ 188,423</u>

41 Restricted Assets - Proprietary Fund Type

RESTRICTED ASSETS were applicable to the following at July 31:

	<u>1997</u>	<u>1996</u>
Customer deposits	\$ 38,927	\$ 38,174
Revs	<u>213,813</u>	<u>248,832</u>
	<u>\$ 252,740</u>	<u>\$ 287,006</u>

42 Dedication of Proceeds and Flow of Funds - 1/4 Sales and Use Tax

Proceeds of a 1/4 sales and use tax levied by the Town of Lake Arthur, Louisiana 1997 collections \$448,328. 1998 collections \$143,000 are dedicated to the following purposes:

General Fund	10%
Electric	40%
Water	8.5%
Sidewalks	1%
Debt Serv	.5%

FO Retirement Commitments

Substantially all employees are covered by the Louisiana Municipal Employees Retirement System, which is administered by the State of Louisiana. Generally all classified employees are required to participate.

Municipal Employees' Retirement System

The Municipal Employees' Retirement System, State of Louisiana is the administrator of a cost-sharing multiple-employer plan.

The System provides retirement benefits to employees of all incorporated villages, towns and cities within the state which do not have their own retirement system and which elect to become members of the System.

The Municipal Employees' Retirement System of Louisiana was established by Act 154 of the 1964 regular session of the Legislature of the State of Louisiana, to provide retirement benefits to employees of all incorporated villages, towns and cities within the state, which did not have their own retirement systems and which elected to become members of the System.

The System is administered by a Board of Trustees composed of nine members, six of whom shall be active and contributing members of the System with at least ten years creditable service, elected by the members of the System; one of whom shall be the president of the Louisiana Municipal Association who shall serve as an ex-officio member during his tenure; one of whom shall be the Chairman of the Senate Retirement Committee; and one of whom shall be the Chairman of the House Retirement Committee of the Legislature of Louisiana.

Act 818 of the year 1968 established by the Legislature of the State of Louisiana provides an optional method for municipalities to amend Social Security and come under supplementary benefits to the Municipal Employees' Retirement System, effective on and after June 18, 1970.

effective October 1, 1978, under Act 8788, the "regular plan" and the "supplemental plan" were replaced, and are now known as Plan "A" and Plan "B". Plan "A" combines the original plan and the supplemental plan for those municipalities participating in both plans, while Plan "B" participates in only the original plan. The Town of Lake Arthur is a member of Plan "B" of the retirement system.

Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least thirty-five hours per week, not participating in another public funded retirement system and under age sixty (60) at date of employment. Those individuals paid jointly by a participating employer and the parish are not eligible for membership in the System.

The amount of current year covered payroll for the Town of Lake Arthur in members of the State Plan was \$200,878. The town's total payroll for the current year was \$447,382.

As noted above, the Town of Lake Arthur is a member of Plan "B" retirement system. Any member of Plan "B" can retire providing he meets one of the following criteria:

1. Age 55 with thirty (30) years of creditable service.
2. Age 48 with a minimum of ten (10) or more years of creditable service.
3. Under age 40 with ten (10) years of creditable service eligible for disability benefits.
4. Survivor's benefits require twenty (20) years creditable service at death of member.

Generally, the monthly amount of the retirement allowance for any member of Plan "B" shall consist of an amount equal to two percent of the member's final compensation multiplied by his years of creditable service. However, under certain conditions as outlined in the Statutes, the benefits are limited to specified amounts.

Because the purpose of the Municipal Employees Retirement System is to provide specific benefits to a group of employees at various times in the future, actuarial valuations and assumptions are made regularly. The latest actuarial valuation available is as of June 30, 1981. For financial reporting purposes, the primary focus of this information is the pension benefit obligation which is the actuarial present value of credited projected benefits. This can be defined as a standardized disclosure measure of the present value of pension benefits, adjusted for effects of projected salary increases and any step-rate benefits estimated to be payable in the future as a result of employee service to date. The intent of this measure is threefold:

- To help users assess the system's funding status on a going concern basis.
- To assess progress made in accumulating sufficient assets to pay benefits, and
- To make comparisons among other systems.

The actuarial method used to compute the pension benefit obligations for reporting purposes is not necessarily the same used to determine adequate funding for the System. Although the Projected Unit Credit Method was used for reporting purposes, the Process Attained Age Normal Cost Method was used to arrive at a total contribution rate of 8.15% for Plan "B" necessary to bring the plan to a fully funded status.

The total pension obligation of Plan "B" of the Municipal Employee's Retirement System as of June 30, 1994 was \$19,487,485. The total net assets of Plan "B" available for benefits as of June 30, 1994 was \$20,737,343.

The System's contribution requirements are not actuarially determined. Instead, the contribution requirements are currently established by statute. The System is fully aware of the actuarial implications of such a policy.

Although the actuarial contribution requirements for the Town of Lake Arrowhead members was \$27.211 for Plan B, the total annual contributions amounted to \$28,619, which represents approximately 2.28% of current year covered payroll. The contributions consist of 14 member contributions and 1.28% employee contributions of the total covered payroll of \$125.5% for Plan "B".

Historical trend information for this plan is included in the separately issued report for the Municipal Employee's Retirement System for the period ended June 30, 1994.

20 Litigation

The Town is involved in several lawsuits. The Town attorney estimates that the potential claims against the Town that are not covered by insurance resulting from such litigation would not materially affect the financial statements of the Town.

21 Accumulated Unpaid Compensated Absence

The Town's policy on annual leave is that if the time is not taken during the year earned it will be forfeited, that is no carry over of time or compensation in lieu of time off will be allowed.

The Town's policy on sick leave is 10 days per year. Unused sick leave can be accumulated up to 30 days to be used for prolonged illness, but the Town will not pay for unused sick leave.

10) Contributed Capital - Enterprise Fund

The following is a summary of changes to contributed capital for the years ended July 31, 1987 and 1988:

	1987	1988
Total contributed capital at beginning of year	\$ 1,488,797	\$ 878,417
Capital contributed during year	348,038	885,258
Accumulated depreciation related to contributed capital	<u>(188,268)</u>	<u>(185,258)</u>
Net contributed capital at end of year	<u>\$ 1,648,567</u>	<u>\$ 1,578,417</u>

11) Landfill Joint Venture

The Town is a participant in a joint venture referred to as the Jefferson Davis Parish Sanitary Landfill Commission. This entity was chartered on February 17, 1988. The Commission's purpose is the establishment of a long-term plan for the disposal of solid wastes in Jefferson Davis Parish. According to the charter, each participant in the Commission is responsible for a pro rata share of any operating deficits. Likewise, any distributions of surpluses are also shared on a pro rata basis. Each participant's pro rata share is based on the number of households within each participant's unit to the total number of households within all participating units. These proportions were determined using the 1980 U.S. Census as follows:

Locality	Number of Households	Percentage
Jennings	4,143	.43194
Wahak	1,507	.15815
Lake Arthur	1,218	.12688
Parish including Jennings, Wahak, Lake Arthur and Broussard	<u>3,238</u>	<u>.33704</u>
TOTALS	<u>9,106</u>	<u>1.00000</u>

The Commission consists of six Commissioners as follows: two residents of Jennings, one resident of Wahak, one resident of Lake Arthur, and two residents of Jefferson Davis Parish living outside the city limits of Jennings, Wahak, Lake Arthur and Broussard. The Commission members are to be appointed by the governing body of their place of residence.

The Commission has the power and authority to employ personnel, adopt its own budget and enter into agreements necessary for the operation of the landfill. In certain instances, some agreements must be consented to by all six members of the Commission.

Condensed financial information for the Jefferson Davis Parish Sanitary Landfill as of December 31, 1994 (the latest available audited financial statements) was as follows:

	<u>Total</u>	<u>Like Article (20,2089)</u>
Total assets	\$ 4,949,490	\$ 499,078
Total liabilities	12,808	1,183
Total equity	4,936,682	497,895
Total liabilities and equity	\$ 4,949,490	\$ 499,078
Total revenues	778,289	81,484
Total expenditures	450,207	74,863
Net increase in fund balance	328,082	6,621

As of December 31, 1994, the Commission had no long-term debt outstanding.

The Landfill Commission as owner of a sanitary landfill is subject to recent Environmental Protection Agency (EPA) regulations that require monitoring the landfill site for 30 years following closure of the site in addition to other closure requirements. These regulations also mandate that landfill owners provide financial assurances that they will have the resources available to satisfy the post closure standards. These guarantees can be third-party trusts, surety bonds, letters of credit, insurance, or state sponsored plans. According to the Commission's contract with the site operator, "...the contractor shall be responsible for closure in accordance with the permit...". Additionally, "...the contractor's post closure care, maintenance and monitoring responsibility shall be three (3) years, or as required by law...". In the event the operator is for whatever reason unwilling or unable to fulfill this requirement, the responsibility for closure and post closure monitoring will revert back to the Commission.

Additionally, because of the industry the commission participates in, certain potential liabilities are always present. These include, but are not limited to, environmental cleanup costs and EPA penalties for violation of its regulations. The EPA is empowered by law (through the Superfund legislation) to seek recovery from anyone who ever owned or operated a particular contaminated site, or anyone who ever generated or transported hazardous materials to a site (these parties are commonly referred to as potentially responsible parties, or PRPs). Potentially, the liability can extend to subsequent owners or to the parent company of a PRP. While there are no asserted or unasserted potential costs or penalties as the date of this report, that the Commission is aware of, the potential is present.

During the year ended December 31, 1986, the commission voted to distribute \$280,000 to the four local government bodies that participate in the Landfill Commission and funded its construction and early operations. The distributions were made in the same proportions as the original investments by the governments. For the Town of Lake Arthur, the distribution amounted to \$89,671 which is recorded as "landfill revenues" in the general fund in the fiscal year ended July 31, 1986.

10) Amounts Paid Members of Governing Board

Mr. E. S. Gless	\$ 4,000
Mr. David Maska	1,000
Mr. Robert Merland	1,000
Mr. Mark LaPoint	1,000
Ms. Betty Moore	1,000
Mr. Silasworth Dulce	1,000
	<u>\$ 10,000</u>

11) Sewer Construction Project

The Town passed a resolution on March 3, 1983 authorizing the Town to borrow \$2,500,000 to pay a portion of the cost of constructing and acquiring improvements, extensions and replacements to the sanitary sewage collection and disposal system of the Town. The resolution also authorizes the issuance of the Town's sewer revenue bonds-series 1983, in an amount of \$2,500,000 to evidence said debt.

Through a program sponsored by the Federal Environmental Protection Agency (EPA), construction grants for wastewater treatment works, the Town is obtaining the necessary funds to upgrade its sewage collection and disposal system to current EPA standards. This program is administered for the EPA on the state level. For Louisiana the program is administered by the Louisiana Department of Environmental Quality (DEQ) through the DEQ's Municipal Facilities Receiving Loan Fund Program.

The Town had a total loan commitment with ERO for \$2,500,000 (loan number CE-21819-81) to construct the sewer system improvements. At the end of the construction period the Town issued \$2,500,000 of sewer revenue bonds-series 1983 which will be guaranteed by the DEQ (the purchase price being the \$2,500,000 loan proceeds). Thus, the Town is currently exchanging \$1,500,000 in bond debt for \$2,500,000 in loan debt.

The system was put into operation during the fiscal year ended July 31, 1986.

14) Capital Projects Fund

The Capital Projects Fund was set up to account for the Community Development Block Grant income received and the expenditures made in connection with the rehabilitation of old sewer lines. The Town has received a commitment for a grant in the amount of \$707,602, of which \$148,458 was received for the current fiscal year and \$140,180 in the prior fiscal year.

15) Contingents and Contingencies

The Town of Lake ARCADE has entered into an agreement with the Louisiana Housing Finance Agency regarding use of HOME Funds (Home Investment Partnership Act Program under Title 12 of the Housing Act).

During the years ended July 31, 1994 and 1995, several substandard homes were approved for rehabilitation. Costs incurred totaled \$78,789 and grants received totaled \$78,789. Significant deficiencies in certain areas of the grant program management were identified. A final determination has not been made as to the amount, if any, of possible ineligible project costs the Town may have to repay the grantor.

FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS
AND ACCOUNT GROUPS

GENERAL FUND

TO account for resources traditionally associated with governments WHICH ARE NOT required to be accounted for in SECRET fund.

TOWN OF LAKE ARTHUR, LOUISIANA
GENERAL FUND

COMPARATIVE BALANCE SHEET
July 31, 1977 and 1976

ASSETS	<u>1977</u>	<u>1976</u>
Cash	\$ 84,227	\$ 75,229
INVESTMENTS, AT COST	805,840	802,108
RECEIVABLES-OTHER	22,829	28,758
Sum from other funds	<u>128,828</u>	<u>128,828</u>
Total assets	<u>\$ 1,041,724</u>	<u>\$ 1,034,925</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 28,760	\$ 22,757
Payroll taxes payable	489	348
Other payables	5,287	4,279
Due to other funds	<u>128,288</u>	<u>128,288</u>
Total liabilities	162,824	155,672
Fund balance:		
unreserved-designated for subsequent year's expenditures	<u>878,900</u>	<u>879,253</u>
Total liabilities and fund balance	<u>\$ 1,041,724</u>	<u>\$ 1,034,925</u>

STATE OF LAKE ARTHUR, LOUISIANA
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (OASIS BASIS) AND ACTUAL

Year ended July 31, 1997

With Comparative Actual Amounts For Year Ended July 31, 1996

	1997		Variance Favorable (Unfavorable)	1996
	Budget	Actual		Actual
Revenues:				
Taxes	\$ 307,000	\$ 343,783	\$ 36,783	\$ 343,346
Licenses and permits	70,000	88,887	18,887	88,208
Intergovernmental	70,000	167,283	97,283	83,380
Charges for services	304,300	343,083	38,783	328,208
Fines and forfeits	37,000	48,889	11,889	78,508
Interest earned	12,000	38,881	26,881	31,488
Oil and gas lease and royalties	3,000	8,887	5,887	8,888
Landfill revenues	38,000	41,889	3,889	40,471
Miscellaneous	42,000	38,288	(3,712)	50,288
Total revenues	<u>843,300</u>	<u>1022,847</u>	<u>179,547</u>	<u>878,246</u>
Expenditures:				
CURRENT:				
General government	398,350	387,843	(10,507)	345,169
Public safety	145,510	233,889	88,379	318,846
Highways and streets	75,000	88,888	13,888	72,435
Health and recreation	187,850	204,323	16,473	208,189
Economic development	4,800	7,323	2,523	47,889
Total expenditures	<u>811,510</u>	<u>962,263</u>	<u>150,753</u>	<u>992,506</u>
Excess (deficiency) of revenues over expenditures	311,790	6,584	(10,209)	(114,260)
Other financing sources (uses):				
Operating transfers in	<u>64,000</u>	<u>-</u>	<u>(64,000)</u>	<u>102,288</u>
Excess (deficiency) of revenues and other sources over expenditures	375,790	6,584	(74,209)	11,028
Fund balance at beginning of year	<u>328,323</u>	<u>328,323</u>	<u>-</u>	<u>870,228</u>
Fund balance at end of year	<u>704,113</u>	<u>704,113</u>	<u>70,113</u>	<u>881,256</u>

TOWN OF LAKE ARTHUR, LOUISIANA
GENERAL FUND

STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
Year Ended July 31, 1977
With Comparative Actual Amounts for Year Ended July 31, 1976

	1977		Variance Favorable (Unfavorable)	1976
	Budget	Actual		Actual
General government:				
Personal services	\$ 124,754	\$ 122,442	\$ 2,312	\$ 122,709
Supplies	24,700	8,249	16,451	8,473
Other services and charges	188,700	181,614	7,086	187,318
Capital outlay				8,319
Total general government	<u>338,154</u>	<u>312,305</u>	<u>25,849</u>	<u>307,819</u>
Public safety:				
Police department:				
Personal services	258,410	274,117	(15,707)	248,565
Supplies	22,880	17,495	4,385	22,400
Other services and charges	28,120	18,177	9,943	22,218
Capital outlay	17,000	2,162	14,838	4,859
Total police department	<u>326,410</u>	<u>311,951</u>	<u>14,459</u>	<u>298,042</u>
Fire department:				
Personal services	4,444	2,128	2,316	3,895
Supplies	7,000	4,928	2,072	4,488
Other services and charges	15,400	14,328	1,072	12,749
Capital outlay	19,200	2,024	17,176	7,824
Total fire department	<u>46,044</u>	<u>23,408</u>	<u>22,636</u>	<u>28,956</u>
Total public safety	<u>372,454</u>	<u>335,359</u>	<u>37,095</u>	<u>326,998</u>
Highways and streets:				
Personal services	21,500	20,273	1,227	21,194
Supplies	2,000	-	2,000	-
Other services and charges	48,000	26,424	21,576	62,649
Total highways and streets	<u>71,500</u>	<u>46,697</u>	<u>24,803</u>	<u>83,843</u>
Health and recreation:				
Sanitation:				
Personal services	4,000	3,038	962	4,247
Supplies	4,000	4,438	(438)	5,954
Other services and charges	3,400	18,804	(15,404)	18,780
Dump site expense	75,000	48,081	26,919	72,851
Capital outlay				3,881
Total sanitation	<u>86,400</u>	<u>74,361</u>	<u>12,039</u>	<u>105,613</u>

(continued on next page)

TOWN OF LAKE CHARLES, LOUISIANA
 GENERAL FUND

STATEMENT OF EXPENDITURES, COMPARED TO BUDGET (MAY BASIS)
 Year Ended July 31, 1997
 With Comparative Actual Accounts For Year Ended July 31, 1996
 (Continued)

	1997		Variance Favorable Unfavorable	1996
	Budget	Actual		Actual
Health and recreation (cont.):				
Recreation:				
Personal services	38,300	32,889	4,409	35,507
Supplies	10,300	12,489	813	29,138
Other services and charges	49,800	28,476	21,324	24,199
Capital outlay	19,800	22,381	16,383	24,328
Total recreation	118,200	98,235	20,965	113,172
Total health and recreation	118,200	106,323	21,877	113,172
Economic development:				
Supplies	2,000	2,325	(325)	800
Other services and charges	2,000	8,320	16,320	25,362
Total economic development	4,000	10,645	16,320	26,162
Total expenditures	\$ 122,200	\$ 116,968	\$ 5,232	\$ 139,334

SPECIAL RESERVE FUNDS

CURB AND ALLEY MAINTENANCE FUND - to account for a \$ mill ad valorem tax and a portion of the one percent sales tax dedicated for the maintenance of the Town's streets and alleys.

DRAINAGE MAINTENANCE FUND - to account for a \$ mill ad valorem tax and a portion of the one percent sales tax dedicated for the maintenance of the Town's drainage system.

SALES TAX FUND - to account for the receipt and transfer of the one percent sales tax dedicated for the year ended July 31, 1982 as follows:

Electric	808
Water	178
Sidewalks	18
Drainage	18

WATER ACCOUNT FUND - to account for the portion of the one percent sales tax dedicated for maintenance and improvements to the Town's water system.

SIDWALK ACCOUNT FUND - to account for the portion of the one percent sales tax dedicated for the Town's sidewalks.

TOWN OF LAKE ARCADE, LOUISIANA
SPECIAL REVENUE FUND

COMBINED BALANCE SHEET

July 31, 1969

With Comparative Totals For July 31, 1968

ASSETS	Street and Alley Maintenance	Drainage Maintenance
Cash	\$ 185,314	\$ 80
Investments, at cost	248,878	-
Due from other funds	<u>1,720</u>	<u>44,214</u>
Total assets	<u>\$ 435,912</u>	<u>\$ 44,304</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 1,000	\$ -
Due to other funds	<u>2,000</u>	<u>1,720</u>
Total liabilities	3,000	1,720
Fund balances:		
Unreserved-designated for subsequent year's expenditures	<u>432,912</u>	<u>42,584</u>
Total liabilities and fund balances	<u>\$ 435,912</u>	<u>\$ 44,304</u>

Sales Tax	Water Account	Sidewalk Account	Totals	
			1997	1998
\$ -	\$ -	\$ 24,198	\$ 180,288	\$ 304,448
-	-	-	248,872	323,432
-	-	-	43,828	28,432
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,198</u>	<u>\$ 472,988</u>	<u>\$ 656,312</u>

\$ -	\$ -	\$ -	\$ 1,890	\$ 1,218
-	-	278	3,888	3,888
-	-	278	4,590	5,214
<u>\$ -</u>	<u>\$ -</u>	<u>278,818</u>	<u>470,812</u>	<u>481,280</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,832</u>	<u>\$ 478,280</u>	<u>\$ 486,568</u>

TOWN OF LAKE ARTHUR, LOUISIANA
SPECIAL REVENUE FUNDS

(COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Year Ended July 31, 1999
with Comparative Totals for Year Ended July 31, 1998

	Street and Alley Maintenance	Sewerage Maintenance
Revenues:		
Taxes	\$ 37,788	\$ 37,788
Miscellaneous	<u>13,363</u>	<u>13,363</u>
Total revenues	47,495	47,495
Expenditures:		
Current:		
Highway and streets	<u>108,788</u>	<u>10,148</u>
Excess of revenues over expenditures	<u>(100,745)</u>	<u>47,143</u>
Other financing sources (uses):		
Operating transfers in	118,328	3,742
Operating transfers out	"	"
Appropriations to utilities system fund	<u>1</u>	<u>1</u>
Total other financing sources (uses)	<u>118,328</u>	<u>3,742</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	15,393	19,801
Fund balance at beginning of year	<u>287,430</u>	<u>24,000</u>
Fund balance at end of year	<u>\$ 402,323</u>	<u>\$ 43,801</u>

Sales Tax	Water Account	Electricity Account	Totals	
			1987	1988
\$ 374,500	\$ -	\$ -	\$ 374,500	\$ 374,500
<u>174,850</u>	<u>-</u>	<u>-</u>	<u>174,850</u>	<u>174,850</u>
-	-	-	300,650	549,350
<u>174,850</u>	<u>-</u>	<u>-</u>	<u>300,650</u>	<u>549,350</u>
-	-	3,400	344,300	173,548
1174,1881	-	-	1374,1481	1173,1481
<u>1174,1881</u>	<u>148,8750</u>	<u>-</u>	<u>1323,0631</u>	<u>1323,1481</u>
<u>1174,1881</u>	<u>148,8750</u>	<u>3,400</u>	<u>1330,0631</u>	<u>1326,5481</u>
-	148,8750	3,400	3,400	60,700
-	<u>18,631</u>	<u>30,630</u>	<u>481,100</u>	<u>348,648</u>
<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,470,810</u>	<u>2,881,208</u>

TOWN OF LAKE ARCADE, LOUISIANA
 STREET AND ALLEY MAINTENANCE-SPECIAL REVENUE FUND

COMPARATIVE BALANCE SHEET
 JULY 31, 1937 and 1936

ASSETS	<u>1937</u>	<u>1936</u>
Cash		
Certificates of deposit	\$ 155,836	\$ 189,918
Due from other funds	548,833	840,364
	<u>704,669</u>	<u>1,030,282</u>
Total assets	<u>\$ 704,669</u>	<u>\$ 1,030,282</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable		
Due to other funds	\$ 1,840	\$ 750
Total liabilities	<u>1,840</u>	<u>750</u>
Fund balances:		
Unreserved-designated for subsequent year's expenditures	<u>482,729</u>	<u>969,432</u>
Total liabilities and fund balances	<u>\$ 484,569</u>	<u>\$ 970,182</u>

TOWN OF LAKE ARTHUR, LOUISIANA
STREET AND ALLEY MAINTENANCE-SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET VS. ACTUAL

Year Ended July 31, 1987

With Comparative Actual Amounts for Year Ended July 31, 1986

	1987		Variance	1986
	Budget	Actual	(Unfavorable)	Actual
Revenues:				
Taxes - ad valorem	\$ 26,800	\$ 27,765	\$ 965	\$ 27,528
Miscellaneous	26,200	23,288	2,912	27,242
TOTAL REVENUES	<u>53,000</u>	<u>51,053</u>	<u>1,947</u>	<u>54,770</u>
Expenditures:				
Highways and streets:				
Personnel services	61,000	76,488	(15,488)	62,722
Materials and supplies	12,900	18,985	6,085	18,777
Other services and charges	63,700	64,177	(477)	28,967
Capital outlay	-----	2,000	(2,000)	22,278
TOTAL EXPENDITURES	<u>137,600</u>	<u>158,750</u>	<u>21,150</u>	<u>132,624</u>
Excess (deficiency) of revenues over expenditures				
	(84,600)	(107,697)	23,097	(70,284)
Other financing sources (uses):				
Operating transfers in	128,000	128,220	220	-----
Excess of revenues and other sources over expenditures and other uses				
	43,400	20,523	22,877	68,000
Fund balance at beginning of year				
	<u>262,420</u>	<u>282,820</u>	-----	<u>282,568</u>
Fund balance at end of year				
	<u>\$ 305,820</u>	<u>\$ 303,343</u>	<u>\$ 2,477</u>	<u>\$ 365,136</u>

TOWN OF LAKE ARTHUR, LOUISIANA
 POLICE AND FIRE DEPARTMENT-SPECIAL REVENUE FUND

COMPARATIVE BALANCE SHEET
 July 31, 1957 and 1956

ASSETS	<u>1957</u>	<u>1956</u>
Cash	\$ 843	\$ 8,757
Due from other funds	<u>14,833</u>	<u>20,813</u>
Total assets	<u>\$ 15,676</u>	<u>\$ 29,570</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
Accounts payable	\$ -	\$ 404
Due to other funds	<u>1,712</u>	<u>1,712</u>
Total liabilities	1,712	2,116
Fund balance:		
Unreserved-designated for subsequent year's expenditures	<u>13,964</u>	<u>27,454</u>
Total liabilities and fund balance	<u>\$ 15,676</u>	<u>\$ 29,570</u>

TOWN OF LAKE ARTHUR, LOUISIANA
DRAINAGE MAINTENANCE-SPECIAL REVENUE FUND

STATEMENT OF REVENUES, DISBURSMENTS, AND CHANGES IN FUND BALANCE
BUDGET (BASED BUDGET) AND ACTUAL
Year Ended July 31, 1987
With Comparative Actual Amounts for Year Ended July 31, 1986

	1987		Variance Favorable (Unfavorable)	1986
	Budget	Actual		Actual
Revenues:				
Taxes - ad valorem	\$ 26,800	\$ 27,729	\$ 929	\$ 27,028
Expenditures:				
Current:				
Highways and streets	21,000	22,280	1,280	21,028
Excess of revenues over expenditures	5,800	5,449	351	6,000
Other financing sources (uses):				
Operating transfers in	3,000	2,742	258	2,742
Operating transfers out	(4,000)	-	4,000	-
Total other financing sources (uses)	(1,000)	2,742	3,742	2,742
Excess of revenues and other sources over expenditures and other uses	4,800	8,191	3,391	8,742
Fund balance at beginning of year	28,000	28,000	-	12,000
Fund balance at end of year	\$ 32,800	\$ 36,191	\$ 3,391	\$ 20,742

TOWN OF LAKE ARTHUR, LOUISIANA
SALES TAX SPECIAL REVENUE FUND

COMPARATIVE BALANCE SHEET
July 31, 1997 and 1998

ASSETS	<u>1997</u>	<u>1998</u>
Total assets	<u> </u>	<u> </u>
FUND BALANCE		
Unreserved-designated for subsequent year's expenditures	<u> </u>	<u> </u>

TOWN OF LAKE CHARLES, LOUISIANA
 SALES TAX-SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (ORAS BUDGET) AND ACTUAL
 YEAR ENDED JULY 31, 1987
 With Comparative Actual Revenues for Year Ended July 31, 1986

	1987		Variance Favorable (Unfavorable)	1986
	Budget	Actual		Actual
REVENUES:				
Taxes	\$ 270,000	\$ 274,187	\$ 4,187	\$ 271,340
Other financing sources (uses):				
Operating transfers out	<u>270,000</u>	<u>274,187</u>	<u>4,187</u>	<u>271,340</u>
EXCESS OF REVENUES OVER OTHER USES	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

BOARD OF LAKE ARTISTS, LOUISIANA
 WATER ACCOUNT-SPECIAL REVENUE FUND

COMPARATIVE BALANCE SHEET
 July 31, 1987 and 1988

ASSETS	1987	1988
CERTIFICATES OF DEPOSIT	\$ _____	\$ 32,000
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
Due to general fund	\$ -	\$ 2,000
Fund balance:		
Unreserved-designated for subsequent year's expenditures	_____	40,000
total liabilities and fund balance	\$ _____	\$ 42,000

TOWN OF LAKE ARTHUR, LOUISIANA
WATER ACCOUNT-SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (MAY BE BASED) AND ACTUAL
YEAR ENDED JULY 31, 1977
WITH COMPARATIVE ACTUAL ACCOUNTS FOR YEAR ENDED JULY 31, 1976

	1977		Variance Favorable (Unfavorable)	1976
	Budget	Actual		Actual
Revenues:				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Other financing sources (used):				
Operating transfers in	-	-	-	39,183
Operating transfers out	49,875	49,875	-	-
Appropriations to established system fund	-	-	-	223,163
Total other financing sources (used)	49,875	49,875	-	-
Deficiency of revenues and other sources over used	(49,875)	(49,875)	-	-
Fund balance at beginning of year	49,875	49,875	-	49,875
Fund balance at end of year	\$ -	\$ -	\$ -	\$ 49,875

TOWN OF LAKE ARTHUR, LOUISIANA
 SIDEWALK ACCOUNT-SPECIAL REVENUE FUND

COMPARATIVE BALANCE SHEET
 July 31, 1987 and 1988

ASSETS	<u>1987</u>	<u>1988</u>
Cash	\$ <u>28,282</u>	\$ <u>28,282</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Due to other funds	\$ 273	\$ 273
Fund balance:		
Unreserved-designated for subsequent year's expenditures	<u>28,013</u>	<u>28,013</u>
Total liabilities and fund balance	\$ <u>28,285</u>	\$ <u>28,285</u>

TOWN OF LAKE ARTHUR, LOUISIANA
SINKING ACCOUNT--SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JULY 31, 1997
With Comparative Actual Revenues for Year Ended July 31, 1996

	1997		Unliquid Reserve (Deficit)	1996
	Budget	Actual		Actual
Revenues	\$ -	\$ -	\$ -	\$ -
Other financing sources: operating transfers in	3,400	3,400	0	3,400
Excess of revenues and other sources over expenditures	3,400	3,400	0	3,400
Fund balance at beginning of year	20,618	20,618	-	17,000
Fund balance at end of year	\$ 24,018	\$ 24,018	\$ 0	\$ 20,400

POST OFFICE FUNDS

SEWERAGE DISTRICT NO. 1 - to accumulate monies for payment of \$125,000 general obligation bonds, ranging from 4.5 to 5 percent interest, payable through the year 1983. Property tax is levied to finance payment of principal and interest.

CURBING BOND FUND - to accumulate monies for payment of \$425,000 general obligation bonds ranging from 4.5 to 5.25 percent interest, payable through the year 1981. Financing is provided by a specific annual property tax levy.

PUBLIC IMPROVEMENT BOND SERIES 60-1983 - to accumulate monies for payment of \$550,000 7.25 percent general obligation bonds payable through January 1, 1983. Financing is provided through a portion of the one percent sales tax.

TOWN OF LAKE ARTHUR, LOUISIANA
DEBT SERVICE FUNDS

COMBINED BALANCE SHEET

July 31, 1997

With Comparative Totals For July 31, 1996

ASSETS	Beverage	Combined	Public	Totals	
	District	Bond	Improvement	1997	1996
	Mo. 1	Fund	Bonds		
			\$2,100		
Cash	\$ 13,827	\$ 140,871	\$ 2,889	\$ 176,587	\$ 148,774
Investments-at-cost	78,488	88,398	78,700	245,586	248,574
Due from other funds	-	17,892	2,288	20,180	17,892
Total assets	\$ 92,315	\$ 247,161	\$ 5,477	\$ 344,953	\$ 315,240
LIABILITIES AND FUND BALANCE					
Liabilities:					
Due to other funds	\$ 724	\$ 28,423	-	\$ 29,147	\$ 28,158
Fund balance:					
Reserved for debt service	140,845	170,003	-	310,848	312,274
Unreserved	-	-	80,188	80,188	72,788
Total fund balance	140,845	170,003	80,188	391,036	385,062
Total liabilities and fund balance	\$ 141,569	\$ 198,426	\$ 80,188	\$ 420,183	\$ 403,220

TOWN OF LAKE ARTHUR, LOUISIANA
DEBT SERVICE FUND

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Year Ended July 31, 1987
With Comparative Totals for Year Ended July 31, 1986

	Sewerage District No. 1	Combined Bond Fund	Public Improvement Bonds Series 88-1987	Totals	
	1987	1986	1987	1986	1986
Revenues:					
Taxes	\$ 10,387	\$ 10,088	\$ -	\$ 10,387	\$ 10,088
Interest earned	1,388	2,838	2,388	40,228	40,228
Total Revenues	<u>12,375</u>	<u>12,926</u>	<u>2,388</u>	<u>50,615</u>	<u>50,316</u>
Expenditures:					
Principal retirement	3,000	3,000	-	6,000	6,000
Interest and fiscal charges	1,388	2,300	-	48,488	35,150
Total expenditures	<u>4,388</u>	<u>5,300</u>	<u>-</u>	<u>54,488</u>	<u>41,150</u>
Excess of revenues over expenditures	7,987	7,626	2,388	26,127	29,166
Other financing sources					
Funds:					
Operating transfers out	-	-	-	-	(11,200)
Excess of revenues and other sources over expenditures and other uses	7,987	7,626	2,388	26,127	(7,444)
Fund balance at beginning of year	<u>102,324</u>	<u>107,815</u>	<u>77,388</u>	<u>187,537</u>	<u>189,581</u>
Fund balance at end of year	<u>\$ 187,345</u>	<u>\$ 112,381</u>	<u>\$ 80,188</u>	<u>\$ 420,261</u>	<u>\$ 391,662</u>

CAPITAL PROJECTS FUND

To account for funds received and expenditures made in connection with the sewer line rehabilitation project.

TOWN OF LAKE ARTHUR, LOUISIANA
CAPITAL PROJECTS FUND

BALANCE SHEETS
July 31, 1987 and 1986

ASSETS	<u>1987</u>	<u>1986</u>
CASH	<u> -</u>	<u> -</u>
LIABILITIES AND FUND BALANCE		
Liabilities	0	-
Fund Balance	<u> -</u>	<u> -</u>
Total Liabilities and Fund Balance	<u> -</u>	<u> -</u>

TOWN OF LAKE ARDRU, LOUISIANA
CAPITAL PROJECTS FUND

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

	1997	1996
Revenues:		
Grant income	\$ 149,488	\$ 505,421
Expenditures:		
Construction in progress	149,450	505,421
Excess of revenues over expenditures	-	-
Fund balance at beginning of year	-	-
Fund balance at end of year	-	-

ENTERPRISE FUND

UTILITIES SYSTEM FUND - is account for the provision of water and sewer services to residents of the Town. 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 LAKE ARTHUR, LOUISIANA
UTILITIES SYSTEM INTERFUND FUND

COMPARATIVE BALANCE SHEET

July 31, 1997 and 1996

ASSETS	<u>1997</u>	<u>1996</u>
Current assets:		
Cash	\$ 24,892	\$ 64,149
Investments, at cost	129,833	89,819
Accounts receivable	37,138	24,817
Due from other funds	<u>28,600</u>	<u>87,344</u>
Total current assets	<u>280,463</u>	<u>266,129</u>
Restricted assets:		
Customer deposits	32,907	26,149
Water construction	374	437
Water revenue bond sinking fund	78,425	83,177
Water revenue bond revenue fund	128,587	72,184
Water revenue bond construction fund	<u>26,242</u>	<u>28,190</u>
Total restricted assets	<u>366,535</u>	<u>310,337</u>
Property and equipment:		
Water system	4,890,179	3,877,346
Water system	699,813	377,865
Buildings	7,827	7,827
Furniture and equipment	<u>21,768</u>	<u>21,768</u>
	5,619,587	4,285,806
Less accumulated depreciation	<u>1,122,728</u>	<u>871,488</u>
	4,496,859	3,414,318
Construction in progress	-	218,882
Net property and equipment	<u>4,496,859</u>	<u>3,633,200</u>
Total assets	<u>\$ 8,063,757</u>	<u>\$ 6,113,666</u>

LIABILITIES AND STOCK EQUITY	1955	1954
Liabilities:		
Current liabilities (payable from current assets):		
Accounts payable	\$ 34,938	\$ 37,848
Due to other funds	136,443	130,898
Total current liabilities (payable from current assets)	171,381	168,746
Current liabilities (payable from restricted assets):		
Customers' deposits	28,000	33,679
Bonds and note payable	189,808	21,817
Accrued interest payable	24,818	24,173
Total current liabilities (payable from restricted assets)	242,626	159,679
Long-term liabilities:		
Bonds and note payable	2,825,800	2,938,913
Total liabilities	4,640,807	4,667,348
Stock equity:		
Contributed capital		
Retained earnings:	1,745,888	136,006
Unreserved		
Total retained earnings	177,818	180,581
Reserves	1,568,070	180,581
Total stock equity	1,745,888	3,216,588
Total liabilities and stock equity	6,386,695	7,883,936

TOWN OF IOWA, LOUISIANA
 UTILITIES SYSTEM INTERFUND FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
 RETAINED EARNINGS
 Years Ended July 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Operating revenues:		
Charges for services-water	\$ 128,843	\$ 111,804
Charges for services-sewerage	<u>281,113</u>	<u>251,818</u>
Total operating revenues	<u>409,956</u>	<u>363,622</u>
Operating expenses:		
Personnel services	74,818	71,304
Other services and charges	28,243	21,474
Materials and supplies	28,208	22,704
Heat, light and power	47,818	34,845
Depreciation	<u>188,353</u>	<u>91,103</u>
Total operating expenses	<u>367,437</u>	<u>241,430</u>
Operating income	<u>42,519</u>	<u>122,192</u>
Nonoperating revenues (expenses):		
Water and sewer connection fees	3,846	3,144
Miscellaneous	3,999	-
Interest earned	6,918	3,318
Interest and fiscal charges	<u>(78,282)</u>	<u>(84,254)</u>
Total	<u>(63,521)</u>	<u>(77,782)</u>
Income before operating transfers	<u>(20,999)</u>	<u>44,410</u>
Other financing sources (uses):		
Transfers from other funds	78,483	29,127
Transfers to other funds	<u>(78,483)</u>	<u>(29,068)</u>
Total other financing sources (uses)	<u>0</u>	<u>(37,941)</u>
Net income	94,944	42,353
Retained earnings at beginning of year	<u>782,583</u>	<u>738,230</u>
Retained earnings at end of year	<u>\$ 877,527</u>	<u>\$ 780,583</u>

GENERAL, LONG-TERM DEBT
ACCOUNT GROUP

To account for unsecured principal amounts on general long-term debt expected to be financed from governmental type funds (except special assessment funds); payments of maturing obligations, including interest, are accounted for in the debt service funds.

TOWN OF LAKE ARTHUR, LOUISIANA
 STATEMENT OF GENERAL LONG-TERM DEBT
 July 31, 1997

	Savings District No. 1	Combined Bond Fund	Total
AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT			
Amount available in debt service fund for debt retirement	\$ 107,545	\$ 143,000	\$ 278,545
Amount to be provided for retirement of long-term debt	<u>12,410</u>	<u>-</u>	<u>12,410</u>
Total	<u>\$ 120,000</u>	<u>\$ 143,000</u>	<u>\$ 263,000</u>
 GENERAL LONG-TERM DEBT PAYABLE			
Bonds payable	<u>\$ 120,000</u>	<u>\$ 143,000</u>	<u>\$ 263,000</u>

GENERAL FIXED ASSETS
ACCOUNT GROUP

To account for property, plant and equipment. General fixed assets used in governmental fund type operations. Assets purchased are recorded as capital outlay expenditures in the governmental funds and capitalized at cost in the general fixed asset account group.

TOWN OF LAKE ARTICH
 STATEMENT OF GENERAL FUND ASSETS
 July 31, 1987

Property, plant and equipment acquired prior to July 1, 1984		\$ 2,579,449
Current year acquisitions by fund:		
Special revenue fund-street and alley maintenance	\$ 5,500	
General fund	<u>27,123</u>	
Total current year acquisitions		<u>32,623</u>
Property, plant and equipment, net at July 31, 1987		<u>\$ 2,612,072</u>
Investment in general fund assets at July 31, 1987		<u>\$ 2,202,012</u>

SUPPLEMENTARY INFORMATION

TOWN OF LAKE ARTHUR, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL MONIES
 Year Ended July 31, 1967

Federal Grantor Program Title

Community Development Block Grant:

Home Rehabilitation Grant:

Federal CFDA Number		18-219
Program Annual	\$	787,813
Current year expenditures		148,488
Expenditures to date		712,814

U.S. Department of Justice:

Cops Grant:

Federal CFDA Number		18-879
Program Annual	\$	68,764
Current year expenditures		37,764
Expenditures to date		38,814

FORM OF LATE LETTER

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
July 31, 1997

Note 1. General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all Federal financial assistance programs of the Town. The Town reporting entity is defined in Note 1 to the Town's financial statements for the year ended July 31, 1997. All Federal financial assistance received is included on the schedule.

Note 2. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the Town's financial statements for the year ended July 31, 1997.

Note 3. Relationship to General Purpose Financial Statements

Federal financial assistance revenues are reported in the Town's financial statements as follows:

General Fund	\$ 17,750
Capital Projects Fund	149,400

Note 4. Relationship to Federal Financial Reports

	Revenue	Expenditures
Reported in the accompanying schedule:		
General Fund	\$ 17,750	\$ 17,750
Capital Projects Fund	149,400	149,400
Amounts reported in Federal reports for reimbursement:		
Revenues funded:		
General Fund	\$ 17,750	\$ 17,750
Capital Projects Fund	149,400	149,400

Note 5. Commitments and Contingencies

Note 18 to the financial statements of the Town for the years ended July 31, 1997 and 1996 discussed certain matters related to the Housing Rehabilitation program, the possible outcome of which remains uncertain at this time.

INDEPENDENT AUDITOR'S REPORTS ON
INTERNAL CONTROL STRUCTURE
AND COMPLIANCE

MCLELLON, QUIRK & BURCH

IS PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

MEMBER
NATIONAL ASSOCIATION
OF CERTIFIED PUBLIC ACCOUNTANTS

NO. 1000007
LOUISIANA CERTIFIED
PUBLIC ACCOUNTANT

NO. 0000000000
MEMBER OF THE
AMERICAN SOCIETY OF
CERTIFIED ACCOUNTANTS

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

Honorable Mayor and Board of Aldermen
Town of Lake Arthur
Lake Arthur, Louisiana

We have audited the financial statements of the Town of Lake Arthur, Louisiana as of and for the year ended July 31, 1997, and have issued our report thereon dated September 3, 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 Town of Lake Arthur, Louisiana'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 Town of Lake Arthur, Louisiana'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. Our consideration of the internal control over financial reporting would

not necessarily disclose all matters in the internal control over financial reporting 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 misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

W. Elroy Frank & Nurch
Lake Charles, Louisiana
September 3, 1997