

SPECIAL
COPY

SEND OUT

(When necessary
copies from this
copy and PLACE
BACK in FILE)

995 00536
2371

VILLAGE OF ESTHERWOOD, LOUISIANA

FINANCIAL REPORT

JUNE 30, 1998

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

Release Date MAR 7 0 1999

C O N T E N T S

	Exhibit	Page
INDEPENDENT ACCOUNTANT'S REPORT ON THE FINANCIAL STATEMENTS	-	1
GENERAL PURPOSE FINANCIAL STATEMENTS (COMBINED STATEMENTS - OVERVIEW)		
Combined balance sheet - all fund types and account groups	A	4 and 5
Combined statement of revenues, expenditures, and changes in fund balances - all governmental fund types	B	7
Combined statement of revenues, expenditures, and changes in fund balances - budget (GAAP basis) and actual - general and special revenue funds	C	8 and 9
Combined statement of revenues, expenses, and changes in retained earnings - proprietary fund type	D	10
Combined statement of cash flows - proprietary fund type	E	11
Notes to financial statements		12-22
FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS		
Enterprise Funds:		
Combining balance sheet	F-1	26 and 27
Combining statement of revenues, expenses and changes in retained earnings	F-2	28 and 29
Combining statement of cash flows	F-3	30 and 31
OTHER SUPPLEMENTARY INFORMATION		
	Schedule	
Schedule of per diem paid to elected officials	1	32
Monthly gas and water rates	2	33 and 34
INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES	-	35-38
LOUISIANA ATTESTATION QUESTIONNAIRE	-	39 and 40



BROUSSARD, POCHE, LEWIS & BREAU, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

122 East 5th St.
P.O. Drawer 307
Crowley, Louisiana
70527-0307
phone: (318) 783-0650
fax: (318) 783-7238

INDEPENDENT ACCOUNTANT'S REPORT

The Honorable Stephen Broussard, Mayor,
and the Board of Aldermen
Village of Estherwood, Louisiana

Lafayette, LA
(318) 988-4930

Opelousas, LA
(318) 942-5217

Abbeville, LA
(318) 898-1497

New Iberia, LA
(318) 364-4554

Church Point, LA
(318) 684-2855

Eunice, LA
(318) 457-0071

We have compiled the accompanying general purpose financial statements of the Village of Estherwood, Louisiana, as of and for the year ended June 30, 1998 and the supplementary schedules, as listed in the table of contents. The statements and supplementary schedules, which are presented only for supplementary analysis purposes, were compiled in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting information that is the representation of the Board in the form of financial statements and supplementary schedules. We have not audited or reviewed the accompanying financial statements and supplementary schedules and, accordingly, we do not express an opinion or any other form of assurance on them.

BROUSSARD, POCHE, LEWIS & BREAU, L.L.P.

Lawrence A. Cramer, CPA*
Eugene C. Gilder, CPA*
Donald W. Kelley, CPA*
Herbert Lemoine II, CPA*
Frank A. Stagno, CPA*
Scott J. Broussard, CPA*
L. Charles Abshire, CPA*
Kenneth R. Dugas, CPA*
J. John Blanchet III, CPA*
Stephen L. Lambousy, CPA*
Craig C. Balineaux, CPA*
Peter C. Borrello, CPA*
Michael P. Crochet, CPA*
George J. Trappey III, CPA*
Daniel E. Gilder, CPA*
Gregory B. Milton, CPA*
S. Scott Soileau, CPA*
Patrick D. McCarthy, CPA*

Crowley, Louisiana
February 12, 1999

Retired:
Sidney L. Broussard, CPA 1980
Leon K. Poche, CPA 1984
James H. Breaux, CPA 1987
Emma R. Walton, CPA 1988
George A. Lewis, CPA* 1992
Geraldine J. Wimberly, CPA* 1995
Rodney L. Savoy, CPA* 1996
Larry G. Broussard, CPA* 1997

Members of American Institute of
Certified Public Accountants
Society of Louisiana Certified
Public Accountants

* A Professional Accounting Corporation.

This page is intentionally left blank.

GENERAL PURPOSE FINANCIAL STATEMENTS
(Combined Statements - Overview)

VILLAGE OF ESTHERWOOD, LOUISIANA

COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 June 30, 1998
 See Accountant's Compilation Report

ASSETS	Governmental Fund Types		
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>
Cash and cash equivalents	\$ 1,241	\$ 1,776	\$ -
Receivables (net of allowances for uncollectibles):			
Accounts	-	958	-
Due from other funds	100,961	24,659	-
Other	211	-	-
Certificates of deposit	-	-	-
Restricted assets:			
Cash and cash equivalents	-	-	-
Certificates of deposit	-	-	-
Fixed assets (net of accumulated depreciation)	-	-	-
	<u>\$102,413</u>	<u>\$ 27,393</u>	<u>\$ -</u>
LIABILITIES AND FUND EQUITY			
LIABILITIES			
Accounts payable	\$ 1,841	\$ -	\$ -
Due to other funds	34,434	-	-
Accrued liabilities	1,339	-	-
Revenue bonds payable	-	-	-
Payable from restricted assets:			
Revenue bonds	-	-	-
Accrued interest	-	-	-
Meter deposits	-	-	-
	<u>\$ 37,614</u>	<u>\$ -</u>	<u>\$ -</u>
FUND EQUITY			
Contributed capital	\$ -	\$ -	\$ -
Investment in general fixed assets	-	-	-
Retained earnings (deficit):			
Reserved for revenue bond retirement	-	-	-
Unreserved	-	-	-
Fund balances:			
Unreserved	<u>64,799</u>	<u>27,393</u>	<u>-</u>
	<u>\$ 64,799</u>	<u>\$ 27,393</u>	<u>\$ -</u>
	<u>\$102,413</u>	<u>\$ 27,393</u>	<u>\$ -</u>

See Notes to Financial Statements.

<u>Proprietary Fund Type</u>	<u>Account Group</u>	<u>Total</u>
<u>Enterprise</u>	<u>General Fixed Assets</u>	<u>(Memorandum Only)</u>
\$ 4,391	\$ -	\$ 7,408
10,073	-	11,031
19,596	-	145,216
-	-	211
5,000	-	5,000
40,386	-	40,386
18,875	-	18,875
<u>938,679</u>	<u>435,783</u>	<u>1,374,462</u>
<u>\$1,037,000</u>	<u>\$ 435,783</u>	<u>\$1,602,589</u>
\$ -	\$ -	\$ 1,841
110,782	-	145,216
594	-	1,933
170,174	-	170,174
16,388	-	16,388
8,783	-	8,783
<u>13,254</u>	<u>-</u>	<u>13,254</u>
<u>\$ 319,975</u>	<u>\$ -</u>	<u>\$ 357,589</u>
\$1,100,322	\$ -	\$1,100,322
-	435,783	435,783
20,835	-	20,835
(404,132)	-	(404,132)
-	-	92,192
<u>\$ 717,025</u>	<u>\$ 435,783</u>	<u>\$1,245,000</u>
<u>\$1,037,000</u>	<u>\$ 435,783</u>	<u>\$1,602,589</u>

This page is intentionally left blank.

VILLAGE OF ESTHERWOOD, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
ALL GOVERNMENTAL FUND TYPES
Year Ended June 30, 1998
See Accountant's Compilation Report

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total (Memorandum Only)</u>
Revenues:				
Taxes	\$ 28,843	\$ 22,524	\$ -	\$ 51,367
Licenses and permits	13,120	-	-	13,120
Intergovernmental	3,396	-	-	3,396
Fines	3,433	-	-	3,433
Other	<u>7,007</u>	<u>-</u>	<u>-</u>	<u>7,007</u>
	<u>\$ 55,799</u>	<u>\$ 22,524</u>	<u>\$ -</u>	<u>\$ 78,323</u>
Expenditures:				
Current:				
General government	\$ 22,040	\$ 15,897	\$ -	\$ 37,937
Public safety	3,793	-	-	3,793
Public works	17,288	-	-	17,288
Culture and recreation	-	-	-	-
Capital outlays	<u>987</u>	<u>2,043</u>	<u>-</u>	<u>3,030</u>
	<u>\$ 44,108</u>	<u>\$ 17,940</u>	<u>\$ -</u>	<u>\$ 62,048</u>
Excess of revenues over expenditures	\$ 11,691	\$ 4,584	\$ -	\$ 16,275
Other financing uses:				
Operating transfers out	<u>-</u>	<u>(6,000)</u>	<u>-</u>	<u>(6,000)</u>
Excess of revenues over expenditures and other uses	\$ 11,691	\$ (1,416)	\$ -	\$ 10,275
Fund balances, beginning	<u>53,108</u>	<u>28,809</u>	<u>-</u>	<u>81,917</u>
Fund balances, ending	<u>\$ 64,799</u>	<u>\$ 27,393</u>	<u>\$ -</u>	<u>\$ 92,192</u>

See Notes to Financial Statements.

VILLAGE OF ESTHERWOOD, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
 BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
 GENERAL AND SPECIAL REVENUE FUNDS
 Year Ended June 30, 1998
 See Accountant's Compilation Report

	<u>General Fund</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:			
Taxes	\$ 28,254	\$ 28,843	\$ 589
Licenses and permits	13,244	13,120	(124)
Intergovernmental	7,996	3,396	(4,600)
Fines	4,000	3,433	(567)
Other	3,507	7,007	3,500
	<u>\$ 57,001</u>	<u>\$ 55,799</u>	<u>\$ (1,202)</u>
Expenditures:			
Current:			
General government	\$ 21,608	\$ 22,040	\$ (432)
Public safety	6,610	3,793	2,817
Public works	20,084	17,288	2,796
Culture and recreation	500	-	500
Capital outlays	5,500	987	4,513
	<u>\$ 54,302</u>	<u>\$ 44,108</u>	<u>\$ 10,194</u>
Excess of revenues over expenditures	\$ 2,699	\$ 11,691	\$ 8,992
Other financing uses:			
Operating transfers out	-	-	-
Excess of revenues over expenditures and other uses	\$ 2,699	\$ 11,691	\$ 8,992
Fund balances, beginning	<u>53,108</u>	<u>53,108</u>	-
Fund balances, ending	<u>\$ 55,807</u>	<u>\$ 64,799</u>	<u>\$ 8,992</u>

See Notes to Financial Statements.

<u>Special Revenue Fund</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
\$ 16,000	\$ 22,524	\$ 6,524
-	-	-
-	-	-
-	-	-
<u>\$ 16,000</u>	<u>\$ 22,524</u>	<u>\$ 6,524</u>
\$ 9,569	\$ 15,897	\$ (6,328)
-	-	-
-	-	-
-	-	-
431	2,043	(1,612)
<u>\$ 10,000</u>	<u>\$ 17,940</u>	<u>\$ (7,940)</u>
\$ 6,000	\$ 4,584	\$ (1,416)
<u>(6,000)</u>	<u>(6,000)</u>	<u>-</u>
\$ -	\$ (1,416)	\$ (1,416)
<u>28,809</u>	<u>28,809</u>	<u>-</u>
<u>\$ 28,809</u>	<u>\$ 27,393</u>	<u>\$ (1,416)</u>

VILLAGE OF ESTHERWOOD, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS - PROPRIETARY FUND TYPE

Year Ended June 30, 1998

See Accountant's Compilation Report

Operating revenues:		
Charges for service		\$ 148,728
Other		<u>3,298</u>
		\$ 152,026
Operating expenses:		
Labor	\$ 61,207	
Payroll taxes	4,796	
Group insurance	812	
Plant supplies	7,793	
Office supplies	1,801	
Depreciation	28,109	
Utilities	16,957	
Auditing	2,500	
Repairs and maintenance	8,271	
Insurance	3,180	
Fuel purchases	29,249	
Other	<u>13,668</u>	<u>178,343</u>
Operating loss		\$ (26,317)
Non-operating revenues (expenses):		
Interest revenue	\$ 1,998	
Interest expense	(9,627)	
Loss on sale of fixed assets	<u>-</u>	<u>(7,629)</u>
Loss before operating transfers		\$ (33,946)
Operating transfers:		
Operating transfers in		<u>6,000</u>
Net loss		\$ (27,946)
Retained earnings (deficit), beginning		<u>(355,351)</u>
Retained earnings (deficit), ending		<u>\$ (383,297)</u>

See Notes to Financial Statements.

VILLAGE OF ESTHERWOOD, LOUISIANA

COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE

Year Ended June 30, 1998

See Accountant's Compilation Report

CASH FLOWS FROM OPERATING ACTIVITIES		
Operating loss		\$(26,317)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation		28,109
Change in assets and liabilities:		
Decrease in accounts receivable		(629)
Decrease in due from other funds		(6,637)
Increase in other receivable		4,246
Decrease in accounts payable		(185)
Increase in due to other funds		17,844
Decrease in meter deposits		769
Increase in other liabilities		<u>(530)</u>
Net cash provided by operating activities		\$ 16,670
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating transfers in		6,000
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from maturities of certificates of deposit	\$ -	
Purchases of certificates of deposit	-	
Interest received	<u>1,998</u>	
Net cash provided by investing activities		1,998
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of equipment	\$ -	
Principal paid on revenue bond maturities	(18,614)	
Interest paid	<u>(9,627)</u>	
Net cash used by capital and related financing activities		<u>(28,241)</u>
Net decrease in cash and cash equivalents		\$ (3,573)
Cash and cash equivalents, beginning		<u>48,350</u>
Cash and cash equivalents, ending		<u>\$ 44,777</u>

See Notes to Financial Statements.

VILLAGE OF ESTHERWOOD, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
See Accountant's Compilation Report

Note 1. Summary of Significant Accounting Policies

The Village of Estherwood was incorporated March 12, 1901, under the provisions of Section 11 of Louisiana Act No. 136. The Village operates under a Mayor-Aldermen form of government and provides the following services as authorized by its charter; public safety (police), highways and streets, sanitation, health, recreation, public improvements, planning and zoning, and general administrative services.

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

Fund accounting:

The accounts of the Village 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 two broad fund categories and, more specifically, into three generic fund types as well as into one account group as follows:

Governmental Funds

General fund:

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

Special revenue funds:

Special revenue funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes. The Village's only special revenue fund is the Sales Tax Fund.

NOTES TO FINANCIAL STATEMENTS
See Accountant's Compilation Report

Capital project funds:

Capital project funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The Village's only capital projects fund is the LCDBG fund, which was closed in 1998.

Proprietary Funds

Enterprise funds:

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

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

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 have elected not to apply FASB Statements and Interpretations issued after November 30, 1989, unless they are adopted by GASB.

NOTES TO FINANCIAL STATEMENTS
See Accountant's Compilation Report

Depreciation of all exhaustible 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 wells	50 years
Lines	20-50 years
Equipment	10-12 years

Account Groups

Fixed assets and long-term liabilities:

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

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in governmental funds. General fixed assets, except for streets, drainage and improvements thereon, are capitalized in the account group. No depreciation has been provided on general fixed assets.

All purchased fixed assets are valued at historical cost. All donated fixed assets are valued at fair market value on the date of donation.

The account group is not a "fund." It is concerned only with the measurement of financial position. It is not involved with measurement of results of operations.

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

NOTES TO FINANCIAL STATEMENTS
See Accountant's Compilation Report

Basis of accounting:

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

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

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) accumulated unpaid vacation, sick pay, and other employee amounts which are not accrued; and (2) principal and interest on general long-term debt which is recognized when due.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

Budgets and budgetary accounting:

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

1. The Mayor submits to the Board of Aldermen a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. The budget is then legally enacted through passage of an ordinance.
3. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
4. Actual expenditures may not exceed budgeted appropriations at the individual fund level. All budget appropriations lapse at year-end.

Budgets as presented are as originally adopted or amended by the Board of Aldermen in open meeting.

NOTES TO FINANCIAL STATEMENTS
See Accountant's Compilation Report

Cash and cash equivalents:

For purposes of reporting cash flows, the Village considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Bad debts:

Uncollectible amounts due from customers' utility receivables are recognized as bad debts by the use of the allowance method of accounting for bad debts.

Total columns on Combined Statements - Overview:

Total columns on the Combined Statements - Overview 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 changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Note 2. Property Tax

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and are payable by December 31. The Village bills and collects its own property taxes.

The Village currently levies taxes at 7 mills on the dollar of assessed valuation of property for general corporate purposes.

Note 3. Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	Balance, July 1, <u>1997</u>	<u>Additions</u>	<u>Deletions</u>	Balance, June 30, <u>1998</u>
Land and land improvements	\$243,627	\$ -	\$ -	\$243,627
Buildings	70,762	-	-	70,762
Equipment	121,394	-	-	121,394
	<u>\$435,783</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$435,783</u>

NOTES TO FINANCIAL STATEMENTS
See Accountant's Compilation Report

A summary of proprietary fund type property, plant, and equipment at June 30, 1998 follows:

	<u>Water Fund</u>	<u>Gas Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Water wells	\$ 17,789	\$ -	\$ -	\$ 17,789
Water tank	114,447	-	-	114,447
Water treatment plant	41,629	-	-	41,629
Distribution system	79,052	43,572	1,213,434	1,336,058
Building	-	1,387	-	1,387
Meters	1,541	11,003	-	12,544
Other equipment	<u>10,267</u>	<u>10,983</u>	<u>5,212</u>	<u>26,462</u>
	\$ 264,725	\$ 66,945	\$1,218,646	\$1,550,316
Less accumulated depreciation	<u>(203,646)</u>	<u>(66,653)</u>	<u>(341,338)</u>	<u>(611,637)</u>
	<u>\$ 61,079</u>	<u>\$ 292</u>	<u>\$ 877,308</u>	<u>\$ 938,679</u>

Note 4. Changes in Long-Term Debt

The following is a summary of debt transactions for the Village for the year period ended June 30, 1998:

Debt payable at July 1, 1997	\$205,176
Debt retired	<u>18,614</u>
Debt payable at June 30, 1998	<u>\$186,562</u>

Debt payable at June 30, 1998 is comprised of the following individual issues:

Revenue bonds:

\$75,000 Gas revenue bonds issued June 1, 1969, due in annual installments of \$2,000 to \$5,000 through June 1, 1999; interest at 5-1/2%	\$ 5,000
\$317,800 Sewer revenue bonds issued July 7, 1982, due in annual installments of \$23,561 through July 7, 2007; interest at 5%	<u>181,562</u>
	<u>\$186,562</u>

NOTES TO FINANCIAL STATEMENTS
See Accountant's Compilation Report

The annual requirements to amortize all debt outstanding as of June 30, 1998, including interest payments of \$54,321 are as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Revenue</u>
1999	\$ 28,836
2000	23,561
2001	23,561
2002	23,561
2003	23,561
2004 - thereafter	<u>117,803</u>
	<u>\$240,883</u>

Under the terms of various bond indentures on outstanding gas utility revenue bonds, all income and revenues (hereinafter referred to as revenue) of every nature earned or derived from the operation of the utility system are pledged and dedicated to the retirement of said bonds and are to be deposited in funds as indicated below:

All revenue must be deposited into a revenue fund. The revenue fund must transfer from time to time amounts into the maintenance and operation fund that are sufficient to pay the cost of maintaining and operating the utility system.

After transferring the required amounts into the maintenance and operation fund, the revenue fund must transfer monthly to the bond and interest sinking fund an amount equal to one-sixth of the interest and one-twelfth of the principal falling due on their next respective date. Money so accumulated is to pay for currently maturing principal and interest.

After payment to the bond and interest sinking fund, 25% of the balance remaining in the revenue fund must be transferred monthly to the bond reserve fund until a balance of \$7,000 is accumulated. Money in the bond reserve fund is solely dedicated to paying current principal and interest to the extent necessary to prevent a default and if so used, must be replaced in full as soon as feasible with funds not required for operation and maintenance or payment of current principal and interest.

The revenue fund must transfer monthly to the depreciation and contingency fund a sum equal to 25% of the balance remaining in the revenue fund after the payment to the bond and interest sinking fund until a balance of \$4,000 is accumulated. Money so accumulated shall be used for making extensions, additions, improvements, and replacements to the utility system provided the balance will not be reduced below \$2,000, or for payment of principal and interest. Any such use of funds must be replaced as soon as feasible with funds not required for operation and maintenance or payment of current principal and interest.

NOTES TO FINANCIAL STATEMENTS
See Accountant's Compilation Report

Money remaining in the revenue fund after all of the above payments have been made shall be used to make extensions, improvement or renewals to the system or for retiring bonds not currently due.

The required and current balances of the above funds at June 30, 1998 are as follows:

	<u>Required</u>	<u>Actual</u>	<u>Excess (Deficiency)</u>
Bond and interest sinking fund	\$ 440	\$ 144	\$ (296)
Bond reserve fund	4,835	7,498	2,663
Depreciation and contingency fund	<u>2,800</u>	<u>2,800</u>	<u>-</u>
	<u>\$ 8,075</u>	<u>\$ 10,442</u>	<u>\$ 2,367</u>

Under the terms of various bond indentures on outstanding sewer utility revenue bonds, all income and revenues (hereinafter referred to as revenue) of every nature earned or derived from the operation of the utilities system are pledged and dedicated to the retirement of said bonds and are to be deposited in funds as indicated below:

All revenue must be deposited into a revenue fund. The revenue fund must transfer from time to time amounts into the maintenance and operation fund that are sufficient to pay the cost of maintaining and operating the utility system.

After transferring the required amounts into the maintenance and operation fund, the revenue fund must transfer monthly to the bond and interest sinking fund an amount equal to one-twelfth of the interest and one-twelfth of the principal falling due on their next respective payment date. Money so accumulated is to pay for currently maturing principal and interest.

After the above requirements are met, the revenue fund must transfer monthly in advance on or before the 20th day of each month of each year beginning not later than after the system becomes revenue producing, a sum equal to 5% of the sum to be required to be transferred in each month in the bond sinking fund. The payments are to continue until such time as there has been accumulated therein a sum equal to the highest combined principal and interest requirement in any succeeding fiscal year on the outstanding principal of the bond.

NOTES TO FINANCIAL STATEMENTS
See Accountant's Compilation Report

After all required payments above have been met, the revenue fund must transfer \$99 into the depreciation and contingencies fund. The first monthly payment is to be made by the 20th day of the first full month following completion of the sewer system and by the 20th day of each month thereafter until \$23,600 is accumulated. The money in the depreciation and contingencies fund shall be used first to pay currently maturing principal and interest for which there is insufficient money in the bond fund or reserve account and secondly for making replacements, improvements, or extensions to the system. Any deficiencies in the depreciation and contingencies fund shall be made up from money in the revenue fund whenever such money is not needed for maintenance and operation or payment of current principal, interest, and reserve account requirements.

The required and current balances of the above funds at June 30, 1998 are as follows:

	<u>Required</u>	<u>Actual</u>	<u>Excess (Deficiency)</u>
Bond and interest sinking fund	\$ 23,561	\$ 13,209	\$(10,352)
Bond reserve account	16,885	17,597	712
Depreciation and contingencies fund	<u>17,028</u>	<u>7,781</u>	<u>(9,247)</u>
	<u>\$ 57,474</u>	<u>\$ 38,587</u>	<u>\$(18,887)</u>

Note 5. Deficit Retained Earnings

The Water Utility Fund, the Gas Utility Fund, and Sewer Utility Fund have deficit unreserved retained earnings balances at June 30, 1998 of \$183,341, \$39,932, and \$180,859, respectively.

Note 6. Dedication of Sales Tax Proceeds

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

1. Constructing and purchasing a fire department station, fire fighting and fire protection equipment, and other works of public improvement related thereto.
2. Constructing, acquiring, extending, or improving a sewerage plant and sewer system and operating same.
3. For any other lawful corporate purpose, title to which shall be in the public.

NOTES TO FINANCIAL STATEMENTS
See Accountant's Compilation Report

Note 7. Enterprise Fund Operations

The operations of the individual funds which comprise the total combined enterprise fund operations are summarized as follows:

	<u>Water Utility Fund</u>	<u>Gas Utility Fund</u>	<u>Sewer Utility Fund</u>	<u>Total</u>
Operating revenues	\$ 48,214	\$ 63,855	\$ 39,957	\$ 152,026
Operating expenses	<u>56,981</u>	<u>72,866</u>	<u>48,496</u>	<u>178,343</u>
Operating loss	<u>\$ (8,767)</u>	<u>\$ (9,011)</u>	<u>\$ (8,539)</u>	<u>\$ (26,317)</u>
Depreciation expense	<u>\$ 3,907</u>	<u>\$ 329</u>	<u>\$ 23,873</u>	<u>\$ 28,109</u>
Operating transfers in	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,000</u>	<u>\$ 6,000</u>
Net loss	<u>\$ (8,345)</u>	<u>\$ (8,952)</u>	<u>\$ (10,649)</u>	<u>\$ (27,946)</u>
Property, plant, and equipment additions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net working capital (current assets less current liabilities)	<u>\$(39,975)</u>	<u>\$(40,225)</u>	<u>\$ 7,884</u>	<u>\$ (72,316)</u>
Total assets	<u>\$ 79,410</u>	<u>\$ 24,914</u>	<u>\$932,676</u>	<u>\$1,037,000</u>
Total equity	<u>\$ 21,104</u>	<u>\$(34,490)</u>	<u>\$730,411</u>	<u>\$ 717,025</u>

Note 8. Allowance for Uncollectibles

The receivable recorded in the enterprise fund is net of allowance for uncollectibles of \$816, \$3,176, and \$540 for the water utility, gas utility, and sewer utility funds, respectively.

Note 9. Cash, Cash Equivalents, and Investments

As of June 30, 1998, bank deposits totaling \$68,048 were completely secured by FDIC Insurance.

NOTES TO FINANCIAL STATEMENTS
See Accountant's Compilation Report

Note 10. Interfund Receivables, Payables

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General fund	\$100,961	\$ 34,434
Special revenue fund:		
Sales tax	24,659	-
Capital projects fund:		
LCDBG	-	-
Enterprise funds:		
Water utility	2,984	52,510
Gas utility	4,615	50,621
Sewer utility	11,997	7,651
	<u>\$145,216</u>	<u>\$145,216</u>

FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS

This page is intentionally left blank.

ENTERPRISE FUNDS

Water Utility Fund -

To account for the provision of water services to the residents of the Village. 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.

Gas Utility Fund -

To account for the provision of natural gas services to the residents of the Village. All activities necessary to provide this service are accounted for in this fund including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

Sewer Utility Fund -

To account for the provision of sewer services to the residents of the Village. 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.

VILLAGE OF ESTHERWOOD, LOUISIANA
ENTERPRISE FUNDS

COMBINING BALANCE SHEET
June 30, 1998
See Accountant's Compilation Report

ASSETS	<u>Water. Utility</u>	<u>Gas Utility</u>	<u>Sewer Utility</u>	<u>Total</u>
CURRENT ASSETS				
Cash and cash equivalents	\$ 603	\$ 3,380	\$ 408	\$ 4,391
Accounts receivable, net of allowance for uncollectible accounts of \$4,532	4,204	2,739	3,130	10,073
Due from other funds	2,984	4,615	11,997	19,596
Certificates of deposit	5,000	-	-	5,000
Other receivable	-	-	-	-
Total current assets	<u>\$ 12,791</u>	<u>\$ 10,734</u>	<u>\$ 15,535</u>	<u>\$ 39,060</u>
RESTRICTED ASSETS				
Cash and cash equivalents	\$ 1,273	\$ 2,303	\$ 36,810	\$ 40,386
Certificates of deposit	4,267	11,585	3,023	18,875
	<u>\$ 5,540</u>	<u>\$ 13,888</u>	<u>\$ 39,833</u>	<u>\$ 59,261</u>
PLANT AND EQUIPMENT				
Plant and equipment, at cost	\$ 264,725	\$ 66,945	\$1,218,646	\$1,550,316
Accumulated depreciation	(203,646)	(66,653)	(341,338)	(611,637)
	<u>\$ 61,079</u>	<u>\$ 292</u>	<u>\$ 877,308</u>	<u>\$ 938,679</u>
	<u>\$ 79,410</u>	<u>\$ 24,914</u>	<u>\$ 932,676</u>	<u>\$1,037,000</u>

LIABILITIES AND FUND EQUITY	<u>Water Utility</u>	<u>Gas Utility</u>	<u>Sewer Utility</u>	<u>Total</u>
CURRENT LIABILITIES (payable from current assets)				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	52,510	50,621	7,651	110,782
Sales tax payable	256	338	-	594
	<u>\$ 52,766</u>	<u>\$ 50,959</u>	<u>\$ 7,651</u>	<u>\$ 111,376</u>
CURRENT LIABILITIES (payable from restricted assets)				
Meter deposits	\$ 5,540	\$ 3,445	\$ 4,269	\$ 13,254
Revenue bonds	-	5,000	11,388	16,388
Accrued interest	-	-	8,783	8,783
	<u>\$ 5,540</u>	<u>\$ 8,445</u>	<u>\$ 24,440</u>	<u>\$ 38,425</u>
Total current liabilities	<u>\$ 58,306</u>	<u>\$ 59,404</u>	<u>\$ 32,091</u>	<u>\$ 149,801</u>
OTHER LIABILITIES				
Revenue bonds payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 170,174</u>	<u>\$ 170,174</u>
FUND EQUITY				
Contributed capital	\$ 204,445	\$ -	\$ 895,877	\$1,100,322
Retained earnings (deficit):				
Reserved for revenue bond retirement	-	5,442	15,393	20,835
Unreserved	(183,341)	(39,932)	(180,859)	(404,132)
	<u>\$ 21,104</u>	<u>\$ (34,490)</u>	<u>\$ 730,411</u>	<u>\$ 717,025</u>
	<u>\$ 79,410</u>	<u>\$ 24,914</u>	<u>\$ 932,676</u>	<u>\$1,037,000</u>

VILLAGE OF ESTHERWOOD, LOUISIANA
ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
Year Ended June 30, 1998
See Accountant's Compilation Report

	<u>Water Utility</u>	<u>Gas Utility</u>	<u>Sewer Utility</u>	<u>Total</u>
Operating revenues:				
Charges for services	\$ 46,939	\$ 62,606	\$ 39,183	\$148,728
Other	<u>1,275</u>	<u>1,249</u>	<u>774</u>	<u>3,298</u>
	<u>\$ 48,214</u>	<u>\$ 63,855</u>	<u>\$ 39,957</u>	<u>\$152,026</u>
Operating expenses:				
Personal services:				
Labor	\$ 28,565	\$ 28,201	\$ 4,441	\$ 61,207
Payroll taxes	2,232	2,204	360	4,796
Group insurance	379	379	54	812
Supplies and materials:				
Plant supplies	5,625	1,076	1,092	7,793
Office supplies	884	381	536	1,801
Depreciation	3,907	329	23,873	28,109
Utilities	7,589	1,078	8,290	16,957
Fuel purchases	-	28,976	273	29,249
Other services and charges:				
Auditing	500	1,000	1,000	2,500
Repairs and maintenance	1,755	3,430	3,086	8,271
Insurance	760	1,460	960	3,180
Other	<u>4,785</u>	<u>4,352</u>	<u>4,531</u>	<u>13,668</u>
	<u>\$ 56,981</u>	<u>\$ 72,866</u>	<u>\$ 48,496</u>	<u>\$178,343</u>
Operating loss	<u>\$ (8,767)</u>	<u>\$ (9,011)</u>	<u>\$ (8,539)</u>	<u>\$ (26,317)</u>
Non-operating revenues (expenses):				
Interest revenue	\$ 422	\$ 609	\$ 967	\$ 1,998
Interest expense	-	(550)	(9,077)	(9,627)
Loss on sale of fixed assets	-	-	-	-
	<u>\$ 422</u>	<u>\$ 59</u>	<u>\$ (8,110)</u>	<u>\$ (7,629)</u>
Loss before operating transfers (totals forward)	<u>\$ (8,345)</u>	<u>\$ (8,952)</u>	<u>\$ (16,649)</u>	<u>\$ (33,946)</u>

VILLAGE OF ESTHERWOOD, LOUISIANA
ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
Year Ended June 30, 1998
See Accountant's Compilation Report

	<u>Water Utility</u>	<u>Gas Utility</u>	<u>Sewer Utility</u>	<u>Total</u>
Loss before operating transfers (totals forwarded)	\$ (8,345)	\$ (8,952)	\$ (16,649)	\$ (33,946)
Operating transfers in:				
Operating transfers in	<u> -</u>	<u> -</u>	<u> 6,000</u>	<u> 6,000</u>
Net loss	\$ (8,345)	\$ (8,952)	\$ (10,649)	\$ (27,946)
Retained earnings (deficit) - beginning	<u>(174,996)</u>	<u>(25,538)</u>	<u>(154,817)</u>	<u>(355,351)</u>
Retained earnings (deficit) - ending	<u>\$ (183,341)</u>	<u>\$ (34,490)</u>	<u>\$ (165,466)</u>	<u>\$ (383,297)</u>

VILLAGE OF ESTHERWOOD, LOUISIANA
ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 1998
See Accountant's Compilation Report

	<u>Water Utility</u>	<u>Gas Utility</u>	<u>Sewer Utility</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating loss	\$ (8,767)	\$ (9,011)	\$ (8,539)	\$(26,317)
Adjustments to reconcile operating loss to net cash provided by operating activities:				
Depreciation	3,907	329	23,873	28,109
(Increase) decrease in assets:				
Accounts receivable	(550)	194	(273)	(629)
Due from other funds	(759)	66	(5,944)	(6,637)
Other receivable	-	4,246	-	4,246
Increase (decrease) in liabilities:				
Accounts payable	(185)	-	-	(185)
Due to other funds	5,069	12,285	490	17,844
Meter deposits	285	170	314	769
Other liabilities	<u>256</u>	<u>83</u>	<u>(869)</u>	<u>(530)</u>
Net cash provided (used) by operating activities	<u>\$ (744)</u>	<u>\$ 8,362</u>	<u>\$ 9,052</u>	<u>\$ 16,670</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating transfers in	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,000</u>	<u>\$ 6,000</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from maturities of certificates of deposit	\$ -	\$ -	\$ -	\$ -
Purchases of certificates of deposit	-	-	-	-
Interest received	<u>422</u>	<u>609</u>	<u>967</u>	<u>1,998</u>
Net cash provided (used) by investing activities	<u>\$ 422</u>	<u>\$ 609</u>	<u>\$ 967</u>	<u>\$ 1,998</u>
Subtotals forward	<u>\$ (322)</u>	<u>\$ 8,971</u>	<u>\$ 16,019</u>	<u>\$ 24,668</u>

VILLAGE OF ESTHERWOOD, LOUISIANA
ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 1998
See Accountant's Compilation Report

	<u>Water Utility</u>	<u>Gas Utility</u>	<u>Sewer Utility</u>	<u>Total</u>
Subtotals forwarded	\$ (322)	\$ 8,971	\$ 16,019	\$ 24,668
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of equipment	\$ -	\$ -	\$ -	\$ -
Principal paid on revenue bond maturities	-	(5,000)	(13,614)	(18,614)
Interest paid	-	(550)	(9,077)	(9,627)
Net cash used by capital and related financing activities	<u>\$ -</u>	<u>\$ (5,550)</u>	<u>\$ (22,691)</u>	<u>\$ (28,241)</u>
Net decrease in cash and cash equivalents	\$ (322)	\$ 3,421	\$ (6,672)	\$ (3,573)
Cash and cash equivalents, beginning	<u>2,198</u>	<u>2,262</u>	<u>43,890</u>	<u>48,350</u>
Cash and cash equivalents, ending	<u>\$ 1,876</u>	<u>\$ 5,683</u>	<u>\$ 37,218</u>	<u>\$ 44,777</u>

VILLAGE OF ESTHERWOOD, LOUISIANA

SCHEDULE OF PER DIEM PAID TO ELECTED OFFICIALS
Year Ended June 30, 1998
See Accountant's Compilation Report

Stephen Broussard, Mayor	\$	300
Herman Hoffpauir		120
Winford Guillory		120
Emily Roy		<u>120</u>
	\$	<u>660</u>

VILLAGE OF ESTHERWOOD, LOUISIANA
 MONTHLY GAS AND WATER RATES
 ENTERPRISE FUNDS
 See Accountant's Compilation Report

The monthly retail gas rates in effect at June 30, 1998 were as follows:

Monthly residential and commercial rates

\$5.00 per month minimum, which includes first 400 cubic feet.
 \$.67 for each 100 cubic feet thereafter.

The monthly retail water rates in effect at June 30, 1998 were as follows:

First 2,000 gallons per month or less	\$ 6.00
Each 1,000 gallons thereafter	\$ 1.85

Sewer rates are based upon the water consumption for the customers. The monthly sewer rates in effect at June 30, 1998 were as follows:

Residential

First 2,000 gallons of water or less	\$ 6.00
Each 1,000 gallons thereafter	\$ 1.00 per 1,000 gallons

Commercial

First 2,000 gallons of water or less	\$10.00
Each 1,000 gallons thereafter	\$ 1.00 per 1,000 gallons

Average monthly billing per customer - water

Water sales	\$ 46,234
Average sales per month	\$ 3,853
Number of customers	276
Average monthly bill per customer	\$ 13.96

Average monthly billing per customer - gas

Gas sales	\$ 62,256
Average sales per month	\$ 5,188
Number of customers	184
Average monthly bill per customer	\$ 28.20

(Continued)

VILLAGE OF ESTHERWOOD, LOUISIANA
 MONTHLY GAS AND WATER RATES
 ENTERPRISE FUNDS
 See Accountant's Compilation Report

Average monthly billing per customer - sewer

Sewer income	\$ 37,208
Average sales per month	\$ 3,100
Number of customers:	
Residential	247
Commercial	<u>24</u>
Total	<u><u>271</u></u>
Average monthly bill per customer	\$ 11.44

Aged Accounts Receivable

	<u>Water Utility</u>	<u>Gas Utility</u>	<u>Sewer Utility</u>	<u>Total</u>
0-30 days	\$ 4,364	\$ 2,771	\$ 3,270	\$ 10,405
Over 120 days	<u>656</u>	<u>3,144</u>	<u>400</u>	<u>4,200</u>
	\$ 5,020	\$ 5,915	\$ 3,670	\$ 14,605
Less: Allowance for uncollectible accounts	<u>(816)</u>	<u>(3,176)</u>	<u>(540)</u>	<u>(4,532)</u>
	<u>\$ 4,204</u>	<u>\$ 2,739</u>	<u>\$ 3,130</u>	<u>\$ 10,073</u>



BROUSSARD, POCHE', LEWIS & BREAUX, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

122 East 5th St.
P.O. Drawer 307
Crowley, Louisiana
70527-0307
phone: (318) 783-0650
fax: (318) 783-7238

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

The Honorable Stephen Broussard, Mayor,
and the Board of Aldermen
Village of Estherwood, Louisiana

Lafayette, LA
(318) 988-4930

Opelousas, LA
(318) 942-5217

Abbeville, LA
(318) 898-1497

New Iberia, LA
(318) 364-4554

Church Point, LA
(318) 684-2855

Eunice, LA
(318) 457-0071

Lawrence A. Cramer, CPA*
Eugene C. Gilder, CPA*
Donald W. Kelley, CPA*
Herbert Lemoine H. CPA*
Frank A. Stagno, CPA*
Scott J. Broussard, CPA*
L. Charles Abshire, CPA*
Kenneth R. Dugas, CPA*
P. John Blanchet III, CPA*
Stephen L. Lambousy, CPA*
Craig C. Babineaux, CPA*
Peter C. Borrello, CPA*
Michael P. Crochet, CPA*
George J. Trappey III, CPA*
Daniel E. Gilder, CPA*
Gregory B. Milton, CPA*
S. Scott Soileau, CPA*
Patrick D. McCarthy, CPA*

Retired:

Sidney L. Broussard, CPA 1980
Leon K. Poche, CPA 1984
James H. Breaux, CPA 1987
Erno R. Walton, CPA 1988
George A. Lewis, CPA* 1992
Geraldine J. Wumberly, CPA* 1996
Rodney L. Savoy, CPA* 1996
Larry G. Broussard, CPA* 1997

Members of American Institute of
Certified Public Accountants
Society of Louisiana Certified
Public Accountants

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Village of Estherwood, Louisiana and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Village of Estherwood, Louisiana's compliance with certain laws and regulations during the year ended June 30, 1998 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$7,500, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There were not any expenditures made during the year which exceeded \$7,500.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

The Honorable Stephen Broussard, Mayor,
and the Board of Aldermen
Village of Estherwood, Louisiana

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management [agreed-upon procedure (3)] appeared on the list provided by management in agreed-upon procedure (2).

Budgeting

5. Obtained a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget and the amendments made to the budget during the year.

6. Trace the budget adoption and amendments to the minute book.

We traced the adoption of the original budget to the minutes of a meeting held in June 1997 which indicated that the budget had been adopted by the Board of Aldermen of the Village of Estherwood, Louisiana.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 5%.

We compared the revenues and expenditures of the amended budget to actual revenues and expenditures. Actual expenditures for the year exceeded budgeted expenditures in the sales tax fund by 49%.

Accounting and Reporting

8. Randomly select six disbursements made during the period under examination and:

- (a) trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

The Honorable Stephen Broussard, Mayor,
and the Board of Aldermen
Village of Estherwood, Louisiana

- (b) determine if payments were properly coded to the correct fund and general ledger account; and

All six of the payments were properly coded to the correct fund and general ledger account.

- (c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals.

Meetings

- 9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Village of Estherwood, Louisiana is required to post a notice of each meeting and the accompanying agenda on the door of the Village's office building; the Village made proper notice of each meeting and the agendas for each meeting.

Debt

- 10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We scanned copies of bank deposit slips for the period under examination and did not note any deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

- 11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

A reading of the minutes of the Village for the year did not reveal any such payments. We also inspected payroll records for the year and did not note any instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

The Honorable Stephen Broussard, Mayor,
and the Board of Aldermen
Village of Estherwood, Louisiana

Prior Comments and Recommendations

12. Review any prior year suggestions, recommendations, and/or comments and indicate the extent to which such matters have been resolved.

A. Inadequate Segregation of Duties

The Village has segregated as much as it can based on the limited number of personnel.

B. Reserve Requirements

The Village will continue to cover the reserve deficiencies as funding becomes available.

C. Advances

Advances to employees have been repaid and are no longer allowed.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Village of Estherwood, Louisiana and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

BROUSSARD, POCHE, LEWIS & BREAUX, L.L.P.

Crowley, Louisiana
February 12, 1999

**LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)**

1/12/99 (Date Transmitted)

Broussard, Poche', Lewis & Breaux

Certified Public Accountants

P O Drawer 307

Crowley, LA 70527-0307

(Auditors)

In connection with your compilation of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of 6/30/98
(date of completion/representations).

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes [] No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes [] No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes [] No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes [] No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes [] No []

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes [] No []

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes [] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes [] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes [] No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes [] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

<u>Mary Skuidry</u>	(Clerk Secretary)	<u>Jan. 12, 1999</u>	Date
<u>Stephen S. Swanson</u>	(Treasurer Mayor President)	<u>Jan 12, 1999</u>	Date

VILLAGE OF ESTHERWOOD, LOUISIANA

SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended June 30, 1998

Section I Internal Controls and Compliance Material to the Financial Statements

1997-1	The number of employees does not allow for an adequate segregation of duties.	Partially resolved Management has segregated duties as much as possible. See current finding 98-1.
1997-2	The Village was not in compliance with the revenue bond reserve requirements.	Unresolved Management will continue to cover the reserve deficiencies as funding becomes available. See current finding 98-2.
1997-3	The City Clerk had received an advance from the Gas Utility Fund without authorization.	Resolved The advance has been returned.

Section II Internal Control and Compliance Material to Federal Awards

None

Section III Management Letter

None

VILLAGE OF ESTHERWOOD, LOUISIANA

MANAGEMENT'S CORRECTIVE ACTION PLAN
For the Year Ended June 30, 1998

Section I Internal Control and Compliance Material to the Financial Statements

- | | | |
|--------|--|--|
| 1998-1 | The number of employees does not allow for an adequate segregation of duties. | Management has segregated duties as much as possible. |
| 1998-2 | The Village has not complied with the revenue bond ordinance reserve requirements. | The Village will continue to fund the reserve requirements as funds become available. |
| 1998-3 | The Village did not file the annual report within six months of year-end. | Accounting records will be made available in a more timely manner to allow the report to be filed within six months. |

Responsible Party: Mayor Stephen Broussard

VILLAGE OF ESTHERWOOD, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 1998

We have compiled the accompanying general purpose financial statements of the Village of Estherwood, Louisiana, as of and for the year ended June 30, 1998, and supplementary schedules, and have issued our report thereon dated February 12, 1999. The statements and supplementary schedules were compiled in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements.

Internal Control

Material weaknesses Yes ___ No Reportable conditions Yes ___ No

Compliance

Compliance material to financial statements Yes ___ No

b. Federal Awards

Not applicable

c. Identification of Major Programs

Not applicable

Section II Financial Statement Findings

1998-1 Segregation of Duties

The Village does not employ enough personnel to allow for an adequate segregation of duties. The Village has put in place procedures to mitigate the lack of segregation.

1998-2 Revenue Bond Reserve Requirements

The Village was underfunded on the reserve requirements. The Village is funding as much of the requirements as possible after paying all necessary operating expenses.

1998-3 State Audit Law

The Village did not file the annual report within six months of year-end. The Village has already identified procedures which will make accounting records available so that future reports will be filed within six months.

Section III Federal Award Findings and Questioned Costs

Not applicable