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CITY OF BREAUX BRIDGE, LOUISIANA

Financial Report

Year Ended June 30, 1996

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 FEB 12 1997

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DARNALL, SIKES, KOLDER, FREDERICK & RAINEY

(A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS)

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The Honorable Louis M. Kern, Mayor
and Members of the Board of Aldermen
City of Breaux Bridge, Louisiana

We have audited the accompanying primary government financial statements of the City of Breaux Bridge, Louisiana, as of and for the year ended June 30, 1996 as listed in the table of contents. These financial statements are the responsibility of the City of Breaux Bridge, Louisiana's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget Circular A-128 "Audits of State and Local Governments." Those 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 evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as component units. In our opinion, the primary government financial statements present fairly, in all material respects, the financial position of the primary government of City of Breaux Bridge, Louisiana, as of June 30, 1996, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

However, the primary government financial statements, because they do not include the financial data of component units of City of Breaux Bridge, Louisiana do not purport to, and do not, present fairly the financial position of the City of Breaux Bridge, Louisiana, as of June 30, 1996, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

MEMBER OF
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

In accordance with Government Auditing Standards, we have also issued a report dated October 4, 1996 on our consideration of the City's internal control structure and a report dated October 4, 1996 on its compliance with laws and regulations.

Our audit was conducted for the purpose of forming an opinion on the primary government financial statements taken as a whole. The accompanying financial information listed as "Supplemental Information" in the table of contents is presented for purposes of additional analysis and is not a required part of the primary government financial statements of the City of Breaux Bridge, Louisiana. Such information has been subjected to the auditing procedures applied in the examination of the primary government financial statements and, in our opinion, is fairly stated in all material respects in relation to such 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 primary government financial statements of the City of Breaux Bridge, Louisiana.

Darnall, Sikes, Kolder, Frederick & Rainey

A Corporation of Certified Public Accountants

Breaux Bridge, Louisiana
October 4, 1996

PRIMARY GOVERNMENT FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

CITY OF BREAUX BRIDGE, LOUISIANA

Combined Balance Sheet
All Fund Types and Account Groups
June 30, 1996

	Governmental Fund Types			Proprietary Fund Type Enterprise	Fiduciary Fund Type Agency	Account Groups		Totals		
	General	Special Revenue	Debt Service			Capital Projects	General Fixed Assets	General Long-Term Debt	(Memorandum Only)	1996
ASSETS AND OTHER DEBITS										
Cash and interest-bearing deposits	\$198,484	\$1,130,178	\$ -	\$390,978	\$ 4,700,576	\$ 14,624	\$ -	\$ 6,434,840	\$ 6,429,226	
Receivables (net of allowance for uncollectibles):										
Taxes	579	-	-	-	-	-	-	579	50	
Accounts	-	-	-	-	208,779	-	-	208,779	158,719	
Accrued interest	-	2,551	-	-	13,984	-	-	16,535	-	
Grants	-	-	-	80,280	-	-	-	80,280	-	
Other receivables	80,507	77,580	-	-	-	-	-	158,087	124,954	
Due from other funds	29,568	-	-	-	325,220	430	-	355,218	35,723	
Prepaid insurance	54,996	8,764	-	-	51,495	-	-	115,255	113,008	
Restricted assets:										
Cash and interest-bearing deposits	-	-	-	-	249,687	-	-	249,687	220,083	
Land	-	-	-	-	-	-	-	271,837	271,837	
Buildings	-	-	-	-	-	-	-	1,206,673	1,206,673	
Autos and equipment	-	-	-	-	-	-	-	521,443	470,103	
Recreational facilities and other	-	-	-	-	-	-	-	1,085,191	459,493	
Utilities plant and equipment	-	-	-	-	9,777,960	-	-	9,777,960	9,433,104	
Accumulated depreciation	-	-	-	-	(4,655,246)	-	-	(4,655,246)	(4,392,151)	
Amount to be provided for retirement of general long-term debt	-	-	-	-	-	-	-	-	-	
Total assets and other debits	\$364,134	\$1,219,073	\$ -	\$471,258	\$10,672,455	\$15,054	\$814,587	\$16,641,705	\$15,519,764	

(continued)

CITY OF BREAUX BRIDGE, LOUISIANA

Combined Balance Sheet
All Fund Types and Account Groups (Continued)
June 30, 1996

	Governmental Fund Types			Proprietary Fund Type		Fiduciary Fund Type		Account Groups			Totals (Memorandum Only) 1995
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Agency	General Fixed Assets	Long-Term Debt	1996		
LIABILITIES AND FUND EQUITY											
Liabilities:											
Accounts payable and accrued expenditures	\$ 236,562	\$ 982	\$ -	\$ 80,280	\$ 61,226	\$ 2,766	\$ -	\$ -	\$ 381,816	\$ 328,635	
Contingencies	-	-	-	-	-	-	-	-	-	95,500	
Payable from restricted assets -											
Accrued interest	-	-	-	-	15,833	-	-	-	15,833	16,875	
Revenue bonds	-	-	-	-	25,000	-	-	-	25,000	25,000	
Deposits	-	-	-	-	81,181	-	-	-	81,181	66,193	
Due to other funds	-	-	-	316,256	26,674	12,288	-	-	355,218	35,723	
Retainage payable	-	-	-	57,447	-	-	-	-	57,447	-	
Bonds payable -											
General obligation	-	-	-	-	-	-	-	814,587	814,587	988,942	
Revenue	-	-	-	-	-	-	-	-	-	-	
Total liabilities	<u>236,562</u>	<u>982</u>	<u>-</u>	<u>453,983</u>	<u>355,000</u>	<u>15,054</u>	<u>-</u>	<u>814,587</u>	<u>355,000</u>	<u>380,000</u>	
									<u>2,086,082</u>	<u>1,936,868</u>	
Fund equity:											
Contributed capital, net of accumulated amortization (1996 \$897,738; 1995 \$814,945) and including residual equity transfer of \$57,800 in 1995	-	-	-	-	4,524,911	-	-	-	4,524,911	4,607,704	
Retained earnings -									3,085,144	2,408,106	
Reserved for revenue bond retirement	-	-	-	-	59,128	-	-	-	59,128	57,647	
Reserved for revenue bond contingency	-	-	-	-	97,400	-	-	-	97,400	87,240	
Reserved for prepaid expenses	-	-	-	-	51,495	-	-	-	51,495	50,870	
Unreserved	-	-	-	-	5,374,607	-	-	-	5,374,607	4,709,916	
Fund balances -											
Reserved for prepaid expenses	54,996	8,764	-	-	-	-	-	-	63,760	62,138	
Reserved for debt retirement	-	-	-	-	-	-	-	-	-	2,377	
Designated for subsequent years' expenditures	-	-	-	17,275	-	-	-	-	17,275	606,102	
Unreserved, undesignated	<u>72,576</u>	<u>1,209,327</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,281,903</u>	<u>990,796</u>	
Total fund equity	<u>127,572</u>	<u>1,218,091</u>	<u>-</u>	<u>17,275</u>	<u>10,107,541</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,555,623</u>	<u>13,582,896</u>	
Total liabilities and fund equity	<u>\$364,134</u>	<u>\$1,219,073</u>	<u>\$ -</u>	<u>\$471,258</u>	<u>\$10,672,455</u>	<u>\$15,054</u>	<u>\$3,085,144</u>	<u>\$814,587</u>	<u>\$16,641,705</u>	<u>\$15,519,764</u>	

The accompanying notes are an integral part of this statement.

CITY OF BREAUX BRIDGE, LOUISIANA

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -
All Governmental Fund Types
Year Ended June 30, 1996

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
	1996	1995	1996	1995	1996
Revenues:					
Taxes	\$ 277,644	\$ 891,632	\$ -	\$ -	\$ 1,169,276
Licenses and permits	233,971	-	-	-	233,971
Federal grant	10,665	-	-	80,280	90,945
Intergovernmental revenues	152,360	-	-	-	152,360
Charges for services	313,225	-	-	-	313,225
Fines and forfeits	52,834	-	-	-	52,834
Miscellaneous	146,149	86,899	151	21,633	254,832
Total revenues	<u>1,186,848</u>	<u>978,531</u>	<u>151</u>	<u>101,913</u>	<u>2,267,443</u>
Expenditures:					
Current -					
General government	458,595	16,602	-	-	475,197
Streets and bridges	205,247	-	-	-	205,247
Sanitation	314,652	-	-	-	314,652
Public safety - police	776,428	-	-	-	776,428
Culture - recreation	-	35,598	-	-	35,598
Capital outlay	51,340	15,238	-	690,740	757,318
Debt service -	-	-	-	-	-
Principal retirement	-	-	60,000	-	60,000
Interest and fiscal charges	-	-	41,477	-	41,477
Total expenditures	<u>1,806,262</u>	<u>67,438</u>	<u>101,477</u>	<u>690,740</u>	<u>2,665,917</u>
Excess (deficiency) of revenues over expenditures	<u>(619,414)</u>	<u>911,093</u>	<u>(101,326)</u>	<u>(588,827)</u>	<u>(398,474)</u>
Other financing sources (uses):					
Proceeds from bond issuance	-	-	-	-	-
Operating transfers in	450,000	40,000	98,989	-	588,989
Operating transfers out	-	(488,989)	-	-	(488,989)
Total other financing sources (uses)	<u>450,000</u>	<u>(448,989)</u>	<u>98,989</u>	<u>-</u>	<u>100,000</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(169,414)</u>	<u>462,104</u>	<u>(2,337)</u>	<u>(588,827)</u>	<u>479,537</u>
Fund balances, beginning	292,658	755,987	6,665	606,102	1,661,412
Add (less): Residual equity transfer	<u>4,328</u>	<u>-</u>	<u>(4,328)</u>	<u>-</u>	<u>(57,800)</u>
Fund balances, ending	<u>\$ 127,572</u>	<u>\$ 1,218,091</u>	<u>\$ -</u>	<u>\$ 17,275</u>	<u>\$ 1,661,413</u>

The accompanying notes are an integral part of this statement.

CITY OF BREAUX BRIDGE, 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, 1996

	General Fund		Special Revenue Funds		Variance - Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	
Revenues:					
Taxes	\$ 266,600	\$ 277,644	\$ 750,200	\$ 891,632	\$141,432
Licenses and permits	183,050	233,971	-	-	-
Federal grant	-	10,665	-	-	-
Intergovernmental revenues	113,000	152,360	-	-	-
Charges for services	312,000	313,225	-	-	-
Fines and forfeits	40,000	52,834	-	-	-
Miscellaneous	41,100	146,149	77,500	86,899	9,399
Total revenues	<u>955,750</u>	<u>1,186,848</u>	<u>827,700</u>	<u>978,531</u>	<u>150,831</u>
Expenditures:					
Current -					
General government	512,059	458,595	19,775	16,602	3,173
Streets and bridges	242,800	205,247	-	-	-
Sanitation	314,000	314,652	-	-	-
Public safety - police	798,755	776,428	-	-	-
Culture - recreation	-	-	46,525	35,598	10,927
Capital outlay	69,000	51,340	50,000	15,238	34,762
Total expenditures	<u>1,936,614</u>	<u>1,806,262</u>	<u>116,300</u>	<u>67,438</u>	<u>48,862</u>
Excess (deficiency) of revenues over expenditures	<u>(980,864)</u>	<u>(619,414)</u>	<u>711,400</u>	<u>911,093</u>	<u>199,693</u>
Other financing sources (uses):					
Operating transfers in	1,000,000	450,000	40,000	40,000	-
Operating transfers out	-	-	(650,000)	(488,989)	161,011
Total other financing sources (uses)	<u>1,000,000</u>	<u>450,000</u>	<u>(610,000)</u>	<u>(448,989)</u>	<u>161,011</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	19,136	(169,414)	101,400	462,104	360,704
Fund balances, beginning	292,658	292,658	755,987	755,987	-
Add: Residual equity transfer	-	4,328	-	-	-
Fund balances, ending	<u>\$ 311,794</u>	<u>\$ 127,572</u>	<u>\$657,387</u>	<u>\$1,218,091</u>	<u>\$360,704</u>

The accompanying notes are an integral part of this statement

CITY OF BREAUX BRIDGE, LOUISIANA

Statements of Revenues, Expenses and Changes in Retained Earnings -
 Proprietary Fund Type
 Years Ended June 30, 1996 and 1995

	<u>Enterprise Fund</u>	
	<u>1996</u>	<u>1995</u>
Operating revenues:		
Charges for services	\$1,711,219	\$1,489,602
Miscellaneous	42,173	37,192
Total operating revenues	<u>1,753,392</u>	<u>1,526,794</u>
Operating expenses:		
Gas purchased	387,176	301,485
Repairs and maintenance	153,331	121,078
Salaries	240,775	232,298
Depreciation	263,095	240,470
Other operating expenses	288,639	277,397
Total operating expenses	<u>1,333,016</u>	<u>1,172,728</u>
Operating income	<u>420,376</u>	<u>354,066</u>
Nonoperating revenue (expenses):		
Other revenue	43,016	4,239
Interest on investments	249,980	157,839
Interest on bonds	(19,208)	(20,458)
Total nonoperating revenue	<u>273,788</u>	<u>141,620</u>
Income before transfers	<u>694,164</u>	<u>495,686</u>
Other financing uses:		
Operating transfers out	<u>(100,000)</u>	<u>(700,000)</u>
Net income(loss)	594,164	(204,314)
Add back depreciation on assets purchased with contributed capital	82,793	69,669
Retained earnings, beginning of year	<u>4,905,673</u>	<u>5,040,318</u>
Retained earnings, end of year	<u>\$5,582,630</u>	<u>\$4,905,673</u>

The accompanying notes are an integral part of this statement.

CITY OF BREAUX BRIDGE LOUISIANA

Comparative Statements of Cash Flows - Proprietary Fund Type
Years Ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Cash flows from operating activities:		
Operating income	\$ <u>420,376</u>	\$ <u>354,066</u>
Adjustments to reconcile operating income to net cash provided by operating activities -		
Depreciation	263,095	240,470
Changes in current assets and liabilities:		
Increase in accounts receivable	(50,060)	(23,270)
Increase in accrued interest receivable	(13,984)	-
Increase in prepaid expenses	(625)	(569)
Increase in due from other funds	(316,256)	-
Increase(decrease) in accounts payable and accrued liabilities	(30,207)	53,149
Increase in due to other funds	<u>504</u>	<u>227</u>
Total adjustments	<u>(147,533)</u>	<u>270,007</u>
Net cash provided by operating activities	<u>272,843</u>	<u>624,073</u>
Cash flows from noncapital financing activities:		
Cash received from others	43,016	4,238
Operating transfers out to other funds	(100,000)	(700,000)
Residual equity transfer	<u>-</u>	<u>57,800</u>
Net cash used by noncapital financing activities	<u>(56,984)</u>	<u>(637,962)</u>
Cash flows from capital and related financing activities:		
Principal paid on revenue bond maturities	(25,000)	(25,000)
Interest paid on revenue bonds	(19,208)	(20,458)
Acquisition of capital assets	(344,856)	(949,687)
Capital contributed from federal grant	<u>-</u>	<u>315,201</u>
Net cash used by capital and related financing activities	<u>(389,064)</u>	<u>(679,944)</u>
Cash flows from investing activities:		
Interest on interest-bearing deposits and investments	<u>249,980</u>	<u>157,839</u>
Net decrease in cash and cash equivalents	76,775	(535,994)
Cash and cash equivalents, beginning of period	<u>4,873,488</u>	<u>5,409,482</u>
Cash and cash equivalents, end of period	<u>\$4,950,263</u>	<u>\$4,873,488</u>

(continued)

CITY OF BREAUX BRIDGE, LOUISIANA

Comparative Statements of Cash Flows - Proprietary Fund Type (Continued)
 Years Ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents, beginning of period -		
Cash - unrestricted	\$ 75,512	\$ 57,508
Interest-bearing deposits - unrestricted	4,577,893	5,074,643
Cash - restricted	8,444	59,513
Interest-bearing deposits - restricted	<u>211,639</u>	<u>217,818</u>
Total cash and cash equivalents	<u>4,873,488</u>	<u>5,409,482</u>
Cash and cash equivalents, end of period -		
Cash - unrestricted	7,701	75,512
Interest-bearing deposits - unrestricted	4,692,875	4,577,893
Cash - restricted	8,104	8,444
Interest-bearing deposits - restricted	<u>241,583</u>	<u>211,639</u>
Total cash and cash equivalents	<u>4,950,263</u>	<u>4,873,488</u>
Net increase (decrease)	\$ 76,775	\$ (535,994)
	=====	=====

The accompanying notes are an integral part of this statement.

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

The City of Breaux Bridge was incorporated on January 26, 1901 under the provisions of the Lawrason Act. The City operates under a Mayor-Board of Aldermen form of government.

The accounting and reporting practices of the City of Breaux Bridge conform to generally accepted accounting principles as applicable to governmental units on a consistent basis between periods. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the industry audit guide, Audits of State and Local Governments, published by the American Institute of Certified Public Accountants. The City's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

A. Reporting Entity

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting Standards Board (GASB) Statement No. 14. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the City is able to exercise oversight responsibilities.

The Breaux Bridge City Court and the Breaux Bridge City Marshall were determined to be component units of the City of Breaux Bridge, primary government. This determination was made on the financial interdependency criterion. Both the City Court and the City Marshall have a December 31 year end.

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Financial Statements (Continued)

The City has chosen to issue financial statements of the primary government (City) only; therefore, neither of the previously listed component units are included in the accompanying financial statements. Financial information for these component units may be obtained by contacting the respective component unit.

These primary government (City) financial statements include all funds, account groups, and organizations for which the City maintains the accounting records.

GASB Statement 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (City) financial statements are not a substitute for the reporting entity's financial statements. The accompanying primary government financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. These financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the primary government.

The records of Sewer District No. 1 are maintained by the City and are, therefore, included in this report.

The Breaux Bridge Housing Authority was chartered by the City of Breaux Bridge in 1958. The Authority's five member board of directors is appointed by the Mayor and Board of Aldermen of the City of Breaux Bridge. The City's oversight responsibilities in the management, operation and financial accountability of the Authority are remote. For this reason, the Authority is not considered to be a component unit of the City and accordingly, is not included in the City's audited financial statements. The Authority's in-lieu-of-tax payment to the City was waived for 1996.

The City of Breaux Bridge has no authority over, nor is it involved in the record keeping of the Breaux Bridge Volunteer Fire Department; therefore, the Department is not considered to be a component unit of the City and accordingly, is not included in the City's audited financial statements.

B. Fund Accounting

The accounts of the City of Breaux Bridge are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund and account group are summarized by providing a separate set of self-balancing accounts which include 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.

CITY OF BREAUX BRIDGE, LOUISIANA
Notes to Financial Statements (Continued)

The following funds and groups of accounts are used by the City:

Governmental Fund Types -

General Fund

The General Fund is the general operating fund of the City. 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 expendable trusts or 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 projects funds

Capital projects 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).

Proprietary Fund Type -

Enterprise fund

The enterprise fund is 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.

CITY OF BREAUX BRIDGE, LOUISIANA
Notes to Financial Statements (Continued)

Fiduciary Fund Type -

Agency fund

The agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations, but is used to account for assets held for other funds.

General Fixed Assets and General Long-Term Account Group -

General fixed assets (GFA)

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group and are recorded as expenditures in the governmental fund types when purchased. The City has elected not to capitalize public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems. No depreciation has been provided on general fixed assets.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Gas system	25 years
Sewerage system	25 - 50 years
Waterworks system, including improvements and wells	25 years
Other equipment	3 - 16 years

The General Fixed Assets Account Group is used to account for fixed assets used in governmental fund type operations for control purposes. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date of donation.

General Long-Term Debt Account Group

The general long-term debt account group is used to account for long-term liabilities to be financed from government funds.

CITY OF BREAUX BRIDGE, LOUISIANA
Notes to Financial Statements (Continued)

C. Basis of Accounting

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

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

The modified accrual basis of accounting is used by all governmental fund types and the agency fund. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transactions can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Ad valorem taxes are recognized as revenue in the year for which they are budgeted, that is, in the year they are billed and collected. Other major revenues considered susceptible to accrual are earned grant revenues and interest on investments. Revenues from special assessments are recognized in the year in which the annual installments become due and payable.

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 are recognized when due.

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

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Financial Statements (Continued)

Fund balance reserve accounts have been established for certain prepaid expenses in the governmental fund types to indicate that they do not represent "available spendable resources", even though they are a component of net current assets.

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

D. Budgets and Budgetary Accounting

The budget for the general, special revenue, and proprietary fund types is proposed by the Mayor to the Board of Alderman for formal adoption. Budgets are prepared on a basis consistent with generally accepted accounting principles (GAAP). At year end all appropriations lapse. The budget amounts shown in the financial statements are the final authorized amounts as revised for the year. The Mayor may transfer budget amounts between departments within any fund. The level of budgetary control is by total appropriations; however, for report purposes, the budgetary information has been expanded.

E. Deposits

Certificates of deposit earned approximately 4.6 percent interest for the year ended June 30, 1996. All deposits were insured and/or collateralized with securities held in safekeeping as of June 30, 1996.

F. Statement of Cash Flows

For purposes of the statement of cash flows, the Enterprise Fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

G. Allowance for Uncollectibles

The direct write-off method is used to record bad debts in all funds except the Utility Fund.

H. Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These interfund receivables and payables are classified as "Due From Other Funds" and "Due to Other Funds" on the balance sheet.

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Financial Statements (Continued)

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 1996 are recorded as prepaid items. The only prepaid item that existed at June 30, 1996 was prepaid insurance.

J. Restricted Assets

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

K. Unpaid Accumulated Vacation, Sick Pay, and Compensated Absences

Unused vacation accumulated by employees is lost each year unless taken. Sick leave accumulates from year to year, but is lost upon termination. Compensated absences are earned each year by employees and are not lost upon termination. Accruals of compensated absences totaled \$30,063 at June 30, 1996.

L. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the City as an extension of formal budgetary integration in the funds.

M. Residual Equity Transfers

A residual equity transfer (a nonrecurring transfer between funds) occurred during year ended June 30, 1996. In the Debt Service Fund, one of the funds, which was used to accumulate monies for payment of a bond issuance, was paid in full. The excess money (\$4,328) collected in this fund was transferred to the General Fund and recorded as an addition to fund balance.

N. Fund Equity

Contributed capital is recorded in propriety funds that have received capital grants or contributions from developers, customers or other funds. Reserves represent those portions of fund equity not appropriable or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

CITY OF BREAUX BRIDGE, LOUISIANA
Notes to Financial Statements (Continued)

O. Comparative Data

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

P. 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.

(2) Deposits

At June 30, 1996, the City had deposits of \$6,738,984 (bank balance). Of this bank balance, \$149,640 was secured by the federal depository insurance corporation and \$8,034,419 was secured by pledged securities resulting in excess security of \$1,445,075.

(3) Accounts Receivable

Accounts receivable at June 30, 1996 and 1995 consisted of the following:

	<u>1996</u>	<u>1995</u>
Amounts due from customers	\$221,430	\$205,261
Less: Allowance for uncollectible accounts	<u>(12,651)</u>	<u>(46,542)</u>
	\$208,779	\$158,719
	=====	=====

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Financial Statements (Continued)

(4) Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	Balance July 1, <u>1995</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>1996</u>
Land	\$ 271,837	\$ -	\$ -	\$ 271,837
Buildings	1,206,673	-	-	1,206,673
Autos and equipment	470,103	51,340	-	521,443
Recreation facilities and other	<u>459,493</u>	<u>625,698</u>	<u>-</u>	<u>1,085,191</u>
	\$2,408,106	\$677,038	\$ -	\$3,085,144
	=====	=====	=====	=====

(5) Summary of Utilities, Plant and Equipment

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>	<u>Depreciation This Year</u>
Gas system	\$1,402,995	\$ 667,257	\$ 735,738	\$ 32,145
Sewerage	5,126,103	1,717,027	3,409,076	109,419
Waterworks system	1,249,725	1,092,378	157,347	26,793
Waterworks system improvements	1,523,095	967,322	555,773	88,232
Construction in progress	102,873	877	101,996	585
Water wells	48,330	46,706	1,624	1,045
Land and sewerage lagoon	150,200	-	150,200	-
Other equipment	<u>174,639</u>	<u>163,679</u>	<u>10,960</u>	<u>4,876</u>
	\$9,777,960	\$4,655,246	\$5,122,714	\$263,095
	=====	=====	=====	=====

Depreciation expense related to assets acquired with contributed capital was charged against contributed capital in the amount of \$82,793 and \$69,669, respectively during 1996 and 1995.

CITY OF BREAUx BRIDGE, LOUISIANA
Notes to Financial Statements (Continued)

(6) Changes in Long-Term Debt

The following is a summary of long-term debt transactions of the City of Breaux Bridge, Louisiana for the year ended June 30, 1996.

	<u>General Obligation</u>	<u>Revenue</u>	<u>Total</u>
Long-term debt at July 1, 1995	\$ 988,942	\$405,000	\$1,393,942
Debt assumed	-	-	-
Debt retired	<u>(174,355)</u>	<u>(25,000)</u>	<u>(199,355)</u>
Long-term debt at June 30, 1996	\$ 814,587 =====	\$380,000 =====	\$1,194,587 =====

Long-term debt at June 30, 1996 is comprised of the following:

Revenue bonds

\$600,000 1982 Sewer Revenue Bonds due in annual installments of \$15,000 to \$45,000; interest rate of 5.0 percent; full maturity at September 2, 2006; secured by income and revenues of the sewer system.

\$380,000
=====

General obligation debt

\$684,449 due in annual installments of \$75,000 to \$125,000 from July 15, 1994 through July 15, 1997. This debt resulted from a compromise settlement of an uninsured liability which provides for 7 annual payments of \$135,714. The payments, totaling \$950,000, have been recorded at net present value using a discount rate of 8.94 percent; payable from excess revenues and unsecured.

\$124,587

\$750,000 Certificate of Indebtedness, Series 1994, due in annual installments of \$60,000 to \$95,000; from November 1, 1995 to November 1, 2004; interest rate of 5.34 percent; payable from excess revenues and secured.

690,000

CITY OF BREAUX BRIDGE, LOUISIANA
Notes to Financial Statements (Continued)

Special assessments bonds debt with governmental commitment

\$102,595 Sewerage Certificates,
Series 1984, due in annual
installments of \$10,260; interest
rate of 7.5 to 10.75 percent; having
reached full maturity during the year
ended June 30, 1995.

\$610,420 Paving Certificates, Series
1984 due in annual installments of
\$61,042; interest rate of 7.5 percent
to 10.75 percent; having reached full
maturity during the year ended June 30,
1995.

Total general obligation bonds outstanding	\$814,587 =====
--------------------------------------------	--------------------

The annual requirements to amortize all debt outstanding at June 30, 1996, including interest payments of \$330,618 are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>General</u> <u>Obligation</u>	<u>Revenue</u>	<u>Total</u>
1997	\$ 233,664	\$ 44,000	\$ 277,664
1998	99,356	42,750	142,106
1999	100,475	46,500	146,975
2000	96,450	45,000	141,450
2001	97,821	43,500	141,321
2002-2007	<u>391,688</u>	<u>284,000</u>	<u>675,688</u>
Totals	\$1,019,454 =====	\$505,750 =====	\$1,525,204 =====

(7) Dedication of Sales Tax Revenues

A sales and use tax of 1 percent was levied as of May 1, 1971 after approval by the registered voters of the City of BreauX Bridge. Revenues to be derived from the tax are dedicated to: constructing, acquiring, extending, improving, operating and maintaining waterworks, garbage and waste disposal facilities, streets and bridges, including incidental drainage in connection therewith, and recreational facilities; and purchasing and acquiring the necessary land, equipment and furnishings for the aforesaid public works, improvements and facilities. The tax is also subject to funding into bonds by the City.

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Financial Statements (Continued)

(8) Enterprise Fund Operations

Operations of the City of Breaux Bridge Utility System consist of a gas distribution system and of water and sewerage utilities. Operating expenses which are not directly chargeable to the individual departments are allocated on the basis of number of utility customers and managerial estimates.

Operating results of the individual utilities were as follows:

	Year Ended <u>June 30,</u>	Charges for <u>Services</u>	Other Operating <u>Revenues</u>	Operating <u>Expenses</u>	Operating Income <u>(Loss)</u>
Gas utility	1996	\$760,880	18,588	(586,142)	193,326
	1995	655,602	16,276	(490,840)	181,038
Water utility	1996	\$585,460	14,611	(539,059)	61,012
	1995	535,844	13,522	(482,302)	67,064
Sewerage system	1996	\$364,879	8,974	(207,815)	166,038
	1995	298,156	7,394	(199,586)	105,964

At June 30, 1996, the City of Breaux Bridge was furnishing utility service to the following number of customers:

Gas customers	1,329
Water customers	2,385
Sewer customers	2,243

(9) Flow of Funds; Restrictions on Use - Utilities Revenues

Under the terms of the bond indenture on outstanding 1982 Sewer Revenue Bonds, these bonds are secured and payable from a pledge of the income and revenues to be derived from the operation of the Sewer System.

All revenues must be deposited daily into a separate bank account designated as the "Sewer Revenue Fund" and said fund shall be maintained and administered in the following order of priority and for the following express purposes:

Revenues shall be applied to the payment of all reasonable and necessary expenses of operating and maintaining the Sewer System. A Sewer Revenue Bond and Interest Sinking Fund must be established and maintained by transferring from the Sewer Revenue Fund each month a sum whereby an amount sufficient to pay the succeeding principal and interest installment will accumulate by the time payment is due. The balance in this account at June 30, 1996 was \$59,128.

CITY OF BREAUX BRIDGE, LOUISIANA
Notes to Financial Statements (Continued)

(11) Ad Valorem Taxes

For the year ended June 30, 1996, taxes of 4.75 mills were levied on property with assessed valuations totaling \$16,674,331 and were dedicated as follows:

General corporate purposes	4.75 mills
----------------------------	------------

Total taxes levied were \$79,161, of which \$579 had not been collected at June 30, 1996. The taxes are levied and assessed on or about October and November, respectively, of each year. Tax bills are mailed in December, become liens on December 31, and are delinquent if unpaid as of March 1.

(12) Retirement Systems

A. Plan Description: The City of Breaux Bridge contributes to the Municipal Police Employers' Retirement System, a cost-sharing multiple employer defined benefit pension plan administered by the Municipal Police Employers's Retirement System, a public corporation created in accordance with the provisions of Louisiana Revised Statute 11:2211-11:2233 to provide retirement, disability and survivor benefits to municipal police officer members throughout the State of Louisiana. The Municipal Police Employers' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Municipal Police Employers' Retirement System, 8401 United Plaza Blvd., Room 305, Baton Rouge, LA 70806.

Funding Policy: Plan members are required to contribute 7.5% of their annual covered salary and the City of Breaux Bridge is required to contribute at an actuarially determined rate. The current rate is 9.0% of annual covered payroll. The contribution requirements of plan members and the City of Breaux Bridge are established and may be amended by the Municipal Police Employers' Retirement System. The City of Breaux Bridge's contributions to the Retirement System for the years ended June 30, 1996, 1995 and 1994 were \$6,636, \$3,261 and \$818, respectively.

(13) Restricted Assets - Utility Fund

Restricted assets were composed of checking and savings accounts and certificates of deposit at June 30, 1996 and were restricted as follows:

Bond reserve, sinking, and contingency funds	\$154,529
Customers' deposits	<u>93,158</u>
	\$247,687
	=====

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Financial Statements (Continued)

(14) Lease Obligation

The City is obligated under an operating lease agreement for the lease of a vehicle. The lease is for an initial term of 3 years, commencing September, 1994, and ending August, 1997. The monthly lease payment was \$325 through December, 1995 and increased to \$400 in January, 1996. The minimum lease payments are as follows:

1997	\$4,800
1998	<u>800</u>
	\$5,600

(15) Compensation of City Officials

The Mayor's monthly compensation was increased from \$2,800 to \$3,000, effective February 1, 1996. The mayor's salary for the year ended June 30, 1996 was \$34,601. Each alderman receives monthly compensation of \$400. Compensation for each alderman is as follows:

Jack Dale Delhomme	\$ 4,800
Howard Alexander	4,800
Wilbert Alexander	4,800
Christine Begnaud	4,800
Ricky Calais	<u>4,800</u>
 Total	 \$24,000

(16) Federal Grant

The City was the subrecipient of a federal grant from the U. S. Department of Housing and Urban Development, which was passed through the Louisiana Office of Community Development. The City had a receivable of \$80,280 of grant funds in fiscal year ended June 30, 1996. The \$80,280 is reported in the Schedule of Federal Financial Assistance. The grant activity is shown in a capital projects fund. The estimated grant total is \$600,000 and the estimated project total is \$1,150,000. The City will fund the excess. The underlying asset funded by the project will be transferred to the utility fund upon completion.

CITY OF BREAUX BRIDGE, LOUISIANA
Notes to Financial Statements (Continued)

(17) Contingencies

During August of 1986, the City cancelled its general liability insurance. In July, 1991, the City entered into a compromise settlement of several actions involving the conduct of a former police officer. The settlement provided for a \$350,000 payment at settlement, and seven additional annual payments of \$135,714 with no interest. The \$350,000 payment was expensed in the general fund, and the annual payments have been recorded in the general long-term debt group and discounted as described in Note 6.

(18) Contributed Capital

Amounts contributed to the enterprise fund for acquisition or construction of fixed assets are recognized as contributed capital. Contributed capital generated through grants externally restricted for capital acquisitions is amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such grants. The depreciation is closed to the appropriate contributed capital account and is reflected as an adjustment to net income on the Statement of Revenues, Expenses, and Changes in Retained Earnings.

The sources of contributed capital used to acquire and construct facilities for the enterprise fund are as follows:

	<u>Municipality</u>	<u>Federal and State Grants and Revenue Sharing</u>	<u>Total</u>
Total contributed capital, June 30, 1995	\$2,241,546	\$3,181,103	\$5,422,649
Less: Accumulated depreciation	-	(897,738)	(897,738)
Net contributed capital, June 30, 1996	\$2,241,546	\$2,283,365	\$4,524,911
	=====	=====	=====

(19) Risk Management

The City is exposed to risks of loss in the areas of general and auto liability, property hazards, and workers' compensation. Those risks are handled by purchasing commercial insurance. There have been no significant reductions in insurance coverage during the current fiscal year.

SUPPLEMENTAL INFORMATION

SCHEDULE OF INDIVIDUAL FUNDS AND ACCOUNT GROUPS

GENERAL FUND

To account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

CITY OF BREAUX BRIDGE, LOUISIANA
General Fund

Comparative Balance Sheets
June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
ASSETS		
Cash and interest-bearing deposits	\$198,484	\$454,249
Taxes receivable	579	50
Other receivables	80,507	63,283
Due from other funds	29,568	26,426
Prepaid insurance	<u>54,996</u>	<u>53,064</u>
Total assets	<u>\$364,134</u> =====	<u>\$597,072</u> =====
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable and accrued expenditures	\$236,562	\$216,581
Contingent liabilities	-	87,500
Due to other funds	-	333
Total liabilities	<u>236,562</u>	<u>304,414</u>
Fund balances:		
Reserved for prepaid expenses	54,996	53,064
Unreserved - undesignated	<u>72,576</u>	<u>239,594</u>
Total fund balances	<u>127,572</u>	<u>292,658</u>
Total liabilities and fund balances	<u>\$364,134</u> =====	<u>\$597,072</u> =====

CITY OF BREAUX BRIDGE, LOUISIANA
General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year Ended June 30, 1996
With Comparative Actual Amounts for Year Ended June 30, 1995

	1996		Variance - Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
Revenues:				
Taxes -				
General alimony taxes	\$ 75,000	\$ 79,161	\$ 4,161	\$ 74,919
Franchise taxes	188,900	195,858	6,958	216,319
Chain store tax	2,700	2,625	(75)	2,740
Licenses and permits	183,050	233,971	50,921	226,110
Intergovernmental revenues -				
Federal grants	-	10,665	10,665	-
State revenue sharing	30,000	32,479	2,479	32,216
Tobacco tax	33,000	34,002	1,002	42,557
Beer tax	15,000	26,039	11,039	14,987
Video poker	15,000	36,022	21,022	35,714
Motor vehicle tax	20,000	23,818	3,818	10,262
Charges for services -				
Garbage fees	312,000	313,225	1,225	312,958
Fines	40,000	52,834	12,834	41,389
Miscellaneous -				
Crawfish Festival	6,500	6,475	(25)	8,288
Interest	8,000	8,385	385	8,532
Recovery of contingent liability	-	87,500	87,500	-
Other	26,600	43,789	17,189	30,452
Total revenues	<u>955,750</u>	<u>1,186,848</u>	<u>231,098</u>	<u>1,057,443</u>
Expenditures:				
Current -				
General government	512,059	458,595	53,464	466,822
Streets and bridges	242,800	205,247	37,553	1,004,355
Sanitation	314,000	314,652	(652)	314,926
Public safety - Police	798,755	776,428	22,327	666,230
Capital outlay	<u>69,000</u>	<u>51,340</u>	<u>17,660</u>	<u>52,491</u>
Total expenditures	<u>1,936,614</u>	<u>1,806,262</u>	<u>130,352</u>	<u>2,504,824</u>
Deficiency of revenues over expenditures	<u>(980,864)</u>	<u>(619,414)</u>	<u>361,450</u>	<u>(1,447,381)</u>

(continued)

CITY OF BREAUX BRIDGE, LOUISIANA
General Fund

Statement of Revenues Expenditures and Changes in Fund Balance -
Budget (GAAP Basis) and Actual (Continued)
Year Ended June 30, 1996
With Comparative Actual Amounts for Year Ended June 30, 1995

	1996		Variance - Favorable	1995
	Budget	Actual	(Unfavorable)	Actual
Other financing sources (uses):				
Operating transfers in	\$1,000,000	\$450,000	\$(550,000)	\$ 1,300,000
Operating transfers out	-	-	-	(39,199)
Total other financing sources	<u>1,000,000</u>	<u>450,000</u>	<u>(550,000)</u>	<u>1,260,801</u>
Deficiency of revenues and other sources over expenditures and other uses	19,136	(169,414)	(188,550)	(186,580)
Fund balance, beginning	292,658	292,658	-	479,238
Add: Residual equity transfer	-	<u>4,328</u>	<u>4,328</u>	-
Fund balance, ending	<u>\$ 311,794</u>	<u>\$127,572</u>	<u>\$(184,222)</u>	<u>\$ 292,658</u>

CITY OF BREAUX BRIDGE, LOUISIANA
General Fund

Statement of Expenditures - Budget (GAAP Basis) and Actual
Year Ended June 30, 1996
With Comparative Actual Amounts for Year Ended June 30, 1995

	1996		Variance - Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
Current-				
General government:				
Salaries and wages	\$136,000	\$130,759	\$ 5,241	\$128,972
Payroll taxes	11,200	15,141	(3,941)	13,350
City Court	81,400	80,605	795	76,747
Legal and professional	53,000	46,317	6,683	54,909
National Guard unit	1,200	1,200	-	1,200
St. Martin Parish veteran's officer	1,500	1,488	12	1,368
Telephone	6,000	5,598	402	2,727
Publishing minutes and advertising	4,500	4,321	179	4,234
Office supplies and expense	12,500	16,204	(3,704)	11,174
Electricity	9,300	8,909	391	8,253
Louisiana Municipal Association dues	1,100	1,087	13	1,087
Other dues	800	682	118	75
Preparation of tax roll and pro rata share of assessor's salary	2,700	2,689	11	2,647
General insurance	27,500	21,746	5,754	22,430
Group insurance	45,000	44,985	15	43,448
Schools and conventions	7,500	1,569	5,931	5,514
Election expense	2,000	-	2,000	2,032
Building maintenance	10,000	10,625	(625)	9,611
Crawfish festival expense	6,000	3,476	2,524	4,471
Miscellaneous	21,500	12,350	9,150	6,311
Interest expense	21,359	21,359	-	30,742
Economic development	40,000	27,485	12,515	32,528
Uninsured claims expense	10,000	-	10,000	2,992
Total general government	<u>512,059</u>	<u>458,595</u>	<u>53,464</u>	<u>466,822</u>

CITY OF BREAUX BRIDGE, LOUISIANA
General Fund

Statement of Expenditures - Budget (GAAP Basis) and Actual (Continued)
Year Ended June 30, 1996
With Comparative Actual Amounts for Year Ended June 30, 1995

	1996		Variance - Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
Streets and bridges:				
Salaries and wages	\$ 70,000	\$ 66,305	\$ 3,695	\$ 62,099
Payroll taxes	6,600	6,331	269	5,301
Shells, gravel and other material	10,000	6,384	3,616	4,680
Supplies	10,000	9,744	256	7,868
Motor equipment repairs and maintenance	20,000	17,138	2,862	15,020
Fuel	5,500	4,950	550	5,512
Electricity (street lights)	37,000	34,284	2,716	30,106
General insurance	36,000	31,288	4,712	31,515
Grass spraying and cutting	7,000	2,225	4,775	2,652
Engineering	7,500	-	7,500	775
Catch basin and sidewalks	5,000	5,637	(637)	2,456
Street resurfacing project	-	-	-	815,905
Miscellaneous	<u>28,200</u>	<u>20,961</u>	<u>7,239</u>	<u>20,466</u>
Total streets and bridges	<u>242,800</u>	<u>205,247</u>	<u>37,553</u>	<u>1,004,355</u>
Sanitation:				
Garbage contract	312,000	313,225	(1,225)	312,958
Miscellaneous	<u>2,000</u>	<u>1,427</u>	<u>573</u>	<u>1,968</u>
Total sanitation	<u>314,000</u>	<u>314,652</u>	<u>(652)</u>	<u>314,926</u>

(continued)

CITY OF BREAUX BRIDGE, LOUISIANA
General Fund

Statement of Expenditures - Budget (GAAP Basis) and Actual (Continued)
Year Ended June 30, 1996
With Comparative Actual Amounts for Year Ended June 30, 1995

	1996		Variance - Favorable Unfavorable	1995 Actual
	Budget	Actual		
Public safety - police:				
Salaries and wages	\$ 400,000	\$ 403,956	\$ (3,956)	\$ 322,648
Retirement	6,000	6,102	(102)	3,261
Payroll taxes	33,600	33,797	(197)	29,609
Automobile repairs and expense	39,800	36,711	3,089	26,296
Office supplies and expense	13,000	13,121	(121)	9,413
Jail supplies and expense	37,000	15,114	21,886	37,582
Electricity	2,500	1,931	569	1,769
Telephone	7,500	7,335	165	6,360
Uniform allowance	6,500	5,865	635	5,895
General insurance	75,000	79,094	(4,094)	71,734
Gasoline	17,000	15,733	1,267	14,509
Uninsured liability claims	20,000	11,489	8,511	20,319
Miscellaneous	26,500	31,825	(5,325)	11,863
Uninsured loss expense	<u>114,355</u>	<u>114,355</u>	<u>-</u>	<u>104,972</u>
Total public safety - police	<u>798,755</u>	<u>776,428</u>	<u>22,327</u>	<u>666,230</u>
Capital outlay - Autos and equipment	<u>69,000</u>	<u>51,340</u>	<u>17,660</u>	<u>52,491</u>
Total expenditures	<u>\$1,936,614</u>	<u>\$1,806,262</u>	<u>\$130,352</u>	<u>\$2,504,824</u>
	=====	=====	=====	=====

SPECIAL REVENUE FUNDS

Sales Tax Fund - To account for the receipt and use of proceeds of the City's 1 percent sales and use tax. These taxes may only be used for improvements and operation of specific public works and recreational facilities and to fund payment of the City's public improvement bonds.

Recreation and Parks Operating Fund - To account for the operations and maintenance of all City-owned recreational facilities. Financing is provided by a portion of sales taxes collected and miscellaneous revenue, primarily admissions and rental income.

CITY OF BREAUX BRIDGE, LOUISIANA
Special Revenue Funds

Combining Balance Sheet
June 30, 1996
With Comparative Totals for June 30, 1995

	<u>Sales Tax Fund</u>	<u>Recreation and Parks Operating Fund</u>	<u>Totals</u>	
			<u>1996</u>	<u>1995</u>
ASSETS				
Cash and interest-bearing deposits	\$1,034,848	\$ 95,330	\$1,130,178	\$ 697,129
Accrued interest receivable	2,551	-	2,551	-
Other receivables	77,580	-	77,580	61,671
Prepaid insurance	-	8,764	8,764	9,074
Total assets	<u>\$1,114,979</u>	<u>\$104,094</u>	<u>\$1,219,073</u>	<u>\$ 767,874</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued expenses	\$ 376	\$ 606	\$ 982	\$ 11,886
Total liabilities	<u>376</u>	<u>606</u>	<u>982</u>	<u>11,886</u>
Fund balances:				
Reserved for prepaid expenses	-	8,764	8,764	9,074
Unreserved, undesignated	<u>1,114,603</u>	<u>94,724</u>	<u>1,209,327</u>	<u>746,914</u>
Total fund balances	<u>1,114,603</u>	<u>103,488</u>	<u>1,218,091</u>	<u>755,988</u>
Total liabilities and fund balances	<u>\$1,114,979</u>	<u>\$104,094</u>	<u>\$1,219,073</u>	<u>\$ 767,874</u>

CITY OF BREAUX BRIDGE, LOUISIANA
Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 1996
With Comparative Totals for Year Ended June 30, 1995

	<u>Sales</u> <u>Tax Fund</u>	<u>Recreation</u> <u>and Parks</u> <u>Operating</u> <u>Fund</u>	<u>Totals</u>	
			<u>1996</u>	<u>1995</u>
Revenues:				
Taxes	\$ 891,632	\$ -	\$ 891,632	\$ 745,856
Charges for services	-	-	-	1,590
Federal grant	-	-	-	-
Miscellaneous -				
Interest on investments	41,221	3,107	44,328	23,656
Donation	-	37,737	37,737	21,035
Other	-	4,834	4,834	250
Total revenues	<u>932,853</u>	<u>45,678</u>	<u>978,531</u>	<u>792,387</u>
Expenditures:				
Current -				
General government	16,602	-	16,602	15,948
Culture and recreation	-	35,598	35,598	44,513
Capital outlay	-	15,238	15,238	12,898
Total expenditures	<u>16,602</u>	<u>50,836</u>	<u>67,438</u>	<u>73,359</u>
Excess (deficiency) of revenues over expenditures	<u>916,251</u>	<u>(5,158)</u>	<u>911,093</u>	<u>719,028</u>
Other financing sources (uses):				
Operating transfers in	-	40,000	40,000	45,000
Operating transfers out	<u>(488,989)</u>	<u>-</u>	<u>(488,989)</u>	<u>(666,563)</u>
Total other financing sources (uses)	<u>(488,989)</u>	<u>40,000</u>	<u>(448,989)</u>	<u>(621,563)</u>
Excess revenues and other sources over expenditures and other uses	427,262	34,842	462,104	97,465
Fund balances, beginning of year	<u>687,341</u>	<u>68,646</u>	<u>755,987</u>	<u>658,523</u>
Fund balances, end of year	<u>\$1,114,603</u>	<u>\$103,488</u>	<u>\$1,218,091</u>	<u>\$ 755,988</u>

CITY OF BREAUX BRIDGE, LOUISIANA
Special Revenue Fund
Sales Tax Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year Ended June 30, 1996
With Comparative Actual Amounts for Year Ended June 30, 1995

	1996		Variance - Favorable	1995
	Budget	Actual	(Unfavorable)	Actual
Revenues:				
Taxes -				
Sales taxes collected	\$750,200	\$891,632	\$141,432	\$745,856
Miscellaneous -				
Interest on investments	<u>37,000</u>	<u>41,221</u>	<u>4,221</u>	<u>21,526</u>
Total revenues	<u>787,200</u>	<u>932,853</u>	<u>145,653</u>	<u>767,382</u>
Expenditures:				
General government -				
Collection expense	8,000	7,664	336	6,394
Salaries	5,500	5,629	(129)	4,754
Payroll taxes	475	449	26	366
Legal and professional	2,750	2,492	258	2,088
Computer expense	300	237	63	284
Miscellaneous	<u>2,750</u>	<u>131</u>	<u>2,619</u>	<u>2,062</u>
Total expenditures	<u>19,775</u>	<u>16,602</u>	<u>3,173</u>	<u>15,948</u>
Excess of revenues over expenditures	<u>767,425</u>	<u>916,251</u>	<u>148,826</u>	<u>751,434</u>

(continued)

CITY OF BREAUX BRIDGE, LOUISIANA
Special Revenue Fund
Sales Tax Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual (Continued)
Year Ended June 30, 1996

With Comparative Actual Amounts for Year Ended June 30, 1995

	1996		Variance - Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
Other uses:				
Operating transfers out -				
Recreation and Parks				
Operating Fund	\$ (40,000)	\$ (40,000)	\$ -	\$ (45,000)
Sinking Fund for				
Public Improvement				
Bonds dated				
October 1, 1971	(110,000)	(98,989)	11,011	(21,563)
General Fund	(500,000)	(350,000)	150,000	(600,000)
Total other uses	<u>(650,000)</u>	<u>(488,989)</u>	<u>161,011</u>	<u>(666,563)</u>
Excess of revenues				
over expenditures				
and other uses	117,425	427,262	309,837	84,871
Fund balance, beginning				
of year	<u>687,341</u>	<u>687,341</u>	<u>-</u>	<u>602,471</u>
Fund balance, end of year	<u>\$ 804,766</u>	<u>\$1,114,603</u>	<u>\$309,837</u>	<u>\$ 687,342</u>

CITY OF BREAUx BRIDGE, LOUISIANA
Special Revenue Fund
Recreation and Parks Operating Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year Ended June 30, 1996
With Comparative Actual Amounts for Year Ended June 30, 1995

	1996		Variance - Favorable	1995
	Budget	Actual	(Unfavorable)	Actual
Revenues:				
Charges for services -				
Admissions	\$ -	\$ -	\$ -	\$ 1,590
Federal grant	-	-	-	-
Miscellaneous -				
Interest on investments	2,300	3,107	807	2,130
Donation	38,000	37,737	(263)	21,035
Other	<u>200</u>	<u>4,834</u>	<u>4,634</u>	<u>250</u>
Total revenues	<u>40,500</u>	<u>45,678</u>	<u>5,178</u>	<u>25,005</u>
Expenditures:				
Culture and recreation -				
Salaries and wages	10,500	10,575	(75)	12,220
Payroll taxes	1,075	846	229	995
Repairs and supplies	15,000	6,295	8,705	11,849
Electricity	2,350	1,192	1,158	2,510
Landscaping	-	-	-	-
Insurance	15,000	14,501	499	15,217
Group insurance	1,600	1,570	30	1,570
Miscellaneous	1,000	619	381	152
Capital outlay	<u>50,000</u>	<u>15,238</u>	<u>34,762</u>	<u>12,898</u>
Total expenditures	<u>96,525</u>	<u>50,836</u>	<u>45,689</u>	<u>57,411</u>
Deficiency of revenues over expenditures	(56,025)	(5,158)	50,867	(32,406)
Other financing sources:				
Operating transfers in	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>45,000</u>
Excess (deficiency) of revenues and other sources over expenditures	(16,025)	34,842	50,867	12,594
Fund balance, beginning of year	<u>68,646</u>	<u>68,646</u>	<u>-</u>	<u>56,052</u>
Fund balance, end of year	\$ 52,621 =====	\$103,488 =====	\$50,867 =====	\$ 68,646 =====

DEBT SERVICE FUNDS

1971 Public Improvement Fund - To accumulate monies for payment of the 1971 \$620,000 Public Improvement Bonds - Series ST-1 (waterworks), which are serial bonds due in annual installments, plus interest, until their maturity in 1996. Financing is to be provided by proceeds of the City's 1 percent sales and use tax. These bonds were paid out in year ending June 30, 1995 and the remaining balance in the cash account was transferred to the Utility Fund as a residual equity transfer.

Special Assessment Funds - The special assessment funds were initially used to account for the costs of capital projects in certain areas of the City. Financing was provided by the sale of special assessment bonds. Costs of the projects are estimated and property owners are assessed their proportionate share, i.e., estimated cost per linear foot times front footage. Property owners had the option of paying the assessments when levied or over a ten year period coinciding with the terms of the bonds sold to finance the project. Interest is charged on the unpaid assessments at rates equal to the interest on the related bonds. Bond principal and interest is paid with the monies provided by payments on the assessments and the related interest. All bonds were paid out during fiscal year ended June 30, 1995.

1994 Certificate of Indebtedness - To account for repayment of \$750,000 certificate of indebtedness, Series 1994, which is due in annual installments, plus interest, until maturity in 2004.

CITY OF BREAUX BRIDGE, LOUISIANA
Debt Service Funds

Combining Balance Sheet
June 30, 1996
With Comparative Totals for June 30, 1995

	Public Improvement 1971	Sewerage Assessment Fund 1984	Paving Assessment Fund 1984	Certificate of Indebtedness 1994	Totals 1996	Totals 1995
ASSETS						
Bond and interest redemption:						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,288
Interest-bearing deposits	-	-	-	-	-	2,377
Assessments receivable -						
Delinquent	-	-	-	-	-	-
Accrued interest - assessments	-	-	-	-	-	-
Total assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,665
LIABILITIES AND FUND BALANCES						
Liabilities:						
Total liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balances:						
Reserved for debt service	-	-	-	-	-	2,377
Unreserved, undesignated	-	-	-	-	-	4,288
Total fund balances	-	-	-	-	-	6,665
Total liabilities and fund balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,665

CITY OF BREAUX BRIDGE, LOUISIANA
Debt Service Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 1996
With Comparative Totals for Year Ended June 30, 1995

	Public Improvement 1971	Sewerage Assessment Fund 1984	Paving Assessment Fund 1984	Certificate of Indebtedness 1994	Totals	
					1996	1995
Revenues:						
Miscellaneous -						
Interest on assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 163
Interest on savings	-	-	117	34	151	1,629
Total revenues	<u>-</u>	<u>-</u>	<u>117</u>	<u>34</u>	<u>151</u>	<u>1,792</u>
Expenditures:						
General government -						
Office expense	-	-	-	-	-	67
Total general government	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67</u>
Debt service -						
Principal retirement	-	-	-	60,000	60,000	71,302
Interest	-	-	-	41,400	41,400	26,831
Paying agent fees & other	-	-	77	-	77	1,804
Total debt service	<u>-</u>	<u>-</u>	<u>77</u>	<u>101,400</u>	<u>101,477</u>	<u>99,937</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>77</u>	<u>101,400</u>	<u>101,477</u>	<u>100,004</u>
Excess (deficiency) of revenues over expenditures	-	-	40	(101,366)	(101,326)	(98,212)
Other financing sources:						
Operating transfers in	-	-	-	98,989	98,989	60,762
Excess (deficiency) of revenues and other sources over expenditures	-	-	40	(2,377)	(2,337)	(37,450)
Fund balances, beginning of year	-	-	4,288	2,377	6,665	101,915
Less: Residual equity transfer	-	-	(4,328)	-	(4,328)	(57,800)
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,665</u>

CAPITAL PROJECTS FUNDS

Park Improvements Construction Fund - To account for the financing and construction of improvements at Parc Hardy. Financing was provided by public improvement bond proceeds of \$750,000.

LCDBG Sewer Grant Fund - To account for the sewer improvements project. Financing was provided by a community development block grant of \$315,201.

LCDBG Water Grant Fund - To account for the water treatment plant project. Financing is provided by a community development block grant, estimated at \$600,000.

CITY OF BREAUX BRIDGE, LOUISIANA
Capital Projects Funds

Combining Balance Sheet
June 30, 1996
With Comparative Totals for June 30, 1995

	<u>Park Improvements Construction Fund</u>	<u>LCDBG Sewer Grant Fund</u>	<u>LCDBG Water Grant Fund</u>	<u>Totals</u>	
				1996	1995
ASSETS					
Interest-bearing deposits	\$74,722	\$ -	\$316,256	\$390,978	\$606,102
Grant receivable	<u>-</u>	<u>-</u>	<u>80,280</u>	<u>80,280</u>	<u>-</u>
Total assets	<u>\$74,722</u>	<u>\$ -</u>	<u>\$396,536</u>	<u>\$471,258</u>	<u>\$606,102</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 80,280	\$ 80,280	\$ -
Due to utility fund	-	-	316,256	316,256	-
Retainage payable	<u>57,447</u>	<u>-</u>	<u>-</u>	<u>57,447</u>	<u>-</u>
Total liabilities	<u>57,447</u>	<u>-</u>	<u>396,536</u>	<u>453,983</u>	<u>-</u>
Fund balances:					
Designated for subsequent years' expenditures	<u>17,275</u>	<u>-</u>	<u>-</u>	<u>17,275</u>	<u>606,102</u>
Total fund balances	<u>17,275</u>	<u>-</u>	<u>-</u>	<u>17,275</u>	<u>606,102</u>
Total liabilities and fund balances	<u>\$74,722</u>	<u>\$ -</u>	<u>\$396,536</u>	<u>\$471,258</u>	<u>\$606,102</u>

CITY OF BREAUX BRIDGE, LOUISIANA
Capital Projects Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 1996
With Comparative Totals for Year Ended June 30, 1995

	Park Improvements Construction Fund	LCDBG Sewer Grant Fund	LCDBG Water Grant Fund	Totals
	1996	1996	1996	1995
Revenues:				
Federal grant	\$ -	\$ -	\$ 80,280	\$ 315,201
Miscellaneous -				
Interest on investments	<u>21,633</u>	<u>-</u>	<u>-</u>	<u>12,615</u>
Total revenues	<u>21,633</u>	<u>-</u>	<u>80,280</u>	<u>327,816</u>
Expenditures:				
Capital outlay -				
Construction in progress	610,460	-	-	156,513
Construction	-	-	80,280	258,748
Engineering	-	-	-	41,453
Administration	-	-	-	15,000
Total expenditures	<u>610,460</u>	<u>-</u>	<u>80,280</u>	<u>471,714</u>
Deficiency of revenues over expenditures	<u>(588,827)</u>	<u>-</u>	<u>-</u>	<u>(143,898)</u>
Other financing sources:				
Proceeds from bond issuance	<u>-</u>	<u>-</u>	<u>-</u>	<u>750,000</u>
Deficiency of revenues and other sources over expenditures	<u>(588,827)</u>	<u>-</u>	<u>-</u>	<u>606,102</u>
Fund balances, beginning of year	<u>606,102</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ 17,275</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 606,102</u>

ENTERPRISE FUND

Utility Fund - To account for the provision of gas, water, and sewer services to the residents of the City and some residents of St. Martin Parish. 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.

CITY OF BREAUX BRIDGE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Balance Sheets
June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
ASSETS		
Current assets:		
Cash and interest bearing deposits	\$ 4,700,576	\$ 4,653,405
Accounts receivable, net of allowance for uncollectible accounts (1996 \$12,651; 1995 \$46,542)	208,779	158,719
Accrued interest receivable	13,984	-
Prepaid insurance	51,495	50,870
Due from other funds	<u>325,220</u>	<u>8,964</u>
Total current assets	<u>5,300,054</u>	<u>4,871,958</u>
Restricted assets:		
Cash	8,104	8,444
Interest-bearing deposits	<u>241,583</u>	<u>211,639</u>
Total restricted assets	<u>249,687</u>	<u>220,083</u>
Plant and equipment:		
At cost, net of accumulated depreciation (1996 \$4,655,246; 1995 \$4,392,151)	<u>5,122,714</u>	<u>5,040,953</u>
Total assets	<u>\$10,672,455</u>	<u>\$10,132,994</u>
	=====	=====
LIABILITIES AND FUND EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	\$ 61,226	\$ 97,379
Due to other funds	26,674	26,170
Revenue bonds payable	25,000	25,000
Contingent liability	-	8,000
Accrued interest payable	15,833	16,875
Customers' deposits	<u>81,181</u>	<u>66,193</u>
Total current liabilities	<u>209,914</u>	<u>239,617</u>
Long-term liabilities:		
Revenue bonds payable	<u>355,000</u>	<u>380,000</u>
Total liabilities	<u>564,914</u>	<u>619,617</u>
Fund equity:		
Contributed capital, net of accumulated amortization (1996 \$897,738; 1995 \$814,945)	<u>4,524,911</u>	<u>4,607,704</u>
Retained earnings:		
Reserved for revenue bond retirement	59,128	57,647
Reserved for revenue bond contingency	97,400	87,240
Reserved for prepaid expenses	51,495	50,870
Unreserved	<u>5,374,607</u>	<u>4,709,916</u>
Total retained earnings	<u>5,582,630</u>	<u>4,905,673</u>
Total fund equity	<u>10,107,541</u>	<u>9,513,377</u>
Total liabilities and fund equity	<u>\$10,672,455</u>	<u>\$10,132,994</u>
	=====	=====

CITY OF BREAUX BRIDGE, LOUISIANA
Enterprise Fund
Utility Fund

Statement of Revenues, Expenses and Changes in Retained Earnings
Budget (GAAP Basis) and Actual
Year Ended June 30, 1996
With Comparative Actual Amounts for Year Ended June 30, 1995

	1996		Variance - Favorable	1995
	Budget	Actual	(Unfavorable)	Actual
Operating revenues:				
Charges for services -				
Utility sales	\$1,695,000	\$1,677,166	\$(17,834)	\$1,462,327
Installation and reconnection charges	27,800	34,053	6,253	27,275
Miscellaneous	45,000	42,173	(2,827)	37,192
Total operating revenues	1,767,800	1,753,392	(14,408)	1,526,794
Operating expenses:				
Direct expenses	976,950	997,716	(20,766)	857,440
Allocated expenses	374,400	335,300	39,100	315,288
Total operating expenses	1,351,350	1,333,016	18,334	1,172,728
Operating income	416,450	420,376	(3,926)	354,066
Nonoperating revenues (expenses):				
Other revenue	500	43,016	42,516	4,239
Interest on investments	238,000	249,980	11,980	157,839
Interest on bonds	(20,500)	(19,208)	1,292	(20,458)
Total nonoperating revenues	218,000	273,788	55,788	141,620
Income before operating transfers	634,450	694,164	59,714	495,686
Other financing sources (uses):				
Operating transfers out	(500,000)	(100,000)	400,000	(700,000)
Total other financing uses	(500,000)	(100,000)	400,000	(700,000)
Net income (loss)	134,450	594,164	459,714	(204,314)
Add: Depreciation on assets purchased with contributed capital	-	82,793	82,793	69,669
Retained earnings, beginning of year	4,905,673	4,905,673	-	5,040,318
Retained earnings, end of year	\$5,040,123	\$5,582,630	\$542,507	\$4,905,673

		Actual					
Gas		Water System		Sewerage System			
1996	1995	1996	1995	1996	1995		
\$749,106	\$645,777	\$569,340	\$521,827	\$358,720	\$294,723		
11,774	9,825	16,120	14,017	6,159	3,433		
18,588	16,276	14,611	13,522	8,974	7,394		
<u>779,468</u>	<u>671,878</u>	<u>600,071</u>	<u>549,366</u>	<u>373,853</u>	<u>305,550</u>		
493,822	401,968	359,883	320,823	144,011	134,649		
92,320	88,872	179,176	161,479	63,804	64,937		
<u>586,142</u>	<u>490,840</u>	<u>539,059</u>	<u>482,302</u>	<u>207,815</u>	<u>199,586</u>		
\$193,326	\$181,038	\$ 61,012	\$ 67,064	\$166,038	\$105,964		
=====	=====	=====	=====	=====	=====		

CITY OF BREAUX BRIDGE, LOUISIANA
Utility Fund

Statement of Operating Expenses - Budget (GAAP Basis) and Actual
Year Ended June 30, 1996
With Comparative Actual Amounts for Year Ended June 30, 1995

	1996		Variance - Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
Direct expenses:				
Gas purchased	\$ 362,000	\$ 387,176	\$(25,176)	\$ 301,485
System repairs and maintenance	86,000	105,264	(19,264)	81,620
Electricity	35,500	31,014	4,486	26,119
Plant supplies	66,000	58,255	7,745	61,884
General insurance	80,000	74,526	5,474	74,054
Depreciation	260,000	258,219	1,781	233,396
Testing - solid waste	3,000	2,310	690	2,700
Engineering	5,000	10,234	(5,234)	1,239
Salaries	66,150	65,220	930	64,699
Gas leak survey	4,000	-	4,000	3,190
Feasibility study	-	-	-	466
Miscellaneous	9,300	5,498	3,802	6,588
Total direct expenses	<u>976,950</u>	<u>997,716</u>	<u>(20,766)</u>	<u>857,440</u>
Allocated expenses:				
Salaries	178,850	175,555	3,295	167,599
Group insurance	21,000	22,546	(1,546)	19,967
Bad debt expense	16,000	437	15,563	2,552
Payroll taxes	20,250	19,408	842	18,931
Office supplies and expense	25,300	24,268	1,032	19,838
Legal and accounting fees	17,000	17,338	(338)	11,703
General insurance	22,000	20,970	1,030	21,153
Maintenance and supplies	37,700	35,523	2,177	31,863
Computer billing expense	2,000	1,459	541	1,999
Depreciation	5,000	4,876	124	7,074
Engineering services	1,000	344	656	-
Miscellaneous	28,300	12,576	15,724	12,609
Total allocated expenses	<u>374,400</u>	<u>335,300</u>	<u>39,100</u>	<u>315,288</u>
 Total operating expenses	 \$1,351,350	 \$1,333,016	 \$ 18,334	 \$1,172,728
	=====	=====	=====	=====

Actual					
Gas		Water System		Sewerage System	
1996	1995	1996	1995	1996	1995
\$387,176	\$301,485	\$ -	\$ -	\$ -	\$ -
23,158	18,773	53,685	39,994	28,421	22,853
6,823	6,007	15,817	12,798	8,374	7,314
-	-	58,255	61,884	-	-
16,396	17,032	38,008	36,286	20,122	20,736
56,808	53,681	131,692	114,364	69,719	65,351
-	-	-	-	2,310	2,700
2,251	285	5,219	607	2,764	347
-	-	54,403	51,662	10,817	13,037
-	3,190	-	-	-	-
-	-	-	-	-	466
<u>1,210</u>	<u>1,515</u>	<u>2,804</u>	<u>3,228</u>	<u>1,484</u>	<u>1,845</u>
<u>493,822</u>	<u>401,968</u>	<u>359,883</u>	<u>320,823</u>	<u>144,011</u>	<u>134,649</u>
53,719	51,255	96,102	88,276	25,734	28,068
6,764	6,190	12,400	10,383	3,382	3,394
197	1,123	149	919	91	510
5,822	5,869	10,674	9,844	2,912	3,218
5,339	4,563	12,377	9,721	6,552	5,554
3,814	2,692	8,842	5,734	4,682	3,277
4,613	4,865	10,695	10,365	5,662	5,923
7,815	7,328	18,117	15,613	9,591	8,922
321	460	744	980	394	559
1,073	1,627	2,487	3,466	1,316	1,981
76	-	175	-	93	-
<u>2,767</u>	<u>2,900</u>	<u>6,414</u>	<u>6,178</u>	<u>3,395</u>	<u>3,531</u>
<u>92,320</u>	<u>88,872</u>	<u>179,176</u>	<u>161,479</u>	<u>63,804</u>	<u>64,937</u>
\$586,142	\$490,840	\$539,059	\$482,302	\$207,815	\$199,586
=====	=====	=====	=====	=====	=====

CITY OF BREAUX BRIDGE, LOUISIANA
Utility Fund

Comparative Statements of Cash Flows
Years Ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Cash flows from operating activities:		
Operating income	\$ 420,376	\$ 354,066
Adjustments to reconcile operating income to net cash provided by operating activities -		
Depreciation	263,095	240,470
Changes in current assets and liabilities:		
Decrease in accounts receivable	(50,060)	(23,270)
Increase in accrued interest receivable	(13,984)	-
Increase in prepaid expenses	(625)	(569)
Increase in due from other funds	(316,256)	-
Increase (decrease) in accounts payable and accrued liabilities	(30,207)	53,149
Increase in due to other funds	504	227
Total adjustments	<u>(147,533)</u>	<u>270,007</u>
Net cash provided by operating activities	<u>272,843</u>	<u>624,073</u>
Cash flows from noncapital financing activities:		
Cash received from others	43,016	4,238
Operating transfers out to other funds	(100,000)	(700,000)
Residual equity transfer	-	57,800
Net cash used by noncapital financing activities	<u>(56,984)</u>	<u>(637,962)</u>
Cash flows from capital and related financing activities:		
Principal paid on revenue bond maturities	(25,000)	(25,000)
Interest paid on revenue bonds	(19,208)	(20,458)
Acquisition of capital assets	(344,856)	(949,687)
Capital contributed from federal grant	-	315,201
Net cash used by capital and related financing activities	<u>(389,064)</u>	<u>(679,944)</u>
Cash flows from investing activities:		
Interest on interest-bearing deposits and investments	<u>249,980</u>	<u>157,839</u>
Net increase(decrease)in cash and cash equivalents	76,775	(535,994)
Cash and cash equivalents, beginning of period	<u>4,873,488</u>	<u>5,409,482</u>
Cash and cash equivalents, end of period	\$4,950,263	\$4,873,488

(continued)

CITY OF BREAUX BRIDGE, LOUISIANA
Utility Fund

Comparative Statements of Cash Flows (Continued)
Years Ended June 30, 1996 and 1995

	1996	1995
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents, beginning of period -		
Cash - unrestricted	\$ 75,512	\$ 57,508
Interest-bearing deposits - unrestricted	4,577,893	5,074,643
Cash - restricted	8,444	59,513
Interest-bearing deposits - restricted	<u>211,639</u>	<u>217,818</u>
Total cash and cash equivalents	<u>4,873,488</u>	<u>5,409,482</u>
Cash and cash equivalents, end of period -		
Cash - unrestricted	7,701	75,512
Interest-bearing deposits - unrestricted	4,692,875	4,577,893
Cash - restricted	8,104	8,444
Interest-bearing deposits - restricted	<u>241,583</u>	<u>211,639</u>
Total cash and cash equivalents	<u>4,950,263</u>	<u>4,873,488</u>
Net increase(decrease)	\$ 76,775 =====	\$(535,994) =====

CITY OF BREAUX BRIDGE, LOUISIANA
Utility Fund

Schedule of Changes in Assets Restricted for Revenue Bond Debt Service
Year Ended June 30, 1996

	<u>Bond and Interest Redemption</u>	<u>Reserve</u>	<u>Contingency</u>	<u>Total</u>
Cash and savings, July 1, 1995	\$57,647	\$32,376	\$54,864	\$144,887
Increases:				
Transfer from operating account	45,250	2,520	4,260	52,030
Interest earned on investments	<u>1,481</u>	<u>1,254</u>	<u>2,126</u>	<u>4,861</u>
	<u>46,731</u>	<u>3,774</u>	<u>6,386</u>	<u>56,891</u>
Decreases:				
Principal payments	(25,000)	-	-	(25,000)
Interest payments	<u>(20,250)</u>	<u>-</u>	<u>-</u>	<u>(20,250)</u>
	<u>(45,250)</u>	<u>-</u>	<u>-</u>	<u>(45,250)</u>
Cash and savings, June 30, 1996	\$59,128	\$36,150	\$61,250	\$156,528
	=====	=====	=====	=====

AGENCY FUND

Payroll Fund - To account for the collection and payment of payroll, the related taxes, and group insurance premiums.

CITY OF BREAUx BRIDGE, LOUISIANA
Agency Fund
Payroll Fund

Statement of Changes in Assets and Liabilities
Year Ended June 30, 1996

	<u>Balance at July 1, 1995</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at June 30, 1996</u>
ASSETS				
Cash	\$11,676	\$922,255	\$(919,307)	\$14,624
Due from other funds	<u>333</u>	<u>2,467</u>	<u>(2,370)</u>	<u>430</u>
Total assets	<u>\$12,009</u> =====	<u>\$924,722</u> =====	<u>\$(921,677)</u> =====	<u>\$15,054</u> =====
LIABILITIES				
Accrued liabilities:				
Income tax withheld	\$ 1,774	\$111,509	\$(111,533)	\$ 1,750
Social security tax payable	-	73,201	(73,034)	167
Other payables	1,015	47,144	(47,309)	850
Due to other funds	<u>9,220</u>	<u>3,333</u>	<u>(266)</u>	<u>12,287</u>
Total liabilities	<u>\$12,009</u> =====	<u>\$235,187</u> =====	<u>\$(232,142)</u> =====	<u>\$15,054</u> =====

GENERAL FIXED ASSETS ACCOUNT GROUP

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

CITY OF BREAUX BRIDGE, LOUISIANA
General Fixed Assets Account Group

Statement of Changes in General Fixed Assets
Year Ended June 30, 1996

	<u>Balance at</u> <u>July 1, 1995</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at</u> <u>June 30, 1996</u>
General fixed assets, at cost:				
Land	\$ 271,837	\$ -	\$ -	\$ 271,837
Buildings	1,206,673	-	-	1,206,673
Autos and equipment	470,103	51,340	-	521,443
Recreation facilities and other	<u>459,493</u>	<u>625,698</u>	<u>-</u>	<u>1,085,191</u>
	<u>\$2,408,106</u>	<u>\$677,038</u>	<u>\$ -</u>	<u>\$3,085,144</u>
Investment in general fixed assets:				
General Fund revenues	\$1,366,333	\$ 51,340	\$ -	\$1,417,673
Special revenues	885,260	15,238	-	900,498
Capital projects revenues	<u>156,513</u>	<u>610,460</u>	<u>-</u>	<u>766,973</u>
	<u>\$2,408,106</u>	<u>\$677,038</u>	<u>\$ -</u>	<u>\$3,085,144</u>

GENERAL LONG-TERM DEBT ACCOUNT GROUP

To account for unmatured principal of general obligation bonds and notes.

CITY OF BREAUx BRIDGE, LOUISIANA

Statements of General Long-Term Debt
 June 30, 1996
 With Comparative Totals for June 30, 1995

	Uninsured <u>Loss Fund</u>	Certificate of Indebtedness <u>1994</u>	<u>Totals</u>	
			<u>1996</u>	<u>1995</u>
AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT				
Amount to be provided from excess revenues	\$124,587 =====	\$690,000 =====	\$814,587 =====	\$988,942 =====
GENERAL LONG-TERM DEBT PAYABLE				
Bonds payable:				
Due within one year	\$124,587	\$ 60,000	\$184,587	\$174,355
Due after one year	<u> -</u>	<u>630,000</u>	<u>630,000</u>	<u>814,587</u>
Total bonds payable	\$124,587 =====	\$690,000 =====	\$814,587 =====	\$988,942 =====

CITY OF BREAUX BRIDGE, LOUISIANA

Statement of Changes in General Long-Term Debt
Year Ended June 30, 1996

	<u>Balance at July 1, 1995</u>	<u>Long-Term Debt Issued</u>	<u>Long-Term Debt Retired</u>	<u>Balance at June 30, 1996</u>
Amount to be provided for retirement of long-term debt	\$988,942 =====	\$ - =====	\$(174,355) =====	\$814,587 =====
General long-term debt payable	\$988,942 =====	\$ - =====	\$(174,355) =====	\$814,587 =====

INTERNAL CONTROL, COMPLIANCE

AND

OTHER GRANT INFORMATION

DARNALL, SIKES, KOLDER, FREDERICK & RAINEY

(A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS)

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

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The Honorable Louis M. Kern, Mayor
and Members of the Board of Aldermen
City of Breaux Bridge, Louisiana

We have audited the primary government financial statements of the City of Breaux Bridge, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated October 4, 1996. Our report states that the City of Breaux Bridge, Louisiana's financial statements do not include the financial data of the component units of the City. Accordingly, these financial statements (primary government only) do not present fairly the financial position of the City as of June 30, 1996 and the results of operations and cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

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

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

In planning and performing our audit of the primary government financial statements of the City of Breaux Bridge, Louisiana, for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of

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relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the primary government financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted a certain matter involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgement, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the primary government financial statements.

Inadequate Segregation of Duties

Finding:

Due to the small number of employees within the administration department, the City of Breaux Bridge did not have adequate segregation of functions within the accounting system.

Recommendation:

Based upon the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

Response:

No response is considered necessary.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the primary government financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. We believe the reportable condition described above is a material weakness.

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

Darnall, Sikes, Kolder, Frederick & Rainey

A Corporation of Certified Public Accountants

Breaux Bridge, Louisiana
October 4, 1996

DARNALL, SIKES, KOLDER, FREDERICK & RAINEY

(A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS)

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN AUDIT OF PRIMARY GOVERNMENT FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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The Honorable Louis M. Kern, Mayor
and Members of the Board of Aldermen
City of Breaux Bridge, Louisiana

We have audited the primary government financial statements of the City of Breaux Bridge, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated October 4, 1996. Our report states that the City of Breaux Bridge, Louisiana's financial statements do not include the financial data of the component units of the City. Accordingly, these financial statements (primary government only) do not present fairly the financial position of the City as of June 30, 1996 and the results of operations and cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

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

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

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

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

Darnall, Sikes, Kolder, Frederick & Rainey

A Corporation of Certified Public Accountants

Breaux Bridge, Louisiana
October 4, 1996

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INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROL STRUCTURE USED IN ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS

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The Honorable Louis M. Kern, Mayor
and Members of the Board of Aldermen
City of Breaux Bridge, Louisiana

We have audited the primary government financial statements of the City of Breaux Bridge, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated October 4, 1996. Our report states that the City of Breaux Bridge, Louisiana's financial statements do not include the financial data of the component units of the City. Accordingly, these financial statements (primary government only) do not present fairly the financial position of the City as of June 30, 1996 and the results of operations and cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles. We have also audited the compliance of the City of Breaux Bridge, Louisiana, with requirements applicable to major federal financial assistance programs and have issued our report thereon dated October 4, 1996.

We conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments". Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the primary government financial statements are free of material misstatement.

In planning and performing our audit for the year ended June 30, 1996, we considered the City's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinions on the City's primary government financial statements and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control policies and procedures relevant to our audit of the primary government financial statements in a separate report dated October 4, 1996.

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

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

Accounting Controls

Cash receipts
Purchases and cash disbursements
General ledger

Administrative Controls

<u>General Requirements</u>	<u>Specific Requirements</u>
Political activity	Types of Services
Davis Bacon Act	Allowed or Not Allowed
Civil rights	Reporting
Cash management	
Federal financial reports	
Allowable costs/cost principles	
Drug-free Workplace Act	
Administrative requirements	

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

During the year ended June 30, 1996, the City of Breaux Bridge, Louisiana had no major federal financial assistance programs and expended 100% of its total federal financial assistance under the nonmajor federal financial assistance programs listed in the schedule of federal financial assistance.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and regulations governing claims for reimbursement that are applicable to the City's major federal financial assistance program, which is identified in the accompanying Schedule of Federal Financial Assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

We noted a certain matter involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgement, could adversely affect City of Breaux Bridge, Louisiana's ability to administer federal financial assistance programs in accordance with applicable laws and regulations.

Inadequate Segregation of Duties

Finding:

Due to the small number of employees within the administration department, the City of Breaux Bridge did not have adequate segregation of functions within the accounting system.

Recommendation:

Based upon the size of the operation and the cost-benefit of additional personnel it may not be feasible to achieve complete segregation of duties.

Response:

Not response necessary.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe that the reportable condition described above is a material weakness.

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

Darnall, Sikes, Kolder, Frederick & Rainey

A Corporation of Certified Public Accountants

Breaux Bridge, Louisiana
October 4, 1996

DARNALL, SIKES, KOLDER, FREDERICK & RAINEY

(A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS)

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE GENERAL REQUIREMENTS APPLICABLE TO FEDERAL FINANCIAL ASSISTANCE PROGRAMS

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The Honorable Louis M. Kern, Mayor
and Members of the Board of Aldermen
City of Breaux Bridge, Louisiana

We have audited the primary government financial statements of the City of Breaux Bridge, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated October 4, 1996. Our report states that the City of Breaux Bridge, Louisiana's financial statements do not include the financial data of the component units of the City. Accordingly, these financial statements (primary government only) do not present fairly the financial position of the City as of June 30, 1996 and the results of operations and cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

We have applied procedures to test the City's compliance with the following requirements applicable to its federal financial assistance program, which is identified in the Schedule of Federal Financial Assistance, for the year ended June 30, 1996:

General Requirements

Political activity
Davis Bacon Act
Civil rights
Cash management
Allowable costs/cost principles
Administrative requirements

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Single Audits of State and Local Governments." Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the City's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our

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attention that caused us to believe that the City had not complied, in all material respects, with those requirements. Also, the results of our procedures did not disclose any immaterial instances of noncompliance with those requirements.

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

Darnall, Sikes, Kolder, Frederick & Rainey

A Corporation of Certified Public Accountants

Breaux Bridge, Louisiana
October 4, 1996

DARNALL, SIKES, KOLDER, FREDERICK & RAINEY

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INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

The Honorable Louis M. Kern, Mayor
and Members of the Board of Aldermen
City of Breaux Bridge, Louisiana

We have audited the primary government financial statements of the City of Breaux Bridge, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated October 4, 1996. These primary government financial statements are the responsibility of the management of the City of Breaux Bridge, Louisiana. Our responsibility is to express an opinion on these primary government financial statements based on our audit. Our report states that the City of Breaux Bridge, Louisiana's financial statements do not include the financial data of the component units of the City. Accordingly, these financial statements (primary government only) do not present fairly the financial position of the City as of June 30, 1996 and the results of operations and cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

We conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments". Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the primary government financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the primary government financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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Our audit was conducted for the purpose of forming an opinion on the primary government financial statements of the City of Breaux Bridge, Louisiana taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the primary government financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the primary government financial statements and, in our opinion, is fairly presented in all material respects in relation to the primary government financial statements taken as a whole.

Darnall, Sikes, Kolder, Frederick & Rainey

A Corporation of Certified Public Accountants

Breaux Bridge, Louisiana
October 4, 1996

CITY OF BREAUx BRIDGE, LOUISIANA
Breaux Bridge, Louisiana

Schedule of Federal Financial Assistance
Year Ended June 30, 1996

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Program or Award Amount</u>	<u>Expended This Year</u>
Non-major Federal Assistance Program:			
United States Department of Housing and Urban Development - Office of Community and Planning Development	14.228	\$80,280	\$80,280
United States Department of Justice- Community oriented policing services (COPS)	16.710	<u>10,665</u>	<u>10,665</u>
Total		<u>\$90,945</u>	<u>\$90,945</u>