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VILLAGE OF ESTHERWOOD, LOUISIANA  
FINANCIAL REPORT  
JUNE 30, 1996

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Release Date FEB 26 1997

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

We have audited the accompanying general purpose financial statements of the Village of Estherwood, Louisiana as of June 30, 1996 and for the year then ended. These general purpose financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these general purpose 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 and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Village of Estherwood, Louisiana, at June 30, 1996, and the results of its operations and the cash flows of its proprietary fund type for the year then ended, in conformity with generally accepted accounting principles.

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

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Village of Estherwood, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued a report dated December 17, 1996 on our consideration of the Village of Estherwood, Louisiana's internal control structure and a report dated December 17, 1996 on its compliance with laws and regulations.

BROUSSARD, POCHÉ, LEWIS & BREUX

Crowley, Louisiana  
December 17, 1996

GENERAL PURPOSE FINANCIAL STATEMENTS  
(Combined Statements - Overview)

VILLAGE OF ESTHERWOOD, LOUISIANA

COMBINED BALANCE SHEET  
 ALL FUND TYPES AND ACCOUNT GROUPS  
 June 30, 1996

ASSETS	Governmental Fund Types		
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>
Cash and cash equivalents	\$ 667	\$ 60	\$ 25
Receivables (net of allowances for uncollectibles):			
Accounts	-	-	-
Due from other funds	62,957	24,246	-
Due from other governments	-	960	-
Certificates of deposit	-	-	-
Restricted assets:			
Cash and cash equivalents	-	-	-
Certificates of deposit	-	-	-
Fixed assets (net of accumulated depreciation)	-	-	-
	<u>\$ 63,624</u>	<u>\$ 25,266</u>	<u>\$ 25</u>

<u>Proprietary Fund Type</u>	<u>Account Group</u> General Fixed Assets	<u>Total (Memorandum Only)</u>
<u>Enterprise</u>		
\$ 5,421	\$ -	\$ 6,173
9,845	-	9,845
13,716	-	100,919
-	-	960
10,000	-	10,000
47,214	-	47,214
16,175	-	16,175
<u>997,202</u>	<u>432,705</u>	<u>1,429,907</u>
<u>\$1,099,573</u>	<u>\$ 432,705</u>	<u>\$1,621,193</u>

(Continued)



VILLAGE OF ESTHERWOOD, LOUISIANA

COMBINED BALANCE SHEET  
 ALL FUND TYPES AND ACCOUNT GROUPS (CONTINUED)  
 June 30, 1996

LIABILITIES AND FUND EQUITY	Governmental Fund Types		
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 801	\$ -	\$ -
Due to other funds	27,692	-	25
Accrued liabilities	1,353	-	-
Revenue bonds payable	-	-	-
Payable from restricted assets:			
Revenue bonds	-	-	-
Accrued interest	-	-	-
Meter deposits	-	-	-
	<u>\$ 29,846</u>	<u>\$ -</u>	<u>\$ 25</u>
<b>FUND EQUITY</b>			
Contributed capital	\$ -	\$ -	\$ -
Investment in general fixed assets	-	-	-
Retained earnings (deficit):			
Reserved for revenue bond retirement	-	-	-
Unreserved	-	-	-
Fund balances:			
Unreserved	<u>33,778</u>	<u>25,266</u>	<u>-</u>
	<u>\$ 33,778</u>	<u>\$ 25,266</u>	<u>\$ -</u>
	<u>\$ 63,624</u>	<u>\$ 25,266</u>	<u>\$ 25</u>

See Notes to Financial Statements.

Exhibit A  
(Continued)

<u>Proprietary Fund Type</u>	<u>Account Group</u> General Fixed Assets	<u>Total (Memorandum Only)</u>
<u>Enterprise</u>		
\$ 2,208	\$ -	\$ 3,009
73,202	-	100,919
364	-	1,717
205,119	-	205,119
18,148	-	18,148
10,356	-	10,356
<u>12,718</u>	<u>-</u>	<u>12,718</u>
<u>\$ 322,115</u>	<u>\$ -</u>	<u>\$ 351,986</u>
\$1,100,322	\$ -	\$1,100,322
-	432,705	432,705
22,167	-	22,167
(345,031)	-	(345,031)
<u>-</u>	<u>-</u>	<u>59,044</u>
<u>\$ 777,458</u>	<u>\$ 432,705</u>	<u>\$1,269,207</u>
<u>\$1,099,573</u>	<u>\$ 432,705</u>	<u>\$1,621,193</u>

## VILLAGE OF ESTHERWOOD, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
ALL GOVERNMENTAL FUND TYPES  
Year Ended June 30, 1996

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total (Memorandum Only)</u>
Revenues:				
Taxes	\$ 28,287	\$ 16,767	\$ -	\$ 45,054
Licenses and permits	13,339	-	-	13,339
Intergovernmental	7,653	-	169,295	176,948
Fines	7,533	-	-	7,533
Other	<u>6,742</u>	<u>59</u>	<u>-</u>	<u>6,801</u>
	<u>\$ 63,554</u>	<u>\$ 16,826</u>	<u>\$169,295</u>	<u>\$249,675</u>
Expenditures:				
Current:				
General government	\$ 21,711	\$ 10,919	\$ 3,532	\$ 36,162
Public safety	6,348	-	-	6,348
Public works	18,055	-	-	18,055
Capital outlays	<u>831</u>	<u>15,205</u>	<u>165,763</u>	<u>181,799</u>
	<u>\$ 46,945</u>	<u>\$ 26,124</u>	<u>\$169,295</u>	<u>\$242,364</u>
Excess (deficiency) of revenues over expenditures	\$ 16,609	\$ (9,298)	\$ -	\$ 7,311
Other financing uses:				
Operating transfers out	<u>-</u>	<u>(5,300)</u>	<u>-</u>	<u>(5,300)</u>
Excess (deficiency) of revenues over expenditures and other uses	\$ 16,609	\$(14,598)	\$ -	\$ 2,011
Fund balances - beginning	<u>17,169</u>	<u>39,864</u>	<u>-</u>	<u>57,033</u>
Fund balances - ending	<u>\$ 33,778</u>	<u>\$ 25,266</u>	<u>\$ -</u>	<u>\$ 59,044</u>

See Notes to Financial Statements.

VILLAGE OF ESTHERWOOD, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES - BUDGET (GAAP BASIS) AND ACTUAL  
ALL GOVERNMENTAL FUND TYPES  
Year Ended June 30, 1996

	<u>General Fund</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:			
Taxes	\$ 26,370	\$ 28,287	\$ 1,917
Licenses and permits	13,590	13,339	(251)
Intergovernmental	6,450	7,653	1,203
Fines	4,860	7,533	2,673
Other	<u>1,585</u>	<u>6,742</u>	<u>5,157</u>
	<u>\$ 52,855</u>	<u>\$ 63,554</u>	<u>\$ 10,699</u>
Expenditures:			
Current:			
General government	\$ 31,410	\$ 21,711	\$ 9,699
Public safety	8,506	6,348	2,158
Public works	23,480	18,055	5,425
Capital outlays	<u>3,000</u>	<u>831</u>	<u>2,169</u>
	<u>\$ 66,396</u>	<u>\$ 46,945</u>	<u>\$ 19,451</u>
Excess (deficiency) of revenues over expenditures	\$(13,541)	\$ 16,609	\$ 30,150
Other financing uses:			
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other uses	\$(13,541)	\$ 16,609	\$ 30,150
Fund balances - beginning	<u>17,169</u>	<u>17,169</u>	<u>-</u>
Fund balances - ending	<u>\$ 3,628</u>	<u>\$ 33,778</u>	<u>\$ 30,150</u>

See Notes to Financial Statements.

<u>Special Revenue Fund</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
\$ 16,000	\$ 16,767	\$ 767
-	-	-
-	-	-
-	-	-
-	59	59
<u>\$ 16,000</u>	<u>\$ 16,826</u>	<u>\$ 826</u>
\$ 10,700	\$ 10,919	\$ (219)
-	-	-
-	-	-
<u>15,000</u>	<u>15,205</u>	<u>(205)</u>
<u>\$ 25,700</u>	<u>\$ 26,124</u>	<u>\$ (424)</u>
\$ (9,700)	\$ (9,298)	\$ 402
<u>(5,300)</u>	<u>(5,300)</u>	<u>-</u>
\$(15,000)	\$(14,598)	\$ 402
<u>39,864</u>	<u>39,864</u>	<u>-</u>
<u>\$ 24,864</u>	<u>\$ 25,266</u>	<u>\$ 402</u>

VILLAGE OF ESTHERWOOD, LOUISIANA  
 PROPRIETARY FUND TYPE

COMBINED STATEMENT OF REVENUES, EXPENSES, AND  
 CHANGES IN RETAINED EARNINGS  
 Year Ended June 30, 1996

Operating revenues:		
Charges for service		\$ 157,739
Other		<u>3,281</u>
		\$ 161,020
Operating expenses:		
Labor	\$ 54,873	
Payroll taxes	4,601	
Group insurance	975	
Plant supplies	9,493	
Office supplies	1,673	
Depreciation	32,999	
Utilities	13,467	
Auditing	3,000	
Repairs and maintenance	12,484	
Bad debts	343	
Insurance	11,769	
Other	12,205	
Fuel purchases	<u>29,132</u>	<u>187,014</u>
Operating loss		\$ (25,994)
Non-operating revenues (expenses):		
Interest revenue	\$ 2,206	
Interest expense	<u>(11,462)</u>	<u>(9,256)</u>
Loss before operating transfers		\$ (35,250)
Operating transfers:		
Operating transfers in		\$ 5,300
Net loss		\$ (29,950)
Retained earnings (deficit) - beginning		<u>(292,914)</u>
Retained earnings (deficit) - ending		<u><u>\$(322,864)</u></u>

See Notes to Financial Statements.

VILLAGE OF ESTHERWOOD, LOUISIANA  
 PROPRIETARY FUND TYPE

COMBINED STATEMENT OF CASH FLOWS  
 Year Ended June 30, 1996

CASH FLOWS FROM OPERATING ACTIVITIES		
Operating loss		\$(25,994)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation		32,999
Change in assets and liabilities:		
Increase in accounts receivable		(2,131)
Decrease in due from other funds		2,196
Increase in accounts payable		2,208
Increase in due to other funds		19,050
Decrease in meter deposits		(85)
Increase in other liabilities		<u>21</u>
Net cash provided by operating activities		\$ 28,264
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from maturities of certificates of deposit	\$ 52,350	
Purchases of certificates of deposit	(52,350)	
Interest received	<u>2,206</u>	
Net cash provided by investing activities		2,206
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal paid on revenue bond maturities	\$(16,406)	
Interest paid	(12,200)	
Purchase of equipment	<u>(1,405)</u>	
Net cash used by capital and related financing activities		<u>(30,011)</u>
Net increase in cash and cash equivalents		\$ 459
Cash and cash equivalents - beginning		<u>52,176</u>
Cash and cash equivalents - ending		<u>\$ 52,635</u>

See Notes to Financial Statements.

VILLAGE OF ESTHERWOOD, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

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

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

Fund accounting:

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

Governmental Funds

General fund:

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

Special revenue funds:

Special revenue funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.



NOTES TO FINANCIAL STATEMENTS

Proprietary Funds

Enterprise funds:

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

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

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

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

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

Water wells	50 years
Lines	20-50 years
Equipment	10-12 years

## NOTES TO FINANCIAL STATEMENTS

### Account Groups

#### Fixed assets and long-term liabilities:

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

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

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

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

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

#### Basis of accounting:

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

## NOTES TO FINANCIAL STATEMENTS

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

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

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

### Budgets and budgetary accounting:

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

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

### Cash and cash equivalents:

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

NOTES TO FINANCIAL STATEMENTS

Bad debts:

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

Total columns on Combined Statements - Overview:

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

Note 2. Property Tax

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

The Village currently levies taxes at 7 mills on the dollar of assessed valuation of property. For the year ended June 30, 1996, the assessed valuation of property amounted to \$675,160.

Tax millage is dedicated as follows:

General corporate purposes                      7 Mills

Note 3. 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 and land improvements	\$243,627	\$ -	\$ -	\$243,627
Buildings	70,762	-	-	70,762
Equipment	<u>118,434</u>	<u>607</u>	<u>725</u>	<u>118,316</u>
	<u>\$432,823</u>	<u>\$ 607</u>	<u>\$ 725</u>	<u>\$432,705</u>



NOTES TO FINANCIAL STATEMENTS

A summary of proprietary fund type property, plant, and equipment at June 30, 1996 follows:

	<u>Water Fund</u>	<u>Gas Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Water wells	\$ 17,789	\$ -	\$ -	\$ 17,789
Water tank	114,447	-	-	114,447
Water treatment plant	41,629	-	-	41,629
Distribution system	79,052	43,572	1,213,434	1,336,058
Building	-	1,387	-	1,387
Meters	1,541	11,003	-	12,544
Other equipment	<u>10,268</u>	<u>11,503</u>	<u>2,508</u>	<u>24,279</u>
	\$ 264,726	\$ 67,465	\$1,215,942	\$1,548,133
Less accumulated depreciation	<u>190,935</u>	<u>66,411</u>	<u>293,585</u>	<u>550,931</u>
	<u>\$ 73,791</u>	<u>\$ 1,054</u>	<u>\$ 922,357</u>	<u>\$ 997,202</u>

Note 4. Changes in Long-Term Debt

The following is a summary of debt transactions for the Village for the year period ended June 30, 1996:

Debt payable at July 1, 1995	\$239,673
Debt retired	<u>(16,406)</u>
Debt payable at June 30, 1996	<u>\$223,267</u>

Debt payable at June 30, 1996 is comprised of the following individual issues:

Revenue bonds:

\$75,000 Gas revenue bonds issued June 1, 1969, due in annual installments of \$2,000 to \$5,000 through June 1, 1999; interest at 5-1/2%	\$ 15,000
\$317,800 Sewer revenue bonds issued July 7, 1982, due in annual installments of \$23,561 through July 7, 2007; interest at 5%	<u>208,267</u>
	<u>\$223,267</u>

NOTES TO FINANCIAL STATEMENTS

The annual requirements to amortize all debt outstanding as of June 30, 1996, including interest payments of \$75,554 are as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Revenue</u>
1997	\$ 29,386
1998	29,111
1999	28,836
2000	23,561
2001	23,561
2002 - thereafter	<u>164,366</u>
	<u>\$298,821</u>

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

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

The required and current balances of the above funds at June 30, 1996 are as follows:

	<u>Required</u>	<u>Actual</u>	<u>Excess (Deficiency)</u>
Bond and interest sinking fund	\$ 485	\$ 408	\$ (77)
Bond reserve fund	7,000	7,400	400
Depreciation and contingency fund	<u>4,000</u>	<u>2,800</u>	<u>(1,200)</u>
	<u>\$ 11,485</u>	<u>\$ 10,608</u>	<u>\$ (877)</u>

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

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

The required and current balances of the above funds at June 30, 1996 are as follows:

	<u>Required</u>	<u>Actual</u>	<u>Excess (Deficiency)</u>
Bond and interest sinking fund	\$ 23,561	\$ 15,403	\$ (8,158)
Bond reserve account	14,508	15,131	623
Depreciation and contingencies fund	<u>14,652</u>	<u>9,529</u>	<u>(5,123)</u>
	<u>\$ 52,721</u>	<u>\$ 40,063</u>	<u>\$ (12,658)</u>

Note 5. Deficit Retained Earnings

The Water Utility Fund, the Gas Utility Fund, and Sewer Utility Fund have deficit retained earnings balances at June 30, 1996 of \$155,916, \$20,002 and \$146,946, respectively.

Note 6. Dedication of Sales Tax Proceeds

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

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



NOTES TO FINANCIAL STATEMENTS

Note 7. Enterprise Fund Operations

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

	<u>Water Utility Fund</u>	<u>Gas Utility Fund</u>	<u>Sewer Utility Fund</u>	<u>Total</u>
Operating revenues	\$ 47,280	\$ 74,576	\$ 39,164	\$ 161,020
Operating expenses	(64,470)	(77,432)	(45,112)	(187,014)
Operating loss	<u>\$(17,190)</u>	<u>\$(2,856)</u>	<u>\$(5,948)</u>	<u>\$(25,994)</u>

Note 8. Allowance for Uncollectibles

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

Note 9. Cash, Cash Equivalents, and Investments

As of June 30, 1996, bank deposits totaling \$80,244 were completely secured by FDIC Insurance.

Note 10. Interfund Receivables, Payables

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General fund	\$ 62,957	\$ 27,692
Special revenue fund:		
Sales tax	24,246	-
Capital projects fund:		
LCDBG street improvement	-	25
Enterprise funds:		
Water utility	319	42,474
Gas utility	7,957	25,795
Sewer utility	5,440	4,933
	<u>\$100,919</u>	<u>\$100,919</u>

Note 11. Due From Other Governments

As of June 30, 1996, the amount due from other governments in the Special Revenue Fund-Sales Tax of \$960 represents amounts due from the Acadia Parish School Board for sales tax collections.

FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in any other funds.

VILLAGE OF ESTHERWOOD, LOUISIANA  
 GENERAL FUND

BALANCE SHEET  
 June 30, 1996

ASSETS

Cash and cash equivalents	\$ 667
Due from other funds	<u>62,957</u>
	<u>\$ 63,624</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 801
Accrued payroll tax	1,353
Due to other funds	<u>27,692</u>
	<u>\$ 29,846</u>

FUND BALANCE

Unreserved	<u>33,778</u>
	<u>\$ 63,624</u>

VILLAGE OF ESTHERWOOD, LOUISIANA  
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended June 30, 1996

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<b>Revenues:</b>			
<b>Taxes:</b>			
Property taxes	\$ 4,470	\$ 4,726	\$ 256
Franchise tax	21,900	23,561	1,661
Licenses and permits	13,590	13,339	(251)
<b>Intergovernmental:</b>			
Beer tax	1,000	1,019	19
Tobacco tax	4,100	4,028	(72)
Video poker tax	250	1,727	1,477
Payment in lieu of taxes	1,100	879	(221)
Fines	4,860	7,533	2,673
Other	1,585	6,742	5,157
	<u>\$ 52,855</u>	<u>\$ 63,554</u>	<u>\$ 10,699</u>
 <b>Expenditures:</b>			
<b>Current:</b>			
General government	\$ 31,410	\$ 21,711	\$ 9,699
Public safety	8,506	6,348	2,158
Public works	23,480	18,055	5,425
Capital outlay	3,000	831	2,169
	<u>\$ 66,396</u>	<u>\$ 46,945</u>	<u>\$ 19,451</u>
 Excess (deficiency) of revenues over expenditures	 \$ (13,541)	 \$ 16,609	 \$ 30,150
 Fund balance - beginning	 <u>17,169</u>	 <u>17,169</u>	 <u>-</u>
 Fund balance - ending	 <u>\$ 3,628</u>	 <u>\$ 33,778</u>	 <u>\$ 30,150</u>

VILLAGE OF ESTHERWOOD, LOUISIANA  
GENERAL FUND

STATEMENT OF EXPENDITURES, COMPARED TO BUDGET (GAAP BASIS)  
Year Ended June 30, 1996

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Current:			
General government:			
Salaries and contract labor	\$ 250	\$ 191	\$ 59
Payroll taxes	1,620	1,583	37
Group insurance	260	221	39
Office supplies	1,200	1,093	107
Utilities	10,000	10,243	(243)
Per diem paid to mayor and aldermen	660	660	-
Legal	250	248	2
Audit	850	-	850
Preparation of tax roll	90	89	1
Repairs and maintenance	500	619	(119)
Insurance	2,775	1,828	947
Dues	225	200	25
Publications	2,000	75	1,925
Other	<u>10,730</u>	<u>4,661</u>	<u>6,069</u>
Total general government	<u>\$ 31,410</u>	<u>\$ 21,711</u>	<u>\$ 9,699</u>
Public safety:			
Police department:			
Salaries	\$ 1,500	\$ 1,370	\$ 130
Car allowance	900	75	825
Supplies	200	148	52
Repairs and maintenance	200	658	(458)
Insurance	4,846	2,600	2,246
Other	330	876	(546)
Animal control department:			
Salaries	480	480	-
Supplies	<u>50</u>	<u>141</u>	<u>(91)</u>
Total public safety	<u>\$ 8,506</u>	<u>\$ 6,348</u>	<u>\$ 2,158</u>
Public works:			
Streets and drainage:			
Salaries	\$ 14,530	\$ 14,286	\$ 244
Street repairs	1,200	1,926	(726)
Drainage improvements	300	367	(67)
Supplies	6,000	700	5,300
Parks department:			
Utilities	395	214	181
Supplies	350	112	238
Repairs and maintenance	255	-	255
Other	<u>450</u>	<u>450</u>	<u>-</u>
Total public works	<u>\$ 23,480</u>	<u>\$ 18,055</u>	<u>\$ 5,425</u>
Subtotals forward	<u>\$ 63,396</u>	<u>\$ 46,114</u>	<u>\$ 17,282</u>

VILLAGE OF ESTHERWOOD, LOUISIANA  
GENERAL FUND

STATEMENT OF EXPENDITURES, COMPARED TO BUDGET (GAAP BASIS)  
Year Ended June 30, 1996

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable <u>(Unfavorable)</u>
Subtotals forwarded	\$ 63,396	\$ 46,114	\$ 17,282
Capital outlay	<u>3,000</u>	<u>831</u>	<u>2,169</u>
Total expenditures	<u>\$ 66,396</u>	<u>\$ 46,945</u>	<u>\$ 19,451</u>

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SPECIAL REVENUE FUND

Sales Tax Fund -

To account for the collection and disbursement of the Village's one percent sales tax.

Rural Development Fund -

To account for the receipt of rural development funds and the related expenditures.

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VILLAGE OF ESTHERWOOD, LOUISIANA  
SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET  
June 30, 1996

ASSETS	<u>Sales Tax</u>	<u>Rural Development</u>	<u>Total</u>
Cash and cash equivalents	\$ 60	\$ -	\$ 60
Due from other funds	24,246	-	24,246
Due from other governments	<u>960</u>	<u>-</u>	<u>960</u>
	<u>\$ 25,266</u>	<u>\$ -</u>	<u>\$ 25,266</u>
 FUND BALANCE			
FUND BALANCE			
Unreserved	<u>\$ 25,266</u>	<u>\$ -</u>	<u>\$ 25,266</u>

VILLAGE OF ESTHERWOOD, LOUISIANA  
SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended June 30, 1996

	Sales Tax		
	Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:			
Taxes:			
Sales tax	\$ 16,000	\$ 16,767	\$ 767
Interest	-	12	12
Total revenues	\$ 16,000	\$ 16,779	\$ 779
Expenditures:			
Current:			
General government:			
Salaries	\$ 3,850	\$ 3,762	\$ 88
Tax collection expense	225	251	(26)
Accounting and auditing	750	400	350
Payroll taxes	350	313	37
Insurance expense	2,230	2,375	(145)
Group insurance	70	65	5
Other	3,225	3,574	(349)
Capital outlay	-	-	-
Total expenditures	\$ 10,700	\$ 10,740	\$ (40)
Excess (deficiency) of revenues over expenditures	\$ 5,300	\$ 6,039	\$ 739
Other financing uses:			
Operating transfers out	(5,300)	(5,300)	-
Excess (deficiency) of revenues over expenditures and other financing uses	\$ -	\$ 739	\$ 739
Fund balances - beginning	24,527	24,527	-
Fund balances - ending	\$ 24,527	\$ 25,266	\$ 739

<u>Rural Development</u>			<u>Total</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance-Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance-Favorable (Unfavorable)</u>
\$ -	\$ -	\$ -	\$ 16,000	\$ 16,767	\$ 767
-	47	47	-	59	59
<u>\$ -</u>	<u>\$ 47</u>	<u>\$ 47</u>	<u>\$ 16,000</u>	<u>\$ 16,826</u>	<u>\$ 826</u>
\$ -	\$ -	\$ -	\$ 3,850	\$ 3,762	\$ 88
-	-	-	225	251	(26)
-	-	-	750	400	350
-	-	-	350	313	37
-	-	-	2,230	2,375	(145)
-	-	-	70	65	5
-	179	(179)	3,225	3,753	(528)
<u>15,000</u>	<u>15,205</u>	<u>(205)</u>	<u>15,000</u>	<u>15,205</u>	<u>(205)</u>
<u>\$ 15,000</u>	<u>\$ 15,384</u>	<u>\$ (384)</u>	<u>\$ 25,700</u>	<u>\$ 26,124</u>	<u>\$ (424)</u>
\$ (15,000)	\$ (15,337)	\$ (337)	\$ (9,700)	\$ (9,298)	\$ 402
-	-	-	(5,300)	(5,300)	-
\$ (15,000)	\$ (15,337)	\$ (337)	\$ (15,000)	\$ (14,598)	\$ 402
<u>15,337</u>	<u>15,337</u>	<u>-</u>	<u>39,864</u>	<u>39,864</u>	<u>-</u>
<u>\$ 337</u>	<u>\$ -</u>	<u>\$ (337)</u>	<u>\$ 24,864</u>	<u>\$ 25,266</u>	<u>\$ 402</u>

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VILLAGE OF ESTHERWOOD, LOUISIANA  
CAPITAL PROJECTS FUND  
LCDBG STREET IMPROVEMENT FUND

BALANCE SHEET  
June 30, 1996

ASSETS

Cash \$ 25

LIABILITIES

Due to other funds \$ 25

VILLAGE OF ESTHERWOOD, LOUISIANA  
 CAPITAL PROJECTS FUND  
 LCDBG STREET IMPROVEMENT FUND

STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE  
 Year Ended June 30, 1996

Revenues:		
Intergovernmental:		
Grant		\$169,295
Expenditures:		
Current:		
General government:		
Salaries	\$ 3,395	
Publications	131	
Other	6	
Capital outlays	<u>165,763</u>	<u>169,295</u>
Excess of revenues over expenditures		\$ -
Fund balance - beginning		<u>-</u>
Fund balance - ending		<u>\$ -</u>



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## ENTERPRISE FUNDS

### Water Utility Fund -

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

### Gas Utility Fund -

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

### Sewer Utility Fund -

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

VILLAGE OF ESTHERWOOD, LOUISIANA  
ENTERPRISE FUNDS

COMBINING BALANCE SHEET  
June 30, 1996

ASSETS	<u>Water Utility</u>	<u>Gas Utility</u>	<u>Sewer Utility</u>	<u>Total</u>
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 3,016	\$ 818	\$ 1,587	\$ 5,421
Accounts receivable, net of allowance for uncollectible accounts of \$4,532	4,051	2,754	3,040	9,845
Due from other funds	319	7,957	5,440	13,716
Certificates of deposit	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
Total current assets	<u>\$ 17,386</u>	<u>\$ 11,529</u>	<u>\$ 10,067</u>	<u>\$ 38,982</u>
<b>RESTRICTED ASSETS</b>				
Cash and cash equivalents	\$ 1,980	\$ 2,433	\$ 42,801	\$ 47,214
Certificates of deposit	<u>3,350</u>	<u>11,585</u>	<u>1,240</u>	<u>16,175</u>
	<u>\$ 5,330</u>	<u>\$ 14,018</u>	<u>\$ 44,041</u>	<u>\$ 63,389</u>
<b>PLANT AND EQUIPMENT</b>				
Plant and equipment, at cost	\$ 264,726	\$ 67,465	\$1,215,942	\$1,548,133
Accumulated depreciation	<u>(190,935)</u>	<u>(66,411)</u>	<u>(293,585)</u>	<u>(550,931)</u>
	<u>\$ 73,791</u>	<u>\$ 1,054</u>	<u>\$ 922,357</u>	<u>\$ 997,202</u>
	<u>\$ 96,507</u>	<u>\$ 26,601</u>	<u>\$ 976,465</u>	<u>\$1,099,573</u>

LIABILITIES AND FUND EQUITY	<u>Water Utility</u>	<u>Gas Utility</u>	<u>Sewer Utility</u>	<u>Total</u>
CURRENT LIABILITIES (payable from current assets)				
Accounts payable	\$ 15	\$ 2,193	\$ -	\$ 2,208
Due to other funds	42,474	25,795	4,933	73,202
Sales tax payable	159	205	-	364
	<u>\$ 42,648</u>	<u>\$ 28,193</u>	<u>\$ 4,933</u>	<u>\$ 75,774</u>
CURRENT LIABILITIES (payable from restricted assets)				
Meter deposits	\$ 5,330	\$ 3,410	\$ 3,978	\$ 12,718
Revenue bonds	-	5,000	13,148	18,148
Accrued interest	-	-	10,356	10,356
	<u>\$ 5,330</u>	<u>\$ 8,410</u>	<u>\$ 27,482</u>	<u>\$ 41,222</u>
Total current liabilities	<u>\$ 47,978</u>	<u>\$ 36,603</u>	<u>\$ 32,415</u>	<u>\$ 116,996</u>
OTHER LIABILITIES				
Revenue bonds payable	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 195,119</u>	<u>\$ 205,119</u>
FUND EQUITY				
Contributed capital	\$ 204,445	\$ -	\$ 895,877	\$1,100,322
Retained earnings (deficit):				
Reserved for revenue bond retirement	-	5,608	16,559	22,167
Unreserved	(155,916)	(25,610)	(163,505)	(345,031)
	<u>\$ 48,529</u>	<u>\$ (20,002)</u>	<u>\$ 748,931</u>	<u>\$ 777,458</u>
	<u>\$ 96,507</u>	<u>\$ 26,601</u>	<u>\$ 976,465</u>	<u>\$1,099,573</u>

VILLAGE OF ESTHERWOOD, LOUISIANA  
ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN RETAINED EARNINGS  
Year Ended June 30, 1996

	<u>Water Utility</u>	<u>Gas Utility</u>	<u>Sewer Utility</u>	<u>Total</u>
Operating revenues:				
Charges for services	\$ 46,136	\$ 73,212	\$ 38,391	157,739
Other	<u>1,144</u>	<u>1,364</u>	<u>773</u>	<u>3,281</u>
	<u>\$ 47,280</u>	<u>\$ 74,576</u>	<u>\$ 39,164</u>	<u>\$161,020</u>
Operating expenses:				
Personal services:				
Labor	\$ 25,551	\$ 25,191	\$ 4,131	\$ 54,873
Payroll taxes	2,144	2,115	342	4,601
Group insurance	455	455	65	975
Supplies and materials:				
Plant supplies	7,306	1,119	1,068	9,493
Office supplies	663	391	619	1,673
Depreciation	8,848	381	23,770	32,999
Utilities	6,825	1,200	5,442	13,467
Other services and charges:				
Auditing	1,000	1,000	1,000	3,000
Repairs and maintenance	5,528	3,081	3,875	12,484
Bad debts	-	340	3	343
Insurance	4,327	5,068	2,374	11,769
Other	1,823	7,959	2,423	12,205
Fuel purchases	<u>-</u>	<u>29,132</u>	<u>-</u>	<u>29,132</u>
	<u>\$ 64,470</u>	<u>\$ 77,432</u>	<u>\$ 45,112</u>	<u>\$187,014</u>
Operating loss	<u>\$(17,190)</u>	<u>\$ (2,856)</u>	<u>\$ (5,948)</u>	<u>\$(25,994)</u>
Non-operating revenues (expenses):				
Interest revenue	\$ 659	\$ 604	\$ 943	\$ 2,206
Interest expense	<u>-</u>	<u>(1,045)</u>	<u>(10,417)</u>	<u>(11,462)</u>
	<u>\$ 659</u>	<u>\$ (441)</u>	<u>\$ (9,474)</u>	<u>\$ (9,256)</u>
Loss before operating transfers (totals forward)	<u>\$(16,531)</u>	<u>\$ (3,297)</u>	<u>\$(15,422)</u>	<u>\$(35,250)</u>

VILLAGE OF ESTHERWOOD, LOUISIANA  
ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN RETAINED EARNINGS  
Year Ended June 30, 1996

	<u>Water Utility</u>	<u>Gas Utility</u>	<u>Sewer Utility</u>	<u>Total</u>
Loss before operating transfers (totals forwarded)	\$ (16,531)	\$ (3,297)	\$(15,422)	\$(35,250)
Operating transfers in: Operating transfers in	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,300</u>	<u>\$ 5,300</u>
Net loss	\$ (16,531)	\$ (3,297)	\$ (10,122)	\$ (29,950)
Retained earnings (deficit) - beginning	<u>(139,385)</u>	<u>(16,705)</u>	<u>(136,824)</u>	<u>(292,914)</u>
Retained earnings (deficit) - ending	<u><u>\$(155,916)</u></u>	<u><u>\$(20,002)</u></u>	<u><u>\$(146,946)</u></u>	<u><u>\$(322,864)</u></u>

VILLAGE OF ESTHERWOOD, LOUISIANA  
ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS  
Year Ended June 30, 1996

	<u>Water Utility</u>	<u>Gas Utility</u>	<u>Sewer Utility</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating loss	\$(17,190)	\$ (2,856)	\$ (5,948)	\$(25,994)
Adjustments to reconcile operating loss to net cash provided by operating activities:				
Depreciation	8,848	381	23,770	32,999
(Increase) decrease in assets:				
Accounts receivable	(956)	(681)	(494)	(2,131)
Due from other funds	176	(609)	2,629	2,196
Increase (decrease) in liabilities:				
Accounts payable	15	2,193	-	2,208
Due to other funds	12,304	6,733	13	19,050
Meter deposits	(35)	(50)	-	(85)
Other liabilities	<u>-</u>	<u>21</u>	<u>-</u>	<u>21</u>
 Net cash provided by operating activities	 <u>\$ 3,162</u>	 <u>\$ 5,132</u>	 <u>\$ 19,970</u>	 <u>\$ 28,264</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from maturities of certificates of deposit	\$ 26,700	\$ 23,170	\$ 2,480	\$ 52,350
Purchases of certificates of deposit	(26,700)	(23,170)	(2,480)	(52,350)
Interest received	<u>659</u>	<u>604</u>	<u>943</u>	<u>2,206</u>
 Net cash provided by investing activities	 <u>\$ 659</u>	 <u>\$ 604</u>	 <u>\$ 943</u>	 <u>\$ 2,206</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchase of equipment	\$ (1,405)	\$ -	\$ -	\$ (1,405)
Principal paid on revenue bond maturities	-	(4,000)	(12,406)	(16,406)
Interest paid	<u>-</u>	<u>(1,045)</u>	<u>(11,155)</u>	<u>(12,200)</u>
 Net cash used by capital and related financing activities	 <u>\$ (1,405)</u>	 <u>\$ (5,045)</u>	 <u>\$ (23,561)</u>	 <u>\$ (30,011)</u>
 Net increase (decrease) in cash and cash equivalents	 \$ 2,416	 \$ 691	 \$ (2,648)	 \$ 459
Cash and cash equivalents - beginning	<u>2,580</u>	<u>2,560</u>	<u>47,036</u>	<u>52,176</u>
Cash and cash equivalents - ending	<u>\$ 4,996</u>	<u>\$ 3,251</u>	<u>\$ 44,388</u>	<u>\$ 52,635</u>

VILLAGE OF ESTHERWOOD, LOUISIANA  
ENTERPRISE FUNDS

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - RESTRICTED ACCOUNTS  
REQUIRED BY REVENUE BOND ORDINANCE  
Year Ended June 30, 1996

	<u>Bond and Interest Sinking Fund</u>	<u>Bond Reserve Account</u>	<u>Depreciation and Contingencies</u>	<u>Total</u>
<u>Gas Utility</u>				
Cash and certificates of deposit - beginning	\$ 192	\$ 7,345	\$ 2,800	\$ 10,337
Cash receipts:				
Transfer from operating account	5,265	-	-	5,265
Interest received	<u>5</u>	<u>55</u>	<u>-</u>	<u>60</u>
Total cash available	<u>\$ 5,462</u>	<u>\$ 7,400</u>	<u>\$ 2,800</u>	<u>\$ 15,662</u>
Cash disbursements:				
Principal payment	\$ 4,000	\$ -	\$ -	\$ 4,000
Interest payment	1,045	-	-	1,045
Transfer to operating account	<u>9</u>	<u>-</u>	<u>-</u>	<u>9</u>
	<u>\$ 5,054</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,054</u>
Cash and certificates of deposit - ending	<u>\$ 408</u>	<u>\$ 7,400</u>	<u>\$ 2,800</u>	<u>\$ 10,608</u>
<u>Sewer Utility</u>				
Cash and certificates of deposit - beginning	\$ 20,735	\$ 13,301	\$ 7,875	\$ 41,911
Cash receipts:				
Transfer from operating account	18,160	1,386	1,386	20,932
Interest received	<u>107</u>	<u>444</u>	<u>268</u>	<u>819</u>
Total cash available	<u>\$ 39,002</u>	<u>\$ 15,131</u>	<u>\$ 9,529</u>	<u>\$ 63,662</u>
Cash disbursements:				
Principal payment	\$ 12,406	\$ -	\$ -	\$ 12,406
Interest payment	11,155	-	-	11,155
Transfer to operating account	<u>38</u>	<u>-</u>	<u>-</u>	<u>38</u>
	<u>\$ 23,599</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,599</u>
Cash and certificates of deposit - ending	<u>\$ 15,403</u>	<u>\$ 15,131</u>	<u>\$ 9,529</u>	<u>\$ 40,063</u>



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GENERAL FIXED ASSET ACCOUNT GROUP

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

VILLAGE OF ESTHERWOOD, LOUISIANA  
GENERAL FIXED ASSETS ACCOUNT GROUP

STATEMENT OF CHANGES IN GENERAL FIXED ASSETS  
Year Ended June 30, 1996

	Balance July 1, <u>1995</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>1996</u>
General fixed assets - at cost:				
Land and land improvements	\$243,627	\$ -	\$ -	\$243,627
Buildings	70,762	-	-	70,762
Equipment	<u>118,434</u>	<u>607</u>	<u>725</u>	<u>118,316</u>
Total general fixed assets	<u>\$432,823</u>	<u>\$ 607</u>	<u>\$ 725</u>	<u>\$432,705</u>
Investment in general fixed assets from:				
Donations	\$ 824	\$ -	\$ -	\$ 824
Certificate of indebtedness of 1969	33,352	-	-	33,352
Certificate of indebtedness of 1974	30,230	-	-	30,230
Community development block grant	222,884	-	-	222,884
Sales tax fund	27,198	-	-	27,198
General fund	46,019	607	725	45,901
Revenue sharing	<u>72,316</u>	<u>-</u>	<u>-</u>	<u>72,316</u>
Total investment in general fixed assets	<u>\$432,823</u>	<u>\$ 607</u>	<u>\$ 725</u>	<u>\$432,705</u>

OTHER SUPPLEMENTARY INFORMATION

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## VILLAGE OF ESTHERWOOD, LOUISIANA

SCHEDULE OF CERTIFICATES OF DEPOSIT - ALL FUNDS  
June 30, 1996

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount</u>
Utility Funds:			
Certificate of deposit for gas utility bond reserve	4.50%	09-04-96	\$ 6,000
Certificate of deposit for gas utility customer meter deposits	4.50%	11-10-96	2,785
Certificate of deposit for gas utility depreciation and contingencies	4.50%	11-10-96	2,800
Certificate of deposit for water utility	2.70%	09-06-96	5,000
Certificate of deposit for water utility customer meter deposits	4.50%	11-10-96	3,350
Certificate of deposit for water utility customer meter deposits	3.65%	07-05-96	917
Certificate of deposit for water utility	4.50%	11-10-96	5,000
Certificate of deposit for sewer utility customer meter deposits	4.50%	11-10-96	1,240
Certificate of deposit for sewer utility customer meter deposits	3.65%	07-05-96	<u>1,783</u>
Total			<u>\$ 28,875</u>

## VILLAGE OF ESTHERWOOD, LOUISIANA

MONTHLY GAS AND WATER RATES  
ENTERPRISE FUNDS

The monthly retail gas rates in effect at June 30, 1996 were as follows:

Monthly residential and commercial rates

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

The monthly retail water rates in effect at June 30, 1996 were as follows:

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

Sewer rates are based upon the water consumption for the customers. The monthly sewer rates in effect at June 30, 1996 were as follows:

Residential

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

Commercial

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

Average monthly billing per customer - water

Water sales	\$ 45,581
Average sales per month	\$ 3,798
Number of customers	268
Average monthly bill per customer	\$ 14.17

Average monthly billing per customer - gas

Gas sales	\$ 72,982
Average sales per month	\$ 6,082
Number of customers	190
Average monthly bill per customer	\$ 32.01

Average monthly billing per customer - sewer

Sewer income	\$ 36,116
Average sales per month	\$ 3,010
Number of customers	263
Average monthly bill per customer	\$ 11.44

## VILLAGE OF ESTHERWOOD, LOUISIANA

GAS UNACCOUNTED FOR  
ENTERPRISE FUNDS  
Year Ended June 30, 1996

	<u>MCF</u>
Gas purchased	10,297
Gas sold	<u>9,970</u>
Gas unaccounted for	<u>327</u>
Percentage unaccounted for	<u>3.2%</u>



VILLAGE OF ESTHERWOOD, LOUISIANA

SCHEDULE OF INSURANCE IN FORCE

June 30, 1996

(Unaudited)

<u>Insurer</u>	<u>Assets Covered</u>
Louisiana Municipal Risk Management Agency	Municipal employees
Western Surety Company	Police Chief
Louisiana Municipal Risk Management Agency	Comprehensive general liability City vehicles Police employees Commercial general liability Public officials' errors and omissions
Western Surety Company	FHA Position Schedule Bond City Clerk Assistant City Clerk

<u>Risk Covered</u>	<u>Limits</u>	<u>Expiration Date</u>
Workmen's compensation and employer's liability	\$100,000	December 31, 1996
Indemnity bond	\$ 40,000 \$ 40,000	April 12, 1997
Bodily injury, property damage and uninsured motorist	\$500,000	May 1, 1997
Personal injury and property damage	\$500,000	
Bodily injury and property damage	\$500,000	
Errors and omissions	\$500,000	
Indemnity bond	\$ 40,000 \$ 40,000	July 1, 1996

## VILLAGE OF ESTHERWOOD, LOUISIANA

SCHEDULE OF PER DIEM PAID TO ELECTED OFFICIALS  
Year Ended June 30, 1996

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

VILLAGE OF ESTHERWOOD, LOUISIANA

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
Year Ended June 30, 1996

<u>Source of Federal Assistance/ Pass-Through Grantor</u>	<u>Program Name</u>	<u>CFDA Number</u>
<u>U.S. Department of HUD</u>		
Passed-Through State Department's Division of Administration	Community Development Block Grant	14.219

<u>Award Number</u>	<u>Award Period</u>	<u>Award Type</u>	<u>Revenue</u>	<u>Expenditures</u>
101-5028	09/21/94 - 09/21/97	Reimbursement	<u>\$169,295</u>	<u>\$169,295</u>



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

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

We have audited the general purpose financial statements of the Village of Estherwood, Louisiana as of and for the year ended June 30, 1996, and have issued our report thereon dated December 17, 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 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 general purpose financial statements are free of material misstatement.

The management of the Village of Estherwood, 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 cost of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. 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.

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

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

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions 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 judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

#### Inadequate Segregation of Accounting Functions

Finding: The Village did not have adequate segregation of duties within the accounting system.

Cause: Inadequate segregation of duties exists due to the limited number of personnel performing the administrative functions.

Suggestion and response: The Village has evaluated this inadequacy and concluded the related costs versus benefits to be achieved does not justify the additional personnel it would require to establish an adequate segregation.

A material weakness is a reportable condition in which the design or operation of one or more 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 general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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. However, we believe the reportable condition described above to be a material weakness. This condition was considered in determining the nature, timing, and extent of the procedures to be performed in our audit of the financial statements of the Village of Estherwood, Louisiana for the year ended June 30, 1996.

This report is intended for the information of management and the Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

BROUSSARD, ROCHE, LEWIS & BREAUx

Crowley, Louisiana  
December 17, 1996





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

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

We have audited the general purpose financial statements of the Village of Estherwood, Louisiana as of and for the year ended June 30, 1996, and have issued our report thereon dated December 17, 1996.

We conducted our audits 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 and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

In planning and performing our audit of the general purpose financial statements of the Village of Estherwood, Louisiana, for the year ended June 30, 1996, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose 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 structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated December 17, 1996.

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

The management of the Village of Estherwood, 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 financial statements in accordance with generally accepted accounting principles and that federal financial assistance programs are managed in compliance with laws and regulations. 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.

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

- . Treasury or financing
- . Revenue/receipts
- . Expenditures/disbursements
- . External financial reporting

General requirements

- . Political Activity
- . Davis-Bacon Act
- . Civil rights
- . Cash management
- . Federal financial reports
- . Allowable costs/cost principles
- . Administrative requirements

Specific requirements

- . Types of services allowed or unallowed
- . Special tests and provisions

For all of the control 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.

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

During the year ended June 30, 1996, the Village of Estherwood, Louisiana, did not have any major federal financial assistance programs and expended 100 percent of its total federal financial assistance under its nonmajor federal financial assistance program as 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 have considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the Village's nonmajor 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 certain matters involving the internal control structure and its operation that we consider to be reportable conditions 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 judgment, could adversely affect the Village's ability to administer federal financial assistance programs in accordance with applicable laws and regulations.

Inadequate Segregation of Accounting Functions

Finding: The Village did not have adequate segregation of duties within the accounting system.

Cause: Inadequate segregation of duties exists due to the limited number of personnel performing the administrative functions.

Suggestion and response: The Village has evaluated this inadequacy and concluded the related costs versus benefits to be achieved does not justify the additional personnel it would require to establish an adequate segregation.

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 in relation 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.

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

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance programs 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 the reportable conditions described above to be a material weakness.

This report is intended for the information of management and the Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

BROUSSARD, POCHÉ, LEWIS & BREAX

Crowley, Louisiana  
December 17, 1996





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

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

We have audited the general purpose financial statements of the Village of Estherwood, Louisiana as of and for the year ended June 30, 1996, and have issued our report thereon dated December 17, 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 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 financial statements are free of material misstatement.

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

The results of our tests disclosed the following instance of noncompliance that is required to be reported herein under Government Auditing Standards.

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

Reserve Requirements

Finding: The Village has inadequate reserves as of June 30, 1996 for the gas and sewer utility revenue bonds.

Cause: In the past, the monthly reserves were not met.

Suggestion: As funds become available, appropriate transfers should be made to correct the underfunding as well as closer monitoring in the future to avoid any reoccurrence.

Response: As soon as the necessary funding is available, appropriate transfers will be made.

We considered this instance of noncompliance in forming our opinion on whether the Village of Estherwood, Louisiana's 1996 general purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our report dated December 17, 1996, on those general purpose financial statements.

This report is intended for the information of management and the Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

BROUSSARD, POCHÉ, LEWIS & BREAUX

Crowley, Louisiana  
December 17, 1996



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

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

We have audited the general purpose financial statements of the Village of Estherwood, Louisiana as of and for the year ended June 30, 1996, and have issued our report thereon dated December 17, 1996.

We have applied procedures to test the Village of Estherwood, Louisiana's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the schedule of federal financial assistance, for the year ended June 30, 1996: Political activity, Davis-Bacon Act, civil rights, cash management, federal financial reports, allowable costs/cost principles, and 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 Village of Estherwood, Louisiana'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 did not disclose any material instance of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the Village of Estherwood, Louisiana had not complied, in all material respects, with those requirements.

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

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

BROUSSARD, ROCHE', LEWIS & BREAUX

Crowley, Louisiana  
December 17, 1996





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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC  
REQUIREMENTS APPLICABLE TO NONMAJOR FEDERAL FINANCIAL  
ASSISTANCE PROGRAM TRANSACTIONS

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

We have audited the general purpose financial statements of the Village of Estherwood, Louisiana as of and for the year ended June 30, 1996, and have issued our report thereon dated December 17, 1996.

In connection with our audit of the general purpose financial statements of the Village of Estherwood, Louisiana, and with our consideration of the Village's control structure used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, "Audits of State and Local Governments," we selected certain transactions applicable to a certain nonmajor federal financial assistance program for the year ended June 30, 1996. As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed and special tests and provisions that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Village's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures did not disclose any material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe the Village of Estherwood, Louisiana had not complied, in all material respects, with those requirements.

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

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

BROUSSARD, POCHÉ, LEWIS & BREUX

Crowley, Louisiana  
December 17, 1996