

<u>Special Revenue Funds</u>			<u>Totals (Memorandum Only)</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
\$ 131,000	\$ 167,921	\$ 36,921	\$ 159,500	\$ 197,020	\$ 37,520
-	-	-	52,050	62,779	10,729
9,450	162,299	152,849	65,450	245,513	180,063
-	-	-	2,400	152	(2,248)
-	-	-	16,000	12,118	(3,882)
200	386	186	200	386	186
<u>4,200</u>	<u>17,627</u>	<u>13,427</u>	<u>12,300</u>	<u>36,727</u>	<u>24,427</u>
<u>\$ 144,850</u>	<u>\$ 348,233</u>	<u>\$ 203,383</u>	<u>\$ 307,900</u>	<u>\$ 554,695</u>	<u>\$ 246,795</u>
\$ 1,900	\$ 2,242	\$ (342)	\$ 151,457	\$ 162,655	\$ (11,198)
-	-	-	244,079	275,662	(31,583)
84,650	224,860	(140,210)	84,650	228,445	(143,795)
128,300	170,135	(41,835)	128,300	170,135	(41,835)
-	-	-	-	142	(142)
-	-	-	4,392	4,392	-
-	-	-	42,214	36,929	5,285
-	-	-	<u>32,500</u>	<u>44,285</u>	<u>(11,785)</u>
<u>\$ 214,850</u>	<u>\$ 397,237</u>	<u>\$ (182,387)</u>	<u>\$ 687,592</u>	<u>\$ 922,645</u>	<u>\$ (235,053)</u>
<u>\$ (70,000)</u>	<u>\$ (49,004)</u>	<u>\$ 20,996</u>	<u>\$ (379,692)</u>	<u>\$ (367,950)</u>	<u>\$ 11,742</u>
\$ 114,850	\$ 110,805	\$ (4,045)	\$ 564,850	\$ 565,805	\$ 955
<u>(40,000)</u>	<u>(46,257)</u>	<u>(6,257)</u>	<u>(154,850)</u>	<u>(157,062)</u>	<u>(2,212)</u>
<u>\$ 74,850</u>	<u>\$ 64,548</u>	<u>\$ (10,302)</u>	<u>\$ 410,000</u>	<u>\$ 408,743</u>	<u>\$ (1,257)</u>
\$ 4,850	\$ 15,544	\$ 10,694	\$ 30,308	\$ 40,793	\$ 10,485
<u>82,299</u>	<u>87,590</u>	<u>5,291</u>	<u>86,178</u>	<u>78,347</u>	<u>(7,831)</u>
<u>\$ 87,149</u>	<u>\$ 103,134</u>	<u>\$ 15,985</u>	<u>\$ 116,486</u>	<u>\$ 119,140</u>	<u>\$ 2,654</u>

COMPLIANCE AND OTHER GRANT INFORMATION



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AUDITORS' REPORT ON THE INTERNAL CONTROL
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To the Honorable Keith Arceneaux, Mayor
and the Board of Aldermen
Town of Erath, Louisiana

We have audited the general purpose financial statements of Town of Erath, Louisiana, and the combining, individual fund and account group financial statements as of and for the year ended June 30, 1996, and have issued our report thereon dated August 27, 1996. That report was qualified because proprietary fund and general fixed assets purchased prior to July 1, 1962 are not capitalized in the appropriate fund or account group as required by 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, the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments," and the Louisiana Governmental Audit Guide. 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.

The management of Town of Erath, 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. 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.

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In planning and performing our audit of the aforementioned financial statements of Town of Erath, Louisiana, as of and 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 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 Town's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose, combining, individual fund, and account group financial statements.

Segregation of Duties

Finding:

The Town does not have an adequate segregation of duties in the administrative offices. A system of internal control procedures contemplates a segregation of duties so that no one individual handles a transaction from its inception to its completion. While we recognize that the Town may not be large enough to permit an adequate segregation of duties for an effective system of internal control procedures, it is important that you be aware of this condition. This condition was also included in the 1995 audit.

Recommendation:

Keeping in mind the limited number of employees to which duties can be assigned, the Town should continue to monitor assignment of duties to assure as much segregation of duties and responsibility as possible.

Response:

Due to the small size of the administrative staff, complete segregation of duties is not possible. However, Town officials will continue to monitor the situation.

A material weakness is a reportable condition in which the design or operation of one or more of the specific 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 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. However, we believe the reportable condition described above is a material weakness.

This report is intended for the information of management, all applicable Federal agencies, and those other governments from which federal financial assistance and any other financial assistance was received. However, this report is a matter of public record and its distribution is not limited.

Broussard, Poche, Lewis & Breaux

Lafayette, Louisiana
August 27, 1996



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INDEPENDENT AUDITORS' REPORT ON THE INTERNAL
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To the Honorable Keith Arceneaux, Mayor,
and the Board of Aldermen
Town of Erath, Louisiana

We have audited the general purpose financial statements of Town of Erath, Louisiana, and the combining, individual fund and account group financial statements as of and for the year ended June 30, 1996, and have issued our report thereon dated August 27, 1996. That report was qualified because proprietary fund and general fixed assets purchased prior to July 1, 1962 are not capitalized in the appropriate fund or account group as required by 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 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 general purpose financial statements are free of material misstatement.

In planning and performing our audit for the year ended June 30, 1996, we considered the internal control structure of Town of Erath, Louisiana in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements of Town of Erath, Louisiana 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 financial statements in a separate report dated August 27, 1996.

The management of Town of Erath, 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, 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 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:

General requirements:

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

Specific requirements:

- Types of services
- Matching, level of effort, or earmarking
- Special requirements

- Claims for advances and reimbursements
- Amounts claimed or used for matching

For all 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, Town of Erath, Louisiana had no major federal financial assistance programs and expended 100% percent of its total federal financial assistance under nonmajor federal financial assistance programs.

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 Town of Erath, Louisiana's nonmajor federal financial assistance programs, which are 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.

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 material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a 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. We noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above.

This report is intended for the information of the management, all applicable federal agencies, and those other governments from which federal financial assistance and any other financial assistance was received. However, this report is a matter of public record and its distribution is not limited.

Broussard, Poche, Lewis & Brant

Lafayette, Louisiana
August 27, 1996



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COMPLIANCE REPORT BASED ON AN AUDIT OF THE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
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To the Honorable Keith Arceneaux, Mayor,
and the Board of Aldermen
Town of Erath, Louisiana

We have audited the general purpose financial statements of Town of Erath, Louisiana, and the combining, individual fund and account group financial statements as of and for the year ended June 30, 1996, and have issued our report thereon dated August 27, 1996. That report was qualified because proprietary fund and general fixed assets purchased prior to July 1, 1962 are not capitalized in the appropriate fund or account group as required by 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, the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments," and the Louisiana Governmental Audit Guide. 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 Town of Erath, Louisiana is the responsibility of the Town's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of Town of Erath, Louisiana's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit 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 no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of management, all applicable federal agencies, and those other governments from which federal financial assistance and any other financial assistance was received. However, this report is a matter of public record and its distribution is not limited.

Broussard, Poche, Lewis & Beany

Lafayette, Louisiana
August 27, 1996

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 attention that caused us to believe that Town of Erath, Louisiana, 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, all applicable federal agencies, and those other governments from which federal financial assistance and any other financial assistance was received. However, this report is a matter of public record and its distribution is not limited.

Broussard, Poche, Lewis & Breaux

Lafayette, Louisiana
August 27, 1996



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR
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To the Honorable Keith Arceneaux, Mayor,
and the Board of Alderman
Town of Erath, Louisiana

We have audited the general purpose financial statements of Town of Erath, Louisiana and the combining, individual fund and account group financial statements as of and for the year ended June 30, 1996, and have issued our report thereon dated August 27, 1996. That report was qualified because proprietary fund and general fixed assets purchased prior to July 1, 1962 are not capitalized in the appropriate fund or account group as required by generally accepted accounting principles.

In connection with our audit of the 1996 general purpose, combining, individual fund and account group financial statements of Town of Erath, Louisiana, and with our consideration of Town of Erath, Louisiana's internal 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 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 requirement governing types of services allowed or unallowed 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 Town of Erath, Louisiana's compliance with that requirement. 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 requirement listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that Town of Erath, Louisiana, had not complied, in all material respects, with that requirement. Also, the results of our procedures did not disclose any immaterial instances of noncompliance with that requirement.

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This report is intended for the information management, all applicable federal agencies, and those other governments from which federal financial assistance and any other financial assistance was received. However, this report is a matter of public record and its distribution is not limited.

Broussard, Poche, Lewis & Breaux

Lafayette, Louisiana
August 27, 1996

TOWN OF ERATH, LOUISIANA

SUPPLEMENTARY SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
Year Ended June 30, 1996

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Federal Assistance I.D. Number</u>
<u>U. S. Department of Housing and Urban Development</u>		
Passed through State Division of Administration: Louisiana Community Development Block Grant	14.219	N/A
<u>U. S. Department of Transportation and Development</u>		
Passed through State Department of Transportation and Development	20.205	F-31-02(008)

<u>Pass - Through Grantor's Number</u>	<u>Program or Award Amount</u>	<u>Earned Current Year</u>	<u>Total Earned</u>	<u>Expenditures Current Year</u>
101-6024	\$ 498,410	\$ 191,306	\$ 191,306	\$ 191,306
055-06-0048 055-06-0063	<u>265,448</u>	<u>16,143</u>	<u>16,143</u>	<u>16,143</u>
	<u>\$ 763,858</u>	<u>\$ 207,449</u>	<u>\$ 207,449</u>	<u>\$ 207,449</u>



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
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To the Honorable Keith Arceneaux, Mayor,
and the Board of Aldermen
Town of Erath, Louisiana

We have audited the general purpose financial statements of Town of Erath, Louisiana, and the combining, individual fund and account group financial statements as of and for the year ended June 30, 1996, and have issued our report thereon dated August 27, 1996. That report was qualified because proprietary fund and general fixed assets purchased prior to July 1, 1962 are not capitalized in the appropriate fund or account group as required by generally accepted accounting principles.

We have applied procedures to test Town of Erath, 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
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 Town of Erath, Louisiana's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

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NOTES TO FINANCIAL STATEMENTS

Note 8. Flow of Funds; Restrictions on Use - Sewer Revenues

Under the terms of the bond indenture on outstanding Sewer Revenue Bonds dated July 9, 1982, all income and revenues of the sewer system, supplemented by pledge of the proceeds of the Town's 1% sales and use tax, are pledged and dedicated to the retirement of said bonds, and are to be set aside into the following special funds, after payment of expenses for maintaining and operating the system.

Sewer Revenue Bond and Interest Fund: Transfer monthly a sum equal to 1/12 of the principal and interest due on the next payment date.

Sewer Reserve Fund: Transfer monthly a sum equal to 5% of the amount paid into the Bond and Interest Fund until such time as the amount in this fund equals the highest combined principal and interest requirements in any succeeding twelve months (\$47,250).

Sewer Depreciation and Contingency Fund: Transfer \$245 monthly.

All required transfers were made during the year ended June 30, 1996.

Note 9. Tax Revenues

Tax revenues for the year ended June 30, 1996 consisted of the following:

Ad valorem taxes	\$ 16,066
Gas franchise tax	11,263
Cable franchise tax	1,770
Sales taxes	<u>167,921</u>
	<u>\$ 197,020</u>

Ad valorem taxes:

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied at the beginning of the fiscal year and are billed on December 1. Although the tax roll is prepared by the Vermilion Parish Tax Assessor, the Town bills and collects its own taxes.

For the year ended June 30, 1996, ad valorem taxes of 3.96 mills were levied on assessed valuations totaling \$4,008,090, and were dedicated to general corporate purposes. Taxes receivable at June 30, 1996 totaled \$22, all of which is considered collectible. No receivable has been recorded for this immaterial amount.

NOTES TO FINANCIAL STATEMENTS

Fund accounting:

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

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

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

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

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

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

Basis of accounting:

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

Proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is 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.

NOTES TO FINANCIAL STATEMENTS

The modified accrual basis of accounting is used by all governmental fund types and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Ad valorem taxes are considered as available if they are collected within 60 days after year end. Sales taxes are considered "measurable" when in the hands of the Sales Tax Collector and are recognized as revenue at that time. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

In addition to property taxes and sales taxes, those major revenues susceptible to accrual are earned grant revenues and other intergovernmental revenues, charges for services and interest revenue.

Franchise fees, licenses and permits, and court fines are not susceptible to accrual because generally they are not measurable until received in cash.

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.

Budgets:

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general and special revenue funds. All annual appropriations lapse at fiscal year end.

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and investments:

Cash consists of amounts in demand deposit accounts as well as cash held by the Town and with the paying agent for sewerage utility bonds.

Investments are stated at cost. The Town's investments at June 30, 1996 consisted of time certificates of deposit purchased from local financial institutions. These certificates bear interest from 4.15% to 4.85% per annum and mature at various times through December 1996.

NOTES TO FINANCIAL STATEMENTS

For purposes of statements of cash flows for proprietary fund types, highly liquid investments (including restricted assets) with a maturity of three months or less when purchased are considered to be cash equivalents.

Short-term interfund receivables/payables:

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

Restricted assets:

Certain assets of the Utility Fund and Sewerage Utility Fund are classified as restricted assets on the balance sheet because their use is limited by bond indenture or because they represent customers' deposits being held by the Town.

Fixed assets:

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All fixed assets are valued at historical cost, except for donated fixed assets (\$130) which are stated at their estimated fair market value on the date received.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, streets and sidewalks, drainage systems and lighting systems, are capitalized along with other general fixed assets.

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

Interest on debt issued to finance construction of the sewerage system has been capitalized as a part of the cost of such project. Fixed assets of the Sewerage Utility Fund include capitalized interest totaling \$45,919.

Compensated absences:

Upon termination, employees of the Town are not paid for any unused portion of vacation pay. Also, no payment is made for accrued and unused sick leave.

NOTES TO FINANCIAL STATEMENTS

Long-term obligations:

Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations (there were none at June 30, 1996), only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

Fund equity:

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

Interfund transactions:

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

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

Unbilled electrical service:

Unbilled electrical service between the date of the last meter reading during June and the end of the month has been estimated.

Grant revenues:

In general, grants received by the Town are reimbursable-type grants and revenues are recognized as earned only when the expenditures to be reimbursed have been incurred.

Bad debts:

Uncollectible accounts due for utility (including unbilled service receivables) are recognized under the allowance method. The allowance for doubtful accounts for such receivables totaled \$2,259 at June 30, 1996 (1995 \$2,259).

NOTES TO FINANCIAL STATEMENTS

Property taxes are recognized as uncollectible by direct charge-off at the time the uncollectibility of the account becomes known or can be estimated. The difference between direct charge-off of such accounts and establishment of an allowance is not material.

Memorandum only - total columns:

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

Comparative data:

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

Certain amounts in the 1995 financial statements have been reclassified to the 1996 presentation. Such reclassifications had no material effect on fund equity as previously reported.

Note 2. Legal Compliance - Budgets

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

1. Prior to June 1, the Mayor submits to the Board of Aldermen a proposed operating and capital budget for the fiscal year commencing July 1. The budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of an ordinance.
4. Budgets for the general and special revenue funds were adopted on a basis consistent with generally accepted accounting principles (GAAP).
5. All appropriations lapse at year end.

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

NOTES TO FINANCIAL STATEMENTS

Note 3. Deposits

At year end, the carrying amount of the Town's deposits were \$1,250,658 and the bank balance was \$1,275,108. Of the bank balance, \$279,297 was covered by federal depository insurance. The remaining balance of \$995,811 was covered by collateral held by a third party bank in the Town's name. Cash on hand and with the paying agent at June 30, 1996 aggregated \$44,975.

Note 4. Interfund Receivables, Payables

A detail of interfund receivable and payable balances is as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 12,037	\$ 1,490
Special revenue funds:		
Sales Tax Fund	83,811	512
Special Parish Tax Fund	-	350
Enterprise funds:		
Utility Fund	-	80,481
Sewerage Utility Fund	2,002	15,724
Trust and agency fund:		
Withholding Tax Fund	<u>707</u>	<u>-</u>
	<u>\$ 98,557</u>	<u>\$ 98,557</u>

Note 5. Fixed Assets

The following is a summary of changes in the general fixed assets account group during the fiscal year:

	<u>Balance, July 1, 1995</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, June 30, 1996</u>
Land	\$ 190,888	\$ -	\$ -	\$ 190,888
Buildings	279,004	-	-	279,004
Improvements other than buildings	742,709	29,190	-	771,899
Equipment	<u>360,513</u>	<u>239,968</u>	<u>2,265</u>	<u>598,216</u>
Total	<u>\$1,573,114</u>	<u>\$ 269,158</u>	<u>\$ 2,265</u>	<u>\$1,840,007</u>

TOWN OF ERATH, LOUISIANA
GENERAL FUND

BALANCE SHEETS
June 30, 1996 and 1995

ASSETS	<u>1996</u>	<u>1995</u>
Cash	\$ 14,801	\$ 5,894
Receivables -		
Garbage collection, net of allowance for doubtful accounts 1996 \$-0-; 1995 \$-0-	-	15
Other	4,986	300
Due from other funds -		
Withholding Tax Fund	-	1,196
Special Parish Tax Fund	350	4,015
Utility Fund	11,240	3,896
Sales Tax Fund	447	-
Due from other governmental agencies	<u>2,862</u>	<u>-</u>
Total assets	<u>\$ 34,686</u>	<u>\$ 15,316</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable and accrued expenses	\$ 9,114	\$ 12,738
Due to other funds -		
Sales Tax Fund	-	1,576
Sewerage Utility Fund	1,105	2,169
Withholding Tax Fund	385	-
Due to other governmental agencies	<u>8,076</u>	<u>8,076</u>
Total liabilities	\$ 18,680	\$ 24,559
Fund balance (deficit):		
Unreserved and undesignated	<u>16,006</u>	<u>(9,243)</u>
Total liabilities and fund balance	<u>\$ 34,686</u>	<u>\$ 15,316</u>

See Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

Debt service requirements to maturity, including \$141,000 of interest on revenue bonds, are as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Revenue</u> <u>Bonds</u>
1997	\$ 44,750
1998	43,500
1999	42,250
2000	46,000
2001	44,500
2002-2006	223,500
2007-2008	<u>91,500</u>
	<u>\$ 536,000</u>

Changes in Long-Term Debt. During the year ended June 30, 1996, the following changes occurred in long-term liabilities:

	<u>Balance</u> <u>07/01/95</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>06/30/96</u>
Revenue bonds	<u>\$ 420,000</u>	<u>\$ -0-</u>	<u>\$ 25,000</u>	<u>\$ 395,000</u>

Note 7. Restricted Assets - Enterprise Funds

Restricted assets of the enterprise funds were applicable to the following at June 30:

	<u>Utility</u> <u>Fund</u>	<u>Sewerage</u> <u>Utility</u> <u>Fund</u>	<u>Totals</u>	
			<u>1996</u>	<u>1995</u>
Cash with paying agent	\$ -	\$ 44,750	\$ 44,750	\$ 46,000
Bond sinking fund	-	6,004	6,004	5,321
Bond reserve fund	-	34,415	34,415	30,658
Depreciation and contingency fund	-	44,803	44,803	40,206
Customers' deposits	68,566	-	68,566	61,456
System improvements	<u>172,999</u>	<u>-</u>	<u>172,999</u>	<u>164,976</u>
	<u>\$ 241,565</u>	<u>\$ 129,972</u>	<u>\$ 371,537</u>	<u>\$ 348,617</u>

TOWN OF ERATH, LOUISIANA

COMBINED STATEMENT OF CASH FLOWS -
 PROPRIETARY FUND TYPE
 Year Ended June 30, 1996

	<u>Enterprise Funds</u>		<u>Totals</u>	
	Utility	Sewerage		
	<u>Fund</u>	<u>Utility</u>	<u>1996</u>	<u>1995</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ 433,348	\$ (82,315)	\$ 351,033	\$ 312,644
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Depreciation	51,567	62,754	114,321	103,425
Provision for uncollectible accounts	-	-	-	63
Grant revenue	20,179	-	20,179	-
Other	3,020	-	3,020	7,472
Changes in assets and liabilities	<u>19,718</u>	<u>5,203</u>	<u>24,921</u>	<u>62,080</u>
Net cash provided by (used in) operating activities	<u>\$ 527,832</u>	<u>\$ (14,358)</u>	<u>\$ 513,474</u>	<u>\$ 485,684</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers to other funds	\$ (489,026)	\$ -	\$ (489,026)	\$ (270,000)
Transfers from other funds	-	74,750	74,750	81,000
Other	<u>2,515</u>	<u>-</u>	<u>2,515</u>	<u>(315)</u>
Net cash provided by (used in) noncapital financing activities	<u>\$ (486,511)</u>	<u>\$ 74,750</u>	<u>\$ (411,761)</u>	<u>\$ (189,315)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	\$ (5,426)	\$ (18,081)	\$ (23,507)	\$ (285,646)
Construction grants received	-	-	-	64,839
Proceeds received from sale of capital assets	-	-	-	6,150
Principal paid on revenue bond maturities	-	(25,000)	(25,000)	(25,000)
Interest paid on revenue bonds	<u>-</u>	<u>(21,000)</u>	<u>(21,000)</u>	<u>(22,250)</u>
Net cash provided by (used in) capital and related financing activities	<u>\$ (5,426)</u>	<u>\$ (64,081)</u>	<u>\$ (69,507)</u>	<u>\$ (261,907)</u>

(continued)

TOWN OF ERATH, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
 RETAINED EARNINGS - PROPRIETARY FUND TYPE (CONTINUED)
 Year Ended June 30, 1996

	<u>Enterprise Funds</u>		<u>Totals</u>	
	<u>Utility Fund</u>	<u>Sewerage Utility Fund</u>	<u>1996</u>	<u>1995</u>
Net income (loss) (brought forward)	\$ 16,529	\$ (21,339)	\$ (4,810)	\$ 160,643
Add depreciation and loss on assets contributed or funded by other funds that reduces contributed capital	<u>12,520</u>	<u>46,959</u>	<u>59,479</u>	<u>55,505</u>
Increase in retained earnings	<u>\$ 29,049</u>	<u>\$ 25,620</u>	<u>\$ 54,669</u>	<u>\$ 216,148</u>
Retained earnings, beginning, as previously reported	\$ 1,480,250	\$ 222,744	\$ 1,702,994	\$ 958,995
Add prior year's depreciation on assets contributed or funded by other funds that reduces contributed capital	<u>-</u>	<u>-</u>	<u>-</u>	<u>527,851</u>
Retained earnings, beginning, as restated	<u>\$ 1,480,250</u>	<u>\$ 222,744</u>	<u>\$ 1,702,994</u>	<u>\$ 1,486,846</u>
Retained earnings, ending	<u><u>\$ 1,509,299</u></u>	<u><u>\$ 248,364</u></u>	<u><u>\$ 1,757,663</u></u>	<u><u>\$ 1,702,994</u></u>

See Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

Balance sheets of the individual utility funds are summarized as follows:

	<u>Utility Fund</u>	<u>Sewerage Utility Fund</u>
Assets:		
Current assets	\$1,080,983	\$ 61,856
Restricted assets	241,565	129,972
Property, plant and equipment (net)	<u>1,292,335</u>	<u>2,217,361</u>
	<u>\$2,614,883</u>	<u>\$2,409,189</u>
Liabilities:		
Current liabilities (payable from) -		
Current assets	\$ 169,812	\$ 18,756
Restricted assets	58,606	44,750
Revenue bonds payable	<u>-</u>	<u>370,000</u>
	<u>\$ 228,418</u>	<u>\$ 433,506</u>
Fund equity:		
Contributed capital	\$ 877,166	\$1,727,319
Retained earnings	<u>1,509,299</u>	<u>248,364</u>
	<u>\$2,386,465</u>	<u>\$1,975,683</u>
	<u>\$2,614,883</u>	<u>\$2,409,189</u>

Operating results of individual utilities accounted for in the Utility Fund for the year ended June 30, 1996 were as follows:

	<u>Electric Utility</u>	<u>Water Utility</u>	<u>Total</u>
Operating revenues	\$1,392,147	\$ 60,452	\$1,452,599
Operating expenses -			
Depreciation	23,084	28,483	51,567
Other	<u>868,203</u>	<u>99,481</u>	<u>967,684</u>
Operating income (loss)	<u>\$ 500,860</u>	<u>\$ (67,512)</u>	<u>\$ 433,348</u>

TOWN OF ERATH, LOUISIANA

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

	Balance, July 1, <u>1995</u>	<u>Additions</u>	<u>Retirements</u>	Balance, June 30, <u>1996</u>
General fixed assets, at cost:				
Land	\$ 190,888	\$ -	\$ -	\$ 190,888
Buildings	279,004	-	-	279,004
Improvements other than buildings	742,709	29,190	-	771,899
Equipment	<u>360,513</u>	<u>239,968</u>	<u>2,265</u>	<u>598,216</u>
Total general fixed assets	<u>\$1,573,114</u>	<u>\$ 269,158</u>	<u>\$ 2,265</u>	<u>\$1,840,007</u>
Investment in general fixed assets from:				
General obligation bonds	\$ 382,052	\$ -	\$ -	\$ 382,052
Federal grants	183,769	-	-	183,769
State grants	158,969	-	-	158,969
Parish grant	46,641	-	-	46,641
General Fund revenue	150,977	68,682	2,265	217,394
Federal revenue sharing funds	42,761	-	-	42,761
Other special revenue funds	607,815	200,476	-	808,291
Donations	<u>130</u>	<u>-</u>	<u>-</u>	<u>130</u>
Total investment in general fixed assets	<u>\$1,573,114</u>	<u>\$ 269,158</u>	<u>\$ 2,265</u>	<u>\$1,840,007</u>

NOTES TO FINANCIAL STATEMENTS

Note 15. Prior Period Adjustments in Enterprise Funds

The Sewerage Utility and the Utility Funds each account for fixed assets that were contributed or whose acquisition was funded by other funds. In prior years, depreciation on these assets was charged against retained earnings. A correction was made to charge the contributed capital accounts for the accumulated depreciation on these assets, increasing retained earnings. The amount of the correction was \$454,297 in Sewerage Utility Fund and \$73,554 in Utility Fund. Net income and fund equity as previously reported was not affected by this adjustment.

Note 16. Contributed Capital

During the year, contributed capital changed by the following amounts:

	<u>Utility Fund</u>	<u>Sewerage Utility Fund</u>	<u>Total</u>
Contributed fixed assets	\$ 196,840	\$ -	\$ 196,840
Depreciation charged	<u>(12,520)</u>	<u>(46,959)</u>	<u>(59,479)</u>
	\$ 184,320	\$ (46,959)	\$ 137,361
Contributed capital, July 1, 1995	<u>692,846</u>	<u>1,774,278</u>	<u>2,467,124</u>
Contributed capital, June 30, 1996	<u>\$ 877,166</u>	<u>\$1,727,319</u>	<u>\$2,604,485</u>

Note 17. Noncash Capital and Related Financing Activities

Construction work in progress of \$196,840 was contributed to the Utility Fund.

FINANCIAL STATEMENTS
OF INDIVIDUAL FUNDS
AND ACCOUNT GROUPS

GENERAL FUND

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

NOTES TO FINANCIAL STATEMENTS

The following is a summary of proprietary fund-type fixed assets at June 30, 1996:

<u>Description</u>	<u>Utility Fund</u>	<u>Sewerage Utility Fund</u>
Land	\$ -	\$ 32,253
Aeration basin	-	239,568
Electric warehouse	2,175	-
Electric distribution system	244,370	-
Water production and storage facilities	262,579	-
Water distribution system	1,048,646	-
Sewerage treatment plant	-	503,812
Sewerage collection system	-	2,032,826
Autos and trucks	101,661	-
Other equipment	<u>41,230</u>	<u>114,816</u>
	\$1,700,661	\$2,923,275
Less accumulated depreciation	(605,166)	(705,914)
Construction in progress	<u>196,840</u>	<u>-</u>
Totals	<u>\$1,292,335</u>	<u>\$2,217,361</u>

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

Electric warehouse	20 years
Electric distribution system	20-50 years
Water production and storage facilities	8-25 years
Water distribution system	50 years
Sewerage collection and disposal system	50 years
Equipment	4-15 years

Note 6. Long-term Debt

Revenue Bonds. The Town issued \$600,000 of Sewer Revenue Bonds at 5% interest on July 9, 1982, to construct the sewerage system. These bonds are due in annual installments through July, 2007 and are secured by revenues of the Sewerage Utility Fund and a 1% sales and use tax.

<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Account Group</u>	<u>Totals</u>	
			<u>(Memorandum Only)</u>	
<u>Enterprise</u>	<u>Agency</u>	<u>General Fixed Assets</u>	<u>June 30, 1996</u>	<u>June 30, 1995</u>
\$ 168,109	\$ 1,570	\$ -	\$ 187,938	\$ 193,612
727,842	-	-	736,158	695,772
188,040	769	-	188,809	173,396
-	-	-	4,986	300
56,846	-	-	56,846	50,415
2,002	707	-	98,557	63,488
-	50	-	60,201	11,935
119,998	-	-	119,998	97,078
251,539	-	-	251,539	251,539
32,253	-	190,888	223,141	223,141
505,987	-	279,004	784,991	784,501
3,827,989	-	771,899	4,599,888	4,569,706
257,707	-	598,216	855,923	596,195
196,840	-	-	196,840	-
<u>(1,311,080)</u>	<u>-</u>	<u>-</u>	<u>(1,311,080)</u>	<u>(1,196,752)</u>
<u>\$ 5,024,072</u>	<u>\$ 3,096</u>	<u>\$ 1,840,007</u>	<u>\$ 7,054,735</u>	<u>\$ 6,514,319</u>

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**TOWN OF ERATH
ERATH, LOUISIANA**

FINANCIAL REPORT

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 DEC 18 1996

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INDEPENDENT AUDITORS' REPORT

The Honorable Keith Arceneaux, Mayor,
and the Board of Aldermen
Town of Erath, Louisiana

We have audited the general purpose financial statements of Town of Erath, Louisiana, and the combining, individual fund and account group financial statements of the Town as of and for the year ended June 30, 1996, as listed in the table of contents. These financial statements are the responsibility of Town of Erath'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, the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments," and the Louisiana Governmental Audit Guide. 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. 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.

Prior to July 1, 1962, the Town did not record the value of capital expenditures in asset accounts of the proprietary fund type or in the general fixed assets account group. Fixed assets purchased since that time have been capitalized, but no adjustment has been made to record the cost of assets previously purchased.

In our opinion, except for any errors which might have been disclosed had records been established and maintained for fixed assets purchased prior to July 1, 1962, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Town of Erath, Louisiana, as of June 30, 1996, and the results of its operations

and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, except for any errors which might have been disclosed had records been established and maintained for fixed assets purchased prior to July 1, 1962, the combining, individual fund, and account group financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds and account group of Town of Erath, Louisiana, as of June 30, 1996, and the results of operations of such funds and the cash flows of the individual proprietary funds for the year then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the combining, individual fund, and account group financial statements. The financial information listed as "Schedules" in the table of contents (including the Schedule of Federal Financial Assistance) is presented for purposes of additional analysis and is not a required part of the financial statements of Town of Erath, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose, combining, individual fund, and account group financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account group, 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 opinion on the general purpose, combining, individual fund, and account group financial statements of Town of Erath, Louisiana, as of and for the year ended June 30, 1995, which opinion was subject to the same qualification of opinion as that expressed on the current financial statements.

In accordance with Government Auditing Standards, we have also issued a report dated August 27, 1996, on our consideration of Town of Erath's internal control structure and a report dated August 27, 1996, on its compliance with laws and regulations.

Broussard, Poche, Lewis & Breaux

Lafayette, Louisiana
August 27, 1996

TOWN OF ERATH, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

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

Reporting entity:

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

Primary government:

Town of Erath - The Town of Erath was incorporated under the provisions of the Lawrason Act and operates under a Mayor-Board of Aldermen form of government. The Mayor and Board of Aldermen are elected officials. The Town's general purpose financial statements include the accounts of all Town operations.

Erath Housing Authority - The Erath Housing Authority was chartered by the Town of Erath, and its Board of Directors is appointed by the Mayor and Board of Alderman of the Town. However, the Town is not financially accountable for the Authority and the nature and significance of the Authority's relationship with the Town is not such that exclusion of the Authority would cause the Town's financial statements to be misleading or incomplete and therefore, it is not a component unit. The Authority's in lieu of tax payment to the Town (1996 \$4,686; 1995 \$4,341) is recorded as intergovernmental revenue in the General Fund.

Erath Volunteer Fire Department - The Erath Volunteer Fire Department provides fire protection service for the Town. Although most of the expenses of providing fire protection are paid by the Town, the Town is not financially accountable for the Volunteer Fire Department and the nature and significance of the Authority's relationship with the Town is not such that exclusion of the Authority would cause the Town's financial statements to be misleading or incomplete and therefore, it is not a component unit.

TOWN OF ERATH, LOUISIANA
 COMBINED BALANCE SHEET -
 ALL FUND TYPES AND ACCOUNT GROUPS
 June 30, 1996

ASSETS	<u>Governmental Fund Types</u>		
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>
Cash	\$ 14,801	\$ 3,458	\$ -
Certificates of deposit, at cost	-	8,316	-
Receivables, net of allowances for uncollectibles -			
Accounts	-	-	-
Other	4,986	-	-
Unbilled services receivable (net)	-	-	-
Due from other funds	12,037	83,811	-
Due from other governmental agencies	2,862	13,065	44,224
Restricted assets -			
Cash	-	-	-
Certificates of deposit, at cost	-	-	-
Land	-	-	-
Buildings	-	-	-
Improvements other than buildings	-	-	-
Equipment	-	-	-
Construction work in progress	-	-	-
Accumulated depreciation	-	-	-
 Total assets	 <u>\$ 34,686</u>	 <u>\$ 108,650</u>	 <u>\$ 44,224</u>

TOWN OF ERATH, LOUISIANA
 COMBINED STATEMENT OF CASH FLOWS -
 PROPRIETARY FUND TYPE (CONTINUED)
 Year Ended June 30, 1996

	<u>Enterprise Funds</u>		<u>Totals</u>	
	<u>Utility</u>	<u>Sewerage</u>		
	<u>Fund</u>	<u>Utility</u>	<u>1996</u>	<u>1995</u>
		<u>Fund</u>		
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of investment securities, net	\$ (40,000)	\$ -	\$ (40,000)	\$ (135,000)
Maturity of investment security	-	-	-	60,000
Interest on investments	<u>49,008</u>	<u>5,976</u>	<u>54,984</u>	<u>45,845</u>
Net cash provided by (used in) investing activities	\$ <u>9,008</u>	\$ <u>5,976</u>	\$ <u>14,984</u>	\$ <u>(29,155)</u>
Increase in cash and cash equivalents	\$ 44,903	\$ 2,287	\$ 47,190	\$ 5,307
Cash and cash equivalents at beginning of year	<u>155,222</u>	<u>85,695</u>	<u>240,917</u>	<u>235,610</u>
Cash and cash equivalents at end of year	<u>\$ 200,125</u>	<u>\$ 87,982</u>	<u>\$ 288,107</u>	<u>\$ 240,917</u>

See Notes to Financial Statements.

TOWN OF ERATH, LOUISIANA

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

LIABILITIES AND FUND EQUITY	<u>Governmental Fund Types</u>		
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>
Liabilities:			
Accounts payable and accrued expenses	\$ 9,114	\$ 4,654	\$ 28,523
Retainage payable	-	-	15,701
Payable from restricted assets -			
Customers' deposits	-	-	-
Bonds payable	-	-	-
Accrued interest on bonds	-	-	-
Due to other funds	1,490	862	-
Due to other governmental agencies	8,076	-	-
AVCAP deposits	-	-	-
Revenue bonds payable	-	-	-
Total liabilities	\$ 18,680	\$ 5,516	\$ 44,224
Fund equity:			
Contributed capital	\$ -	\$ -	\$ -
Investment in general fixed assets	-	-	-
Retained earnings -			
Designated for system improvements	-	-	-
Reserved for revenue bond retirement	-	-	-
Unreserved - undesignated	-	-	-
Fund balances -			
Unreserved - undesignated	16,006	103,134	-
Total fund equity	\$ 16,006	\$ 103,134	\$ -0-
Total liabilities and fund equity	\$ 34,686	\$ 108,650	\$ 44,224

See Notes to Financial Statements.

<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Account Group</u>	<u>Totals</u>	
			<u>(Memorandum Only)</u>	
<u>Enterprise</u>	<u>Agency</u>	<u>General Fixed Assets</u>	<u>June 30, 1996</u>	<u>June 30, 1995</u>
\$ 92,363	\$ 3,096	\$ -	\$ 137,750	\$ 123,928
-	-	-	15,701	-
58,606	-	-	58,606	56,091
25,000	-	-	25,000	25,000
19,750	-	-	19,750	21,000
96,205	-	-	98,557	63,488
-	-	-	8,076	8,076
-	-	-	-	157
<u>370,000</u>	<u>-</u>	<u>-</u>	<u>370,000</u>	<u>395,000</u>
<u>\$ 661,924</u>	<u>\$ 3,096</u>	<u>\$ -0-</u>	<u>\$ 733,440</u>	<u>\$ 692,740</u>
\$ 2,604,485	\$ -	\$ -	\$ 2,604,485	\$ 2,467,124
-	-	1,840,007	1,840,007	1,573,114
172,999	-	-	172,999	164,976
85,222	-	-	85,222	76,185
1,499,442	-	-	1,499,442	1,461,833
-	-	-	119,140	78,347
<u>\$ 4,362,148</u>	<u>\$ -0-</u>	<u>\$ 1,840,007</u>	<u>\$ 6,321,295</u>	<u>\$ 5,821,579</u>
<u>\$ 5,024,072</u>	<u>\$ 3,096</u>	<u>\$ 1,840,007</u>	<u>\$ 7,054,735</u>	<u>\$ 6,514,319</u>

TOWN OF ERATH, LOUISIANA

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

	<u>General</u>
Revenues:	
Taxes	\$ 29,099
Licenses and permits	62,779
Intergovernmental	83,214
Charges for services	152
Fines	12,118
Interest	-
Miscellaneous	<u>19,100</u>
Total revenues	<u>\$ 206,462</u>
Expenditures:	
Current -	
General government	\$ 160,413
Public safety -	
Police	275,662
Fire	3,585
Public works	-
Sanitation	142
Health and welfare	4,392
Culture and recreation	36,929
Miscellaneous	44,285
Capital projects	<u>-</u>
Total expenditures	<u>\$ 525,408</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (318,946)</u>
Other financing sources (uses):	
Operating transfers in	\$ 455,000
Operating transfers out	(110,805)
Proceeds from sale of property	<u>-</u>
Total other financing sources (uses)	<u>\$ 344,195</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ 25,249
Fund balances (deficits), beginning	<u>(9,243)</u>
Fund balances, ending	<u>\$ 16,006</u>

See Notes to Financial Statements.

<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>	
		<u>1996</u>	<u>1995</u>
\$ 167,921	\$ -	\$ 197,020	\$ 172,532
-	-	62,779	68,133
162,299	191,306	436,819	75,690
-	-	152	22,154
-	-	12,118	10,144
386	-	386	332
<u>17,627</u>	<u>-</u>	<u>36,727</u>	<u>15,479</u>
<u>\$ 348,233</u>	<u>\$ 191,306</u>	<u>\$ 746,001</u>	<u>\$ 364,464</u>
\$ 2,242	\$ -	\$ 162,655	\$ 147,252
-	-	275,662	208,861
224,860	-	228,445	58,969
170,135	-	170,135	109,825
-	-	142	22,095
-	-	4,392	4,392
-	-	36,929	22,214
-	-	44,285	32,718
-	<u>196,839</u>	<u>196,839</u>	<u>-</u>
<u>\$ 397,237</u>	<u>\$ 196,839</u>	<u>\$ 1,119,484</u>	<u>\$ 606,326</u>
<u>\$ (49,004)</u>	<u>\$ (5,533)</u>	<u>\$ (373,483)</u>	<u>\$ (241,862)</u>
\$ 110,805	\$ 5,533	\$ 571,338	\$ 260,047
(46,257)	-	(157,062)	(71,047)
-	-	-	<u>2,113</u>
<u>\$ 64,548</u>	<u>\$ 5,533</u>	<u>\$ 414,276</u>	<u>\$ 191,113</u>
\$ 15,544	\$ -0-	\$ 40,793	\$ (50,749)
<u>87,590</u>	<u>-</u>	<u>78,347</u>	<u>129,096</u>
<u>\$ 103,134</u>	<u>\$ -0-</u>	<u>\$ 119,140</u>	<u>\$ 78,347</u>

TOWN OF ERATH, LOUISIANA

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

	General Fund		Variance - Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Taxes	\$ 28,500	\$ 29,099	\$ 599
Licenses and permits	52,050	62,779	10,729
Intergovernmental	56,000	83,214	27,214
Charges for services	2,400	152	(2,248)
Fines	16,000	12,118	(3,882)
Interest	-	-	-
Miscellaneous	8,100	19,100	11,000
Total revenues	<u>\$ 163,050</u>	<u>\$ 206,462</u>	<u>\$ 43,412</u>
Expenditures:			
Current -			
General government	\$ 149,557	\$ 160,413	\$ (10,856)
Public safety - police	244,079	275,662	(31,583)
Public safety - fire	-	3,585	(3,585)
Public works	-	-	-
Sanitation	-	142	(142)
Health and welfare	4,392	4,392	-
Culture and recreation	42,214	36,929	5,285
Miscellaneous	32,500	44,285	(11,785)
Total expenditures	<u>\$ 472,742</u>	<u>\$ 525,408</u>	<u>\$ (52,666)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (309,692)</u>	<u>\$ (318,946)</u>	<u>\$ (9,254)</u>
Other financing sources (uses):			
Operating transfers in	\$ 450,000	\$ 455,000	\$ 5,000
Operating transfers out	<u>(114,850)</u>	<u>(110,805)</u>	<u>4,045</u>
Total other financing sources (uses)	<u>\$ 335,150</u>	<u>\$ 344,195</u>	<u>\$ 9,045</u>
Excess of revenues and other sources over expenditures and other uses	\$ 25,458	\$ 25,249	\$ (209)
Fund balances (deficits), beginning	<u>3,879</u>	<u>(9,243)</u>	<u>(13,122)</u>
Fund balances, ending	<u>\$ 29,337</u>	<u>\$ 16,006</u>	<u>\$ (13,331)</u>

See Notes to Financial Statements.

TOWN OF ERATH, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
 RETAINED EARNINGS - PROPRIETARY FUND TYPE
 Year Ended June 30, 1996

	<u>Enterprise Funds</u>		<u>Totals</u>	
	Utility	Sewerage	<u>1996</u>	<u>1995</u>
	<u>Fund</u>	<u>Fund</u>		
Operating revenues:				
Charges for services	\$ 1,442,161	\$ 66,859	\$ 1,509,020	\$ 1,418,578
Other	<u>10,438</u>	<u>-</u>	<u>10,438</u>	<u>8,367</u>
Total operating revenues	<u>\$ 1,452,599</u>	<u>\$ 66,859</u>	<u>\$ 1,519,458</u>	<u>\$ 1,426,945</u>
Operating expenses:				
Salaries	\$ 116,240	\$ 31,826	\$ 148,066	\$ 140,631
Payroll taxes	8,892	2,733	11,625	11,077
Purchase of electric power	700,343	-	700,343	673,115
Materials and supplies	45,190	9,164	54,354	55,296
Maintenance and repairs	8,530	3,980	12,510	24,464
Telephone and utilities	23,520	22,866	46,386	42,037
Depreciation	51,567	62,754	114,321	103,425
Bad debts	1,936	234	2,170	3,182
Other	<u>63,033</u>	<u>15,617</u>	<u>78,650</u>	<u>61,075</u>
Total operating expenses	<u>\$ 1,019,251</u>	<u>\$ 149,174</u>	<u>\$ 1,168,425</u>	<u>\$ 1,114,302</u>
Income (loss) from operations	<u>\$ 433,348</u>	<u>\$ (82,315)</u>	<u>\$ 351,033</u>	<u>\$ 312,643</u>
Nonoperating revenues (expenses):				
Interest revenue	\$ 49,008	\$ 5,976	\$ 54,984	\$ 45,845
Interest expense	-	(19,750)	(19,750)	(21,000)
Grant revenue	20,179	-	20,179	-
Other revenue	3,020	-	3,020	7,184
Loss on disposal of assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,971</u>
Total nonoperating revenues (expenses)	<u>\$ 72,207</u>	<u>\$ (13,774)</u>	<u>\$ 58,433</u>	<u>\$ 37,000</u>
Income (loss) before operating transfers	\$ 505,555	\$ (96,089)	\$ 409,466	\$ 349,643
Operating transfers in	-	74,750	74,750	81,000
Operating transfers out	<u>(489,026)</u>	<u>-</u>	<u>(489,026)</u>	<u>(270,000)</u>
Net income (loss)	<u>\$ 16,529</u>	<u>\$ (21,339)</u>	<u>\$ (4,810)</u>	<u>\$ 160,643</u>

(continued)

NOTES TO FINANCIAL STATEMENTS

Note 12. Retirement Systems

Three police employees of the Town are members of the state retirement system for municipal police employees. Contributions to the system are made by both the employee and the Town at 7.5% and 9%, respectively, of the employee's salary. The Town has no further liability to this system. Future deficits will be financed by the State. Data concerning the actuarial status of the system are not available. The Town's payments to the system aggregated \$2,298 for the year ended June 30, 1996 which covered the employees' salaries of \$33,315. Other employees of the Town are members of the Social Security system.

Note 13. Compensation of Elected Officials

A detail of compensation paid to individual elected officials for the year ended June 30, 1996 follows:

Keith Arceneaux, Mayor	\$ 6,229
Aldermen:	
Claudette Lacour	2,472
Joseph Cormier	2,471
Robert Domingue	2,472
John LeBlanc	2,472
Myron Manuel	2,538
Alvin Benoit, Chief of Police	<u>21,450</u>
	<u>\$ 40,104</u>

Note 14. Centralized Sales Tax Collection

Commencing with sales for March 1992, and in accordance with a mandate from State government, sales tax collections for all taxing authorities within Vermilion Parish were assumed by the Sales Tax Collector for the Vermilion Parish School Board. Taxes collected for each taxing entity are forwarded to that entity in the month following collection.

At June 30, 1996, the Vermilion Parish School Board had collected, but not yet remitted, \$13,065 of sales tax collections for Town of Erath. This amount has been shown as due from other governmental agencies.

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS- OVERVIEW)

TOWN OF ERATH, LOUISIANA
 CAPITAL PROJECTS FUND
 LCDBG - WATER PROJECT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE COMPARED TO PROGRAM BUDGET
 Year Ended June 30, 1996

	Total Program Budget	Actual		Total	Remaining Budget
		Prior Year	Current Year		
Revenues:					
Intergovernmental - Federal grant	\$ 498,410	\$ -0-	\$ 191,306	\$ 191,306	\$ 307,104
Expenditures:					
Capital projects -					
Administration	\$ 25,000	\$ -	\$ 6,143	\$ 6,143	\$ 18,857
Engineering	58,410	-	39,796	39,796	18,614
Construction	440,000	-	150,900	150,900	289,100
Total expenditures	\$ 523,410	\$ -0-	\$ 196,839	\$ 196,839	\$ 326,571
Deficiency of revenues over expenditures	\$ (25,000)	\$ -0-	\$ (5,533)	\$ (5,533)	\$ (19,467)
Other financing sources:					
Transfers form other funds	25,000	-	5,533	5,533	19,467
Excess (deficiency) of revenues and other financing sources over expenditures	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Fund balance, beginning	-	-	-	-	-
Fund balance, ending	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

See Notes to Financial Statements.

TOWN OF ERATH, LOUISIANA
SEWERAGE UTILITY FUND

STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS (CONTINUED)
Years Ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Net loss (brought forward)	\$ (21,339)	\$ (14,984)
Add depreciation and loss on assets contributed or funded by other funds that reduces contributed capital	<u>46,959</u>	<u>46,977</u>
Increase in retained earnings	<u>\$ 25,620</u>	<u>\$ 31,993</u>
Retained earnings (deficit), beginning, as previously reported	\$ 222,744	\$ (263,546)
Add prior years' depreciation on assets contributed or funded by other funds that reduces contributed capital	<u>-</u>	<u>454,297</u>
Retained earnings, beginning, as restated	<u>\$ 222,744</u>	<u>\$ 190,751</u>
Retained earnings, ending	<u>\$ 248,364</u>	<u>\$ 222,744</u>

See Notes to Financial Statements.

TOWN OF ERATH, LOUISIANA
SEWERAGE UTILITY FUND

STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS
Years Ended June 30, 1996 and 1995

	1996	1995
Operating revenues:		
Charges for services	\$ 66,859	\$ 66,353
Operating expenses:		
Salaries	\$ 31,826	\$ 28,843
Payroll taxes	2,733	2,505
Materials and supplies	9,164	8,175
Car allowance	3,901	3,900
Depreciation	62,754	62,114
Bad debts	234	152
Contracted repairs	2,622	7,269
Utilities	22,367	21,294
Fuel	174	184
Repairs and maintenance	3,980	2,540
Telephone	499	541
Insurance	1,065	516
Professional services	5,454	5,452
Permits and fees	-	1,121
Miscellaneous	2,401	1,844
Total operating expenses	\$ 149,174	\$ 146,450
Loss from operations	\$ (82,315)	\$ (80,097)
Nonoperating revenues (expenses):		
Interest on investments	\$ 5,976	\$ 5,113
Interest expense	(19,750)	(21,000)
Total nonoperating revenues (expenses)	\$ (13,774)	\$ (15,887)
Loss before operating transfers	\$ (96,089)	\$ (95,984)
Operating transfers in:		
Sales Tax Fund	44,750	46,000
Utility Fund	30,000	35,000
Net loss	\$ (21,339)	\$ (14,984)

(continued)

LIABILITIES AND FUND EQUITY	<u>1996</u>	<u>1995</u>
CURRENT LIABILITIES (payable from current assets)		
Accounts payable	\$ 3,032	\$ 2,854
Due to other funds	<u>15,724</u>	<u>11,732</u>
	<u>\$ 18,756</u>	<u>\$ 14,586</u>
CURRENT LIABILITIES (payable from restricted assets)		
Bonds payable, due currently	\$ 25,000	\$ 25,000
Accrued interest on bonds	<u>19,750</u>	<u>21,000</u>
	<u>\$ 44,750</u>	<u>\$ 46,000</u>
OTHER LIABILITIES		
Bonds payable, net of current portion	<u>\$ 370,000</u>	<u>\$ 395,000</u>
Total liabilities	<u>\$ 433,506</u>	<u>\$ 455,586</u>
FUND EQUITY		
Contributed capital -		
Federal	\$ 1,369,865	\$ 1,407,103
State	113,871	116,966
Municipality	221,500	227,525
Other	<u>22,083</u>	<u>22,684</u>
Total contributed capital	<u>\$ 1,727,319</u>	<u>\$ 1,774,278</u>
Retained earnings -		
Reserved for revenue bond retirement	\$ 85,222	\$ 76,185
Unreserved, undesignated	<u>163,142</u>	<u>146,559</u>
Total retained earnings	<u>\$ 248,364</u>	<u>\$ 222,744</u>
Total fund equity	<u>\$ 1,975,683</u>	<u>\$ 1,997,022</u>
Total liabilities and fund equity	<u>\$ 2,409,189</u>	<u>\$ 2,452,608</u>

TOWN OF ERATH, 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

	<u>1996</u>		Variance - Favorable (Unfavorable)	1995 Actual
	<u>Budget</u>	<u>Actual</u>		
Revenues:				
Taxes	\$ 28,500	\$ 29,099	\$ 599	\$ 29,247
Licenses and permits	52,050	62,779	10,729	68,133
Intergovernmental	56,000	83,214	27,214	61,607
Charges for services	2,400	152	(2,248)	22,154
Fines	16,000	12,118	(3,882)	10,144
Miscellaneous	<u>8,100</u>	<u>19,100</u>	<u>11,000</u>	<u>13,863</u>
Total revenues	<u>\$ 163,050</u>	<u>\$ 206,462</u>	<u>\$ 43,412</u>	<u>\$ 205,148</u>
Expenditures:				
General government	\$ 149,557	\$ 160,413	\$ (10,856)	\$ 145,171
Public safety -				
Police	244,079	275,662	(31,583)	208,861
Fire	-	3,585	(3,585)	20,245
Sanitation	-	142	(142)	22,095
Health and welfare	4,392	4,392	-	4,392
Culture and recreation	42,214	36,929	5,285	22,214
Miscellaneous	<u>32,500</u>	<u>44,285</u>	<u>(11,785)</u>	<u>32,718</u>
Total expenditures	<u>\$ 472,742</u>	<u>\$ 525,408</u>	<u>\$ (52,666)</u>	<u>\$ 455,696</u>
Deficiency of revenues over expenditures	<u>\$ (309,692)</u>	<u>\$ (318,946)</u>	<u>\$ (9,254)</u>	<u>\$ (250,548)</u>
Other financing sources (uses):				
Operating transfers in -				
Utility Fund	\$ 450,000	\$ 455,000	\$ 5,000	\$ 235,000
Special Parish Tax Fund	-	-	-	300
Operating transfers out -				
Sales Tax Fund	(40,000)	(60,000)	(20,000)	-
Special Parish Tax Fund	<u>(74,850)</u>	<u>(50,805)</u>	<u>24,045</u>	<u>(25,047)</u>
Total other financing sources (uses)	<u>\$ 335,150</u>	<u>\$ 344,195</u>	<u>\$ 9,045</u>	<u>\$ 210,253</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ 25,458	\$ 25,249	\$ (209)	\$ (40,295)
Fund balance, beginning	<u>3,879</u>	<u>(9,243)</u>	<u>(13,122)</u>	<u>31,052</u>
Fund balance (deficit), ending	<u>\$ 29,337</u>	<u>\$ 16,006</u>	<u>\$ (13,331)</u>	<u>\$ (9,243)</u>

See Notes to Financial Statements.

TOWN OF ERATH, LOUISIANA
SEWERAGE UTILITY FUND

BALANCE SHEETS
June 30, 1996 and 1995

ASSETS	<u>1996</u>	<u>1995</u>
CURRENT ASSETS		
Cash	\$ 5,989	\$ 11,489
Certificates of deposit, at cost	47,297	47,297
Accounts receivable, net of allowance for uncollectible accounts 1996 \$63; 1995 \$63	6,568	6,247
Due from other funds	<u>2,002</u>	<u>3,356</u>
Total current assets	<u>\$ 61,856</u>	<u>\$ 68,389</u>
 RESTRICTED ASSETS		
Cash	\$ 81,993	\$ 74,206
Certificates of deposit, at cost	<u>47,979</u>	<u>47,979</u>
Total restricted assets	<u>\$ 129,972</u>	<u>\$ 122,185</u>
 PROPERTY, PLANT AND EQUIPMENT		
Land	\$ 32,253	\$ 32,253
Treatment plant	503,812	503,812
Aeration basin	239,568	239,568
Collection lines	2,032,826	2,032,826
Equipment	<u>114,816</u>	<u>96,735</u>
	\$ 2,923,275	\$ 2,905,194
Less accumulated depreciation	<u>(705,914)</u>	<u>(643,160)</u>
Net property, plant and equipment	<u>\$ 2,217,361</u>	<u>\$ 2,262,034</u>
 Total assets		
	<u>\$ 2,409,189</u>	<u>\$ 2,452,608</u>

See Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

Sales taxes:

The Town levies a 1% sales and use tax, which taxes are dedicated to: constructing, acquiring, extending, improving and/or maintaining drainage facilities, streets, street lighting facilities, sidewalks, sewers and sewerage disposal works, public buildings and/or fire department stations and equipment; purchasing and acquiring equipment and furnishings for the aforesaid public works, buildings, improvements and facilities; and for paying principal and interest on any bonded or funded indebtedness of the Town.

Note 10. Special Parish Sales Tax

A portion of a special 1/2 cent Vermilion Parish sales tax has been dedicated toward constructing, acquiring, improving and/or maintaining fire department facilities and equipment, said funds to be collected by the Parish and to be administered by the Parish and by various municipalities having fire departments. The Vermilion Parish Police Jury has appropriated a portion of the recurring annual revenues from the sales tax to the Town of Erath for maintenance and operating expenses of the Erath Volunteer Fire Department.

Note 11. Segment Information for Enterprise Funds

The Town maintains two enterprise funds which provide electricity, water and sewer services. The electric distribution system and water utility are accounted for in the Utility Fund, while the sewerage collection and disposal system is accounted for in the Sewerage Utility Fund.

TOWN OF ERATH, LOUISIANA
UTILITY FUND

STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS (CONTINUED)
Years Ended June 30, 1996 and 1995

	<u>Total</u>	
	<u>1996</u>	<u>1995</u>
Net income (brought forward)	\$ 16,529	\$ 175,627
Add depreciation and loss on assets contributed or funded by other funds that reduces contributed capital	<u>12,520</u>	<u>8,528</u>
Increase in retained earnings	<u>\$ 29,049</u>	<u>\$ 184,155</u>
Retained earnings, beginning, as previously reported	\$ 1,480,250	\$ 1,222,541
Add prior years' depreciation on assets contributed or funded by other funds that reduces contributed capital	<u>-</u>	<u>73,554</u>
Retained earnings, beginning, as restated	<u>\$ 1,480,250</u>	<u>\$ 1,296,095</u>
Retained earnings, ending	<u>\$ 1,509,299</u>	<u>\$ 1,480,250</u>

See Notes to Financial Statements.

TOWN OF ERATH, LOUISIANA
 CAPITAL PROJECTS FUND
 LCDBG - WATER PROJECT FUND

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

Revenues:	
Intergovernmental -	
Federal grant	<u>\$ 191,306</u>
Expenditures:	
Capital projects -	
Administration	\$ 6,143
Engineering	39,796
Construction	<u>150,900</u>
Total expenditures	<u>\$ 196,839</u>
Deficiency of revenues over expenditures	\$ (5,533)
Other financing sources:	
Transfers from other funds	<u>5,533</u>
Excess (deficiency) of revenues and other sources over expenditures	\$ -0-
Fund balance, beginning	<u>-</u>
Fund balance, ending	<u><u>\$ -0-</u></u>

See Notes to Financial Statements.

TOWN OF ERATH, LOUISIANA
WITHHOLDING TAX FUND

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year Ended June 30, 1996

ASSETS	Balances, July 1, <u>1995</u>	<u>Additions</u>	<u>Deductions</u>	Balances, June 30, <u>1996</u>
Cash	\$ 10,608	\$ 525,362	\$ 534,400	\$ 1,570
Accounts receivable - other	169	600	-	769
Due from Sales Tax Fund	64	-	-	64
Due from Utility Fund	258	-	-	258
Due from General Fund	-	385	-	385
Due from other governmental agencies	<u>5</u>	<u>45</u>	<u>-</u>	<u>50</u>
Total assets	<u>\$ 11,104</u>	<u>\$ 526,392</u>	<u>\$ 534,400</u>	<u>\$ 3,096</u>
LIABILITIES				
Accrued payroll	\$ -	\$ 382,544	\$ 382,544	\$ -
Income taxes withheld	2,267	50,144	51,030	1,381
Social security taxes payable	-	76,775	76,496	279
Due to General Fund	1,197	-	1,197	-
Other payables	<u>7,640</u>	<u>16,929</u>	<u>23,133</u>	<u>1,436</u>
Total liabilities	<u>\$ 11,104</u>	<u>\$ 526,392</u>	<u>\$ 534,400</u>	<u>\$ 3,096</u>

See Notes to Financial Statements.

PROPRIETARY FUND TYPES
(ENTERPRISE FUNDS)

UTILITY FUND - To account for the provision of electric and water services to the residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, and billing and collection.

SEWERAGE UTILITY FUND - To account for all activities associated with the provision of sewerage services, including, but not limited to, administration, operations, maintenance, and billing and collection.

TOWN OF ERATH, LOUISIANA
ALL ENTERPRISE FUNDS

COMBINING BALANCE SHEET
June 30, 1996

With Comparative Totals for June 30, 1995

ASSETS	<u>Utility Fund</u>	<u>Sewerage Utility Fund</u>	<u>Totals</u>	
			<u>June 30, 1996</u>	<u>June 30, 1995</u>
CURRENT ASSETS				
Cash	\$ 162,120	\$ 5,989	\$ 168,109	\$ 143,839
Certificates of deposit, at cost	680,545	47,297	727,842	687,842
Accounts receivable (net)	181,472	6,568	188,040	173,212
Unbilled service receivable (net)	56,846	-	56,846	50,415
Due from other funds	<u>-</u>	<u>2,002</u>	<u>2,002</u>	<u>3,356</u>
Total current assets	<u>\$1,080,983</u>	<u>\$ 61,856</u>	<u>\$ 1,142,839</u>	<u>\$ 1,058,664</u>
RESTRICTED ASSETS				
Cash	\$ 38,005	\$ 81,993	\$ 119,998	\$ 97,078
Certificates of deposit, at cost	<u>203,560</u>	<u>47,979</u>	<u>251,539</u>	<u>251,539</u>
Total restricted assets	<u>\$ 241,565</u>	<u>\$ 129,972</u>	<u>\$ 371,537</u>	<u>\$ 348,617</u>
PROPERTY, PLANT AND EQUIPMENT				
Land	\$ -	\$ 32,253	\$ 32,253	\$ 32,253
Buildings	2,175	503,812	505,987	505,497
Improvements other than buildings	1,555,595	2,272,394	3,827,989	3,826,997
Machinery and equipment	142,891	114,816	257,707	235,682
Construction work in process	<u>196,840</u>	<u>-</u>	<u>196,840</u>	<u>-</u>
	\$1,897,501	\$2,923,275	\$ 4,820,776	\$ 4,600,429
Less accumulated depreciation	<u>(605,166)</u>	<u>(705,914)</u>	<u>(1,311,080)</u>	<u>(1,196,759)</u>
Net property, plant and equipment	<u>\$1,292,335</u>	<u>\$2,217,361</u>	<u>\$ 3,509,696</u>	<u>\$ 3,403,670</u>
Total assets	<u>\$2,614,883</u>	<u>\$2,409,189</u>	<u>\$ 5,024,072</u>	<u>\$ 4,810,951</u>

See Notes to Financial Statements.

LIABILITIES AND FUND EQUITY	Utility Fund	Sewerage Utility Fund	Totals	
			June 30, 1996	June 30, 1995
CURRENT LIABILITIES (payable from current assets)				
Accounts payable and accrued expenses	\$ 89,331	\$ 3,032	\$ 92,363	\$ 89,118
Due to other funds	80,481	15,724	96,205	54,467
AVCAP deposits	-	-	-	157
Total	<u>\$ 169,812</u>	<u>\$ 18,756</u>	<u>\$ 188,568</u>	<u>\$ 143,742</u>
CURRENT LIABILITIES (payable from restricted assets)				
Customers' deposits	\$ 58,606	\$ -	\$ 58,606	\$ 56,091
Revenue bonds payable	-	25,000	25,000	25,000
Accrued interest on bonds	-	19,750	19,750	21,000
Total	<u>\$ 58,606</u>	<u>\$ 44,750</u>	<u>\$ 103,356</u>	<u>\$ 102,091</u>
OTHER LIABILITIES				
Revenue bonds payable	\$ -0-	\$ 370,000	\$ 370,000	\$ 395,000
Total liabilities	<u>\$ 228,418</u>	<u>\$ 433,506</u>	<u>\$ 661,924</u>	<u>\$ 640,833</u>
FUND EQUITY				
Contributed capital	\$ 877,166	\$1,727,319	\$ 2,604,485	\$ 2,467,124
Retained earnings -				
Designated for system improvements	172,999	-	172,999	164,976
Reserved for revenue bond retirement	-	85,222	85,222	76,185
Unreserved, undesignated	<u>1,336,300</u>	<u>163,142</u>	<u>1,499,442</u>	<u>1,461,833</u>
Total fund equity	<u>\$2,386,465</u>	<u>\$1,975,683</u>	<u>\$ 4,362,148</u>	<u>\$ 4,170,118</u>
Total liabilities and fund equity	<u>\$2,614,883</u>	<u>\$2,409,189</u>	<u>\$ 5,024,072</u>	<u>\$ 4,810,951</u>

TOWN OF ERATH, LOUISIANA
UTILITY FUND

BALANCE SHEETS
June 30, 1996 and 1995

ASSETS	<u>1996</u>	<u>1995</u>
CURRENT ASSETS		
Cash -		
Operating account	\$ 106,878	\$ 90,930
Water well account	55,242	41,420
Certificates of deposit, at cost	680,545	640,545
Accounts receivable, net of allowance for uncollectible accounts 1996 \$1,687; 1995 \$1,687	181,472	166,965
Unbilled service receivable, net of allowance for uncollectible accounts 1996 \$509; 1995 \$509	<u>56,846</u>	<u>50,415</u>
Total current assets	<u>\$ 1,080,983</u>	<u>\$ 990,275</u>
RESTRICTED ASSETS		
Cash	\$ 38,005	\$ 22,872
Certificates of deposit, at cost	<u>203,560</u>	<u>203,560</u>
Total restricted assets	<u>\$ 241,565</u>	<u>\$ 226,432</u>
PROPERTY, PLANT AND EQUIPMENT		
Buildings	\$ 2,175	\$ 1,685
Improvements other than buildings	1,555,595	1,554,603
Machinery and equipment	142,891	138,947
Construction work in process	<u>196,840</u>	<u>-</u>
	\$ 1,897,501	\$ 1,695,235
Less accumulated depreciation	<u>(605,166)</u>	<u>(553,599)</u>
Net property, plant and equipment	<u>\$ 1,292,335</u>	<u>\$ 1,141,636</u>
 Total assets	 <u>\$ 2,614,883</u>	 <u>\$ 2,358,343</u>

See Notes to Financial Statements.

LIABILITIES AND FUND EQUITY	<u>1996</u>	<u>1995</u>
CURRENT LIABILITIES (payable from current assets)		
Accounts payable and accrued expenses	\$ 89,331	\$ 86,264
Due to other funds	80,481	42,735
AVCAP deposits	-	157
	<u>\$ 169,812</u>	<u>\$ 129,156</u>
CURRENT LIABILITIES (payable from restricted assets)		
Customers' deposits	<u>\$ 58,606</u>	<u>\$ 56,091</u>
Total liabilities	<u>\$ 228,418</u>	<u>\$ 185,247</u>
FUND EQUITY		
Contributed capital	\$ 877,166	\$ 692,846
Retained earnings -		
Designated for system improvements	172,999	164,976
Unreserved - undesignated	<u>1,336,300</u>	<u>1,315,274</u>
Total fund equity	<u>\$ 2,386,465</u>	<u>\$ 2,173,096</u>
Total liabilities and fund equity	<u>\$ 2,614,883</u>	<u>\$ 2,358,343</u>

TOWN OF ERATH, LOUISIANA
UTILITY FUND

STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS
Years Ended June 30, 1996 and 1995

	Total	
	1996	1995
Operating revenues:		
Charges for services	\$ 1,442,161	\$ 1,352,225
Penalties for delinquent payment	10,305	8,153
Miscellaneous	<u>133</u>	<u>214</u>
Total operating revenues	<u>\$ 1,452,599</u>	<u>\$ 1,360,592</u>
Operating expenses:		
Salaries	\$ 116,240	\$ 111,788
Payroll taxes	8,892	8,572
Purchase of electric power	700,343	673,115
Materials and supplies	45,190	47,121
Repairs and maintenance	6,714	13,563
Contracted repairs	1,816	1,092
Fuel	3,257	3,653
Truck rent	-	9,000
Insurance	7,283	3,979
Office supplies and postage	3,849	3,559
Telephone and utilities	23,520	20,202
Audit and accounting	17,650	16,022
Depreciation	51,567	41,311
Bad debts	1,936	3,030
Professional services	25,747	5,725
Miscellaneous	<u>5,247</u>	<u>6,120</u>
Total operating expenses	<u>\$ 1,019,251</u>	<u>\$ 967,852</u>
Income from operations	<u>\$ 433,348</u>	<u>\$ 392,740</u>
Nonoperating revenues (expenses):		
Interest revenue	\$ 49,008	\$ 40,732
Other revenue	3,020	7,184
Federal grant revenue	16,143	-
State grant revenue	4,036	-
Gain on disposal of assets	<u>-</u>	<u>4,971</u>
Total nonoperating revenues	<u>\$ 72,207</u>	<u>\$ 52,887</u>
Income before operating transfers	<u>\$ 505,555</u>	<u>\$ 445,627</u>
Operating transfers (out):		
Transfer to General Fund	\$ (455,000)	\$ (235,000)
Transfer to Sewer Utility	(30,000)	(35,000)
Transfer to LCDBG - Water Project Fund	<u>(4,026)</u>	<u>-</u>
Total operating transfers (out)	<u>\$ (489,026)</u>	<u>\$ (270,000)</u>
Net income	<u>\$ 16,529</u>	<u>\$ 175,627</u>

<u>Electric</u>		<u>Water</u>	
<u>1996</u>	<u>1995</u>	<u>1996</u>	<u>1995</u>
\$1,381,709	\$1,292,318	\$ 60,452	\$ 59,907
10,305	8,153	-	-
133	214	-	-
<u>\$1,392,147</u>	<u>\$1,300,685</u>	<u>\$ 60,452</u>	<u>\$ 59,907</u>
\$ 73,202	\$ 64,919	\$ 43,038	\$ 46,869
5,600	4,984	3,292	3,588
700,343	673,115	-	-
32,590	34,648	12,600	12,473
1,340	2,319	5,374	11,244
1,724	592	92	500
1,682	1,984	1,575	1,669
-	9,000	-	-
6,667	3,337	616	642
3,849	3,559	-	-
2,152	1,677	21,368	18,525
8,825	8,011	8,825	8,011
23,084	11,893	28,483	29,418
1,729	2,901	207	129
25,263	1,704	484	4,021
3,237	4,552	2,010	1,568
<u>\$ 891,287</u>	<u>\$ 829,195</u>	<u>\$ 127,964</u>	<u>\$ 138,657</u>
<u>\$ 500,860</u>	<u>\$ 471,490</u>	<u>\$ (67,512)</u>	<u>\$ (78,750)</u>

(continued)

TOWN OF ERATH, LOUISIANA
UTILITY FUND

STATEMENTS OF CASH FLOWS
Years Ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income	\$ 433,348	\$ 392,741
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	51,567	41,311
Grant revenue	20,179	-
Other	3,020	7,247
Changes in assets and liabilities:		
Decrease (increase) in assets -		
Accounts receivable	(14,507)	(9,406)
Due from other governmental agencies	-	89,124
Unbilled service	(6,431)	2,728
Due from other funds	-	124
Increase (decrease) in liabilities -		
Accounts payable and accrued expenses	3,067	(14,532)
Due to other funds	37,746	14,176
AVCAP deposits	(157)	(1,262)
Accrued facilities charge	-	(19,590)
Net cash provided by operating activities	<u>\$ 527,832</u>	<u>\$ 502,661</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers to other funds	\$ (489,026)	\$ (270,000)
Increase in customer deposits, net of refunds	<u>2,515</u>	<u>(315)</u>
Net cash used in noncapital financing activities	<u>\$ (486,511)</u>	<u>\$ (270,315)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	\$ (5,426)	\$ (276,776)
Construction grants received	-	64,839
Proceeds received from sale of capital assets	<u>-</u>	<u>6,150</u>
Net cash used in capital financing activities	<u>\$ (5,426)</u>	<u>\$ (205,787)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investment securities, net	\$ (40,000)	\$ (135,000)
Interest on investments	49,008	40,732
Maturity of investment	<u>-</u>	<u>60,000</u>
Net cash provided by (used in) investing activities	<u>\$ 9,008</u>	<u>\$ (34,268)</u>
Increase (decrease) in cash and cash equivalents	<u>\$ 44,903</u>	<u>\$ (7,709)</u>

(continued)

TOWN OF ERATH, LOUISIANA
SPECIAL REVENUE FUNDS
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

	<u>1996</u>		Variance -	
	<u>Budget</u>	<u>Actual</u>	Favorable	1995
			(Unfavorable)	<u>Actual</u>
Revenues:				
Taxes -				
Sales taxes collected	\$ 131,000	\$ 167,921	\$ 36,921	\$ 143,285
Interest	200	386	186	332
Miscellaneous -				
Maintenance agreement	3,200	5,627	2,427	1,616
Other	500	-	(500)	-
Total revenues	<u>\$ 134,900</u>	<u>\$ 173,934</u>	<u>\$ 39,034</u>	<u>\$ 145,233</u>
Expenditures:				
Current -				
General government				
(financial administration):				
Auditing, accounting				
and legal	\$ 1,750	\$ 1,663	\$ 87	\$ 1,778
Office supplies	-	335	(335)	197
	<u>\$ 1,750</u>	<u>\$ 1,998</u>	<u>\$ (248)</u>	<u>\$ 1,975</u>
Public works (streets				
and bridges):				
Street commissioner's				
salary	\$ 9,119	\$ 8,914	\$ 205	\$ 8,532
Other salaries and wages	67,496	67,499	(3)	40,302
Payroll taxes	5,861	6,076	(215)	3,949
Commissioner's allowance	4,050	3,770	280	2,780
Insurance	1,000	2,024	(1,024)	878
Materials and supplies	15,000	32,908	(17,908)	29,719
Utilities	-	926	(926)	49
Telephone expense	-	732	(732)	232
Capital outlays	18,899	26,765	(7,866)	7,298
Repairs and maintenance	4,500	13,731	(9,231)	9,700
Street lighting material	-	350	(350)	1,147

(continued)

TOWN OF ERATH, LOUISIANA
GENERAL FUND

SCHEDULE OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 1996
With Comparative Actual Amounts for Year Ended June 30, 1995

	<u>1996</u>		Variance - Favorable (Unfavorable)	<u>1995 Actual</u>
	<u>Budget</u>	<u>Actual</u>		
Taxes -				
General ad valorem	\$ 15,200	\$ 16,066	\$ 866	\$ 15,957
Gas franchise tax	11,500	11,263	(237)	11,582
Cable franchise tax	1,800	1,770	(30)	1,708
Licenses and permits -				
Occupational licenses	13,000	12,465	(535)	11,806
Insurance licenses	38,000	49,114	11,114	55,434
Building permits	500	650	150	453
Liquor permits	550	550	-	440
Intergovernmental -				
Tobacco tax	11,000	12,631	1,631	12,651
Liquor tax	4,500	6,128	1,628	4,070
Housing Authority payment in lieu of taxes	4,000	4,686	686	4,341
State revenue sharing	6,500	7,369	869	7,666
Grants - state	-	20,000	20,000	-
Video draw poker	30,000	32,400	2,400	32,879
Charges for services -				
Garbage collection	-	-	-	18,144
Mowing fees	2,400	50	(2,350)	4,010
Police accident reports	-	102	102	-
Fines	16,000	12,118	(3,882)	10,144
Miscellaneous -				
Rent income (Post Office)	6,600	6,600	-	6,050
Other	<u>1,500</u>	<u>12,500</u>	<u>11,000</u>	<u>7,813</u>
Total revenues	<u>\$ 163,050</u>	<u>\$ 206,462</u>	<u>\$ 43,412</u>	<u>\$ 205,148</u>

TOWN OF ERATH, LOUISIANA
GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 1996
With Comparative Actual Amounts for Year Ended June 30, 1995

	<u>1996</u>		Variance - Favorable (Unfavorable)	<u>1995 Actual</u>
	<u>Budget</u>	<u>Actual</u>		
General government:				
Mayor's salary	\$ 6,294	\$ 4,983	\$ 1,311	\$ 5,029
Councilmen's salaries	12,424	12,425	(1)	12,360
Other salaries	23,400	22,205	1,195	24,265
Payroll taxes	3,222	3,892	(670)	3,278
Group insurance	30,000	23,616	6,384	32,991
Printing, stationery and supplies	4,000	7,118	(3,118)	5,363
Building maintenance and repairs	4,000	3,089	911	8,625
Audit and accounting	8,500	9,490	(990)	7,942
General insurance	6,000	5,564	436	5,660
Mayor's expenses	1,200	1,246	(46)	1,200
Dues and subscriptions	500	843	(343)	487
Telephone	2,500	3,523	(1,023)	2,097
Utilities	2,750	3,190	(440)	2,748
Publication of minutes	1,250	2,439	(1,189)	1,468
Tax roll preparation	890	1,016	(126)	471
Legal fees	6,500	9,762	(3,262)	6,978
Miscellaneous	3,030	7,186	(4,156)	8,251
Capital outlays	16,347	19,304	(2,957)	1,228
Equipment repairs and maintenance	750	71	679	80
Autopsy fees	6,000	4,093	1,907	647
General liability insurance	<u>10,000</u>	<u>15,358</u>	<u>(5,358)</u>	<u>14,003</u>
Total general government	<u>\$ 149,557</u>	<u>\$ 160,413</u>	<u>\$ (10,856)</u>	<u>\$ 145,171</u>

(continued)

TOWN OF ERATH, LOUISIANA
GENERAL FUND

SCHEDULE 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 department -				
Chief of Police's salary	\$ 22,600	\$ 21,450	\$ 1,150	\$ 16,972
Other salaries	127,872	149,583	(21,711)	111,442
Payroll taxes	11,419	13,154	(1,735)	10,952
Police retirement	2,153	2,998	(845)	2,980
Uniforms	4,000	2,626	1,374	5,076
Auto expenses	10,000	9,397	603	7,621
Building maintenance and repairs	1,300	5,650	(4,350)	1,186
Auto repairs and maintenance	6,500	5,604	896	7,874
Materials and supplies	1,000	1,732	(732)	435
Utilities	3,000	3,783	(783)	3,091
Telephone	2,000	2,534	(534)	2,509
General insurance	11,400	14,132	(2,732)	9,942
Radio repairs	1,000	1,411	(411)	1,389
Office expense	1,000	3,716	(2,716)	1,792
Conventions and schools	4,200	3,340	860	808
Capital outlays	28,300	29,177	(877)	20,402
Miscellaneous	6,335	5,375	960	4,390
Total police department	<u>\$ 244,079</u>	<u>\$ 275,662</u>	<u>\$ (31,583)</u>	<u>\$ 208,861</u>
Fire department -				
Salaries	\$ -	\$ 2,385	\$ (2,385)	\$ 17,030
Payroll taxes	-	-	-	1,378
Firemen's car allowance	-	-	-	637
Firemen's suppers	-	1,200	(1,200)	1,200
Total fire department	<u>\$ -0-</u>	<u>\$ 3,585</u>	<u>\$ (3,585)</u>	<u>\$ 20,245</u>
Total public safety	<u>\$ 244,079</u>	<u>\$ 279,247</u>	<u>\$ (35,168)</u>	<u>\$ 229,106</u>

(continued)

TOWN OF ERATH, LOUISIANA
GENERAL FUND

SCHEDULE 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		
Sanitation:				
Salaries and wages	\$ -	\$ -	\$ -	\$ 15,559
Payroll taxes	-	-	-	1,191
Materials and supplies	-	-	-	221
Truck expense	-	-	-	3,440
Equipment repairs and maintenance	-	-	-	626
Fuel and oil	-	-	-	613
Utilities	-	-	-	361
Miscellaneous	-	142	(142)	84
Total sanitation	\$ -0-	\$ 142	\$ (142)	\$ 22,095
Health and welfare:				
Rabies and pest control	\$ 2,500	\$ 2,500	\$ -	\$ 2,500
Meals on wheels	1,892	1,892	-	1,892
Total health and welfare	\$ 4,392	\$ 4,392	\$ -0-	\$ 4,392
Culture and recreation:				
Salaries	\$ 14,040	\$ 8,196	\$ 5,844	\$ 13,791
Payroll taxes	1,074	627	447	1,055
Materials and supplies	500	948	(448)	489
Utilities	800	866	(66)	795
Miscellaneous	250	784	(534)	447
Equipment repairs and maintenance	250	145	105	125
Building repairs and maintenance	150	28	122	86
Equipment fuel and oil	150	97	53	176
Capital outlays	25,000	25,238	(238)	5,250
Total culture and recreation	\$ 42,214	\$ 36,929	\$ 5,285	\$ 22,214
Miscellaneous:				
Workmen's compensation insurance	\$ 32,500	\$ 44,285	\$ (11,785)	\$ 32,718
Total expenditures	\$ 472,742	\$ 525,408	\$ (52,666)	\$ 455,696

SPECIAL REVENUE FUNDS

SALES TAX FUND - To account for the receipt and use of proceeds of the Town's 1% sales and use tax. These taxes are dedicated to acquisition, improvement and maintenance of drainage facilities, streets (including street lighting facilities), sidewalks, sewers and sewerage disposal works, public buildings and/or fire department stations and equipment, and for paying principal and interest on any bonded or funded indebtedness of the Town.

SPECIAL PARISH TAX FUND - To account for the receipt and expenditure of an appropriation from the Vermilion Parish Police Jury derived from a special 1/2 cent parish sales and use tax. These funds are dedicated to constructing, acquiring, improving and/or maintaining fire department facilities and equipment.

TOWN OF ERATH, LOUISIANA
SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET
June 30, 1996

With Comparative Totals for June 30, 1995

ASSETS	<u>Sales Tax</u>
Cash in bank	\$ 2,555
Certificates of deposit, at cost	8,316
Due from other governmental agencies	13,065
Due from General Fund	-
Due from Utility Fund	68,087
Due from Sewerage Utility Fund	<u>15,724</u>
Total assets	<u>\$ 107,747</u>
 LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 4,101
Due to General Fund	448
Due to Withholding Tax Fund	<u>64</u>
Total liabilities	\$ 4,613
Fund balances:	
Unreserved and undesignated	<u>103,134</u>
Total liabilities and fund balances	<u>\$ 107,747</u>

See Notes to Financial Statements.

Special Parish Tax	Totals	
	June 30, 1996	June 30, 1995
\$ 903	\$ 3,458	\$ 33,271
-	8,316	7,930
-	13,065	11,930
-	-	1,576
-	68,087	37,395
-	<u>15,724</u>	<u>11,732</u>
<u>\$ 903</u>	<u>\$ 108,650</u>	<u>\$ 103,834</u>
\$ 553	\$ 4,654	\$ 12,165
350	798	4,015
-	<u>64</u>	<u>64</u>
\$ 903	\$ 5,516	\$ 16,244
-	<u>103,134</u>	<u>87,590</u>
<u>\$ 903</u>	<u>\$ 108,650</u>	<u>\$ 103,834</u>

TOWN OF ERATH, LOUISIANA
SEWERAGE UTILITY FUND

STATEMENTS OF CASH FLOWS
Years Ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating loss	\$ (82,315)	\$ (80,097)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:		
Depreciation	62,754	62,114
Other	-	288
Changes in assets and liabilities:		
Decrease (increase) in assets -		
Accounts receivable	(321)	(44)
Due from other funds	1,354	(362)
Increase (decrease) in liabilities -		
Accounts payable	178	(2,550)
Due to other funds	<u>3,992</u>	<u>3,674</u>
Net cash used in operating activities	<u>\$ (14,358)</u>	<u>\$ (16,977)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers from other funds	<u>\$ 74,750</u>	<u>\$ 81,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	\$ (18,081)	\$ (8,870)
Principal paid on revenue bond maturities	(25,000)	(25,000)
Interest paid on revenue bonds	<u>(21,000)</u>	<u>(22,250)</u>
Net cash used in capital and related financing activities	<u>\$ (64,081)</u>	<u>\$ (56,120)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	<u>\$ 5,976</u>	<u>\$ 5,113</u>
Increase in cash and cash equivalents	\$ 2,287	\$ 13,016
Cash and cash equivalents at beginning of year	<u>85,695</u>	<u>72,679</u>
Cash and cash equivalents at end of year	<u>\$ 87,982</u>	<u>\$ 85,695</u>
Cash and cash equivalents shown on balance sheet as:		
Current assets: Cash	\$ 5,989	\$ 11,489
Restricted assets: Cash	<u>81,993</u>	<u>74,206</u>
Total	<u>\$ 87,982</u>	<u>\$ 85,695</u>

See Notes to Financial Statements.

Special Parish Tax	Totals	
	1996	1995
\$ -	\$ 167,921	\$ 143,285
162,299	162,299	14,083
-	386	332
<u>12,000</u>	<u>17,627</u>	<u>1,616</u>
<u>\$ 174,299</u>	<u>\$ 348,233</u>	<u>\$ 159,316</u>
\$ 244	\$ 2,242	\$ 2,081
224,860	224,860	38,724
-	170,135	109,825
<u>\$ 225,104</u>	<u>\$ 397,237</u>	<u>\$ 150,630</u>
\$ (50,805)	\$ (49,004)	\$ 8,686
\$ 50,805	\$ 110,805	\$ 24,747
-	(46,257)	(46,000)
-	-	2,113
<u>\$ 50,805</u>	<u>\$ 64,548</u>	<u>\$ (19,140)</u>
\$ -0-	\$ 15,544	\$ (10,454)
-	87,590	98,044
<u>\$ -0-</u>	<u>\$ 103,134</u>	<u>\$ 87,590</u>

FIDUCIARY FUND TYPE
(AGENCY FUND)

WITHHOLDING TAX FUND - To account for the payment of payrolls and related taxes.

TOWN OF ERATH, LOUISIANA
SPECIAL REVENUE FUNDS
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		
Public works (streets and bridges) (cont.):				
Fuel and oil	1,750	5,345	(3,595)	2,489
Professional services	250	266	(16)	1,327
Miscellaneous	375	829	(454)	1,423
	<u>\$ 128,300</u>	<u>\$ 170,135</u>	<u>\$ (41,835)</u>	<u>\$ 109,825</u>
Total expenditures	<u>\$ 130,050</u>	<u>\$ 172,133</u>	<u>\$ (42,083)</u>	<u>\$ 111,800</u>
Excess of revenues over expenditures	<u>\$ 4,850</u>	<u>\$ 1,801</u>	<u>\$ (3,049)</u>	<u>\$ 33,433</u>
Other financing sources (uses):				
Operating transfers in -				
General Fund	\$ 40,000	\$ 60,000	\$ 20,000	\$ -
Operating transfers out -				
Sewerage Utility Fund	(40,000)	(44,750)	(4,750)	(46,000)
LCDBG - Water Project Fund	-	(1,507)	(1,507)	-
Proceeds from sale of equipment	-	-	-	2,113
Total other financing sources (uses)	<u>\$ -0-</u>	<u>\$ 13,743</u>	<u>\$ 13,743</u>	<u>\$ (43,887)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ 4,850</u>	<u>\$ 15,544</u>	<u>\$ 10,694</u>	<u>\$ (10,454)</u>
Fund balance, beginning	<u>82,299</u>	<u>87,590</u>	<u>5,291</u>	<u>98,044</u>
Fund balance, ending	<u>\$ 87,149</u>	<u>\$ 103,134</u>	<u>\$ 15,985</u>	<u>\$ 87,590</u>

See Notes to Financial Statements.

TOWN OF ERATH, LOUISIANA
SPECIAL REVENUE FUNDS
SPECIAL PARISH 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

	<u>1996</u>		Variance -	
	<u>Budget</u>	<u>Actual</u>	Favorable	1995
			(Unfavorable)	<u>Actual</u>
Revenues:				
Intergovernmental -				
Appropriation from Vermilion				
Parish Police Jury:				
Special parish tax	\$ 9,450	\$ 24,164	\$ 14,714	\$ 14,083
Other	-	138,135	138,135	-
Miscellaneous	<u>500</u>	<u>12,000</u>	<u>11,500</u>	<u>-</u>
Total revenues	<u>\$ 9,950</u>	<u>\$ 174,299</u>	<u>\$ 164,349</u>	<u>\$ 14,083</u>
Expenditures:				
Current -				
General government:				
Audit and accounting	\$ 150	\$ 244	\$ (94)	\$ 106
Public safety (fire department):				
Salaries	23,720	18,200	5,520	-
Payroll taxes	1,815	1,407	408	-
Training	4,000	3,989	11	3,055
Firemen's suppers	1,200	-	1,200	-
Materials and supplies	1,000	662	338	1,812
Firemen's car allowance	1,800	1,800	-	1,050
Truck expense	6,500	7,031	(531)	9,678
Insurance	8,000	10,113	(2,113)	8,046
Telephone	2,500	2,535	(35)	2,437
Uniforms	1,500	285	1,215	1,872
Building repair and maintenance	2,500	581	1,919	1,482
Gas	500	605	(105)	339
Utilities	300	479	(179)	281
Miscellaneous	2,500	731	1,769	1,025
Capital outlays	25,315	174,577	(149,262)	6,628
Radio maintenance	<u>1,500</u>	<u>1,865</u>	<u>(365)</u>	<u>1,019</u>
Total expenditures	<u>\$ 84,800</u>	<u>\$ 225,104</u>	<u>\$ (140,304)</u>	<u>\$ 38,830</u>

(continued)

TOWN OF ERATH, LOUISIANA
SPECIAL REVENUE FUNDS
SPECIAL PARISH 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 <u>Actual</u>
	Budget	Actual		
Deficiency of revenues over expenditures	\$ (74,850)	\$ (50,805)	\$ 24,045	\$ (24,747)
Other financing sources:				
Transfer from General Fund	<u>74,850</u>	<u>50,805</u>	<u>(24,045)</u>	<u>24,747</u>
Excess (deficiency) of revenues and other sources over expenditures	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, ending	<u><u>\$ -0-</u></u>	<u><u>\$ -0-</u></u>	<u><u>\$ -0-</u></u>	<u><u>\$ -0-</u></u>

See Notes to Financial Statements.

CAPITAL PROJECTS FUND

LCDBG - Water Project Fund - To account for water system improvements financed by a federal grant and a match from the Town.

TOWN OF ERATH, LOUISIANA
CAPITAL PROJECTS FUND
LCDBG - WATER PROJECT FUND

BALANCE SHEET
June 30, 1996

ASSETS

Due from other governmental agencies	<u>\$ 44,224</u>
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LIABILITIES AND FUND BALANCE

Contracts payable	\$ 44,224
Fund balance	<u>-</u>

Total liabilities and fund balance	<u>\$ 44,224</u>
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See Notes to Financial Statements.

GENERAL FIXED ASSETS
ACCOUNT GROUP

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

TOWN OF ERATH, 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

	Sales <u>Tax</u>
Revenues:	
Taxes	\$ 167,921
Intergovernmental	-
Interest	386
Miscellaneous	<u>5,627</u>
Total revenues	<u>\$ 173,934</u>
Expenditures:	
Current -	
General government	\$ 1,998
Public safety - fire	-
Public works	<u>170,135</u>
Total expenditures	<u>\$ 172,133</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 1,801</u>
Other financing sources (uses):	
Operating transfers in	\$ 60,000
Operating transfers out	(46,257)
Proceeds from sale of equipment	-
Total other financing sources (uses)	<u>\$ 13,743</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ 15,544
Fund balances (deficits), beginning	<u>87,590</u>
Fund balances, ending	<u><u>\$ 103,134</u></u>

See Notes to Financial Statements.