

Town of Pearl River, Louisiana

ENTERPRISE FUND
UTILITY SYSTEMS

SCHEDULE OF OPERATING EXPENSES

For the Year Ended December 31, 1995

Administrative and General:	
Salaries	\$ 31,762
Payroll taxes	2,659
Workmen's compensation insurance	2,395
Group insurance	232
Insurance	2,730
Postage	1,553
Accounting	1,350
Office supplies	<u>482</u>
Total	<u>\$ 43,163</u>
Sewerage System:	
Repairs and maintenance	\$ 16,096
Utilities	13,309
Contract labor	11,280
Chemicals	4,590
Supplies	3,093
Lab testing	2,620
Vehicle expenses	1,119
State permit	706
Other	576
Lubricants	<u>547</u>
Total	<u>\$ 53,936</u>

Town of Pearl River, Louisiana
SCHEDULE OF GENERAL FIXED ASSETS

December 31, 1995

GENERAL FIXED ASSETS	
Buildings	\$ 144,402
Land	45,651
Equipment and machinery	<u>169,697</u>
Total general fixed assets	<u>\$ 359,750</u>
INVESTMENT IN GENERAL FIXED ASSETS FROM	
General Fund	<u>\$ 359,750</u>
Total investment in general fixed assets	<u>\$ 359,750</u>

Town of Pearl River, Louisiana

ENTERPRISE FUND
UTILITY SYSTEM

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

For the Year Ended December 31, 1995

<u>Federal Agency/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:Nonmajor: Community Development Block Grant (Small Cities Program - 1995)	14.219	<u>\$172,245</u>

Town of Pearl River, Louisiana

SCHEDULE OF UTILITY RATES

December 31, 1995

Sewer charges:

Single Family Residential	- \$19.25
Multi-Family Residential	- \$19.25 x No. Of Units
School	- \$30.00 + .50 per Student and Staff
Commercial	- \$30.00

Town of Pearl River, Louisiana

SCHEDULE OF GOVERNING BOARD

December 31, 1995

<u>Board of Aldermen</u>	<u>Term of Office</u>	<u>Compensation</u>
David McQueen, Mayor Pro-Tem Town of Pearl River Pearl River, LA 70452	December 31, 1998	\$ 2,400
Pat Walsh Town of Pearl River Pearl River, LA 70452	December 31, 1998	\$ 2,400
Billy Blackwell Town of Pearl River Pearl River, LA 70452	December 31, 1998	\$ 2,400
Theresa Zechenelly Town of Pearl River Pearl River, LA 70452	December 31, 1998	\$ 2,400
Richard Karchner Town of Pearl River Pearl River, LA 70452	December 31, 1998	\$ 2,400

Town of Pearl River, Louisiana

SCHEDULE OF INSURANCE COVERAGE

December 31, 1995

<u>Coverage</u>	<u>Amount of Coverage</u>
Property and contents (aggregate)	\$ 571,571
Fidelity	
Mayor	\$ 80,000
Town clerk	80,000
Liability	
General	\$ 500,000
Auto	500,000
Error and omissions	500,000
Law enforcement	500,000

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH LAWS AND REGULATIONS

The Honorable Mayor and Board of Aldermen
Pearl River, Louisiana

We have audited the primary government financial statements of Town of Pearl River, Louisiana, as of and for the year ended December 31, 1995 and have issued our report thereon dated March 26, 1996.

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

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

Material instances of compliance are failures to follow requirements, or violations of prohibitions, contained in statutes or regulations that cause us to conclude that the aggregation of the misstatements resulting from those failures or violations is material to the primary government financial statements. The results of our tests of compliance disclosed the following instance of noncompliance:

According to Article VII, Section 14 of the 1974 Louisiana Constitution, payments should not be made to employees in lieu of vacation. During 1995, the Town paid police department employees their vacation pay while the employees continued working. We have advised Town officials of the provisions of Article VII, Section 14, and the importance of their compliance. The Town has subsequently implemented procedures to insure compliance with Article VII, Section 14.

The Honorable Mayor and Board of Aldermen
Pearl River, Louisiana
Page 2

We considered this instance of non-compliance in forming our opinion on whether the 1995 primary government financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles.

Except as described above, the results of our tests indicate that, with respect to the items tested, the Town of Pearl River, Louisiana, complied, in all material respects, with the provisions referred to in the third paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe the Town had not complied, in all material respects, with those provisions.

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

Smith, Hoval & Hatchiff, C.C.C.

March 26, 1996

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL

The Honorable Mayor and Board of Aldermen
Pearl River, Louisiana

We have audited the primary government financial statements of Town of Pearl River, Louisiana for the year ended December 31, 1995 and have issued our report thereon dated March 26, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States; the provisions of the Compliance Supplement for Single Audits of State and Local Governments; and Circular A-128, Audits of State and Local Governments, published by the Office of Management and Budget. Those standards 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 Pearl River, 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.

In planning and performing our audit of the primary government financial statements of Town of Pearl River, Louisiana, for the year ended December 31, 1995, we obtained an understanding of its internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and

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

The Honorable Mayor and Board of Aldermen
Pear River, Louisiana

We have audited the primary government financial statements of the Town of Pearl River, Louisiana, as of and for the year ended December 31, 1995, and have issued our report thereon dated March 26, 1996.

We conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and about whether the Town of Pearl River, Louisiana complied with laws and regulations, noncompliance with which would be material to a federal financial assistance program.

In planning and performing our audit for the year ended December 31, 1995, we considered the internal control structure of the Town of Pearl River, Louisiana in order to determine our auditing procedures for the purpose of expressing our opinion on the Town of Abita Springs, Louisiana's financial statements and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the financial statements in a separate report dated March 26, 1996.

The management of the Town of Pearl River, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling that responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control 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

The Honorable Mayor and Board of Aldermen
Pearl River, Louisiana

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 into the following categories: Accounting controls - cash receipts, cash disbursements, budgeting, payroll, property and equipment, and electronic data processing; Administrative controls - political activities, civil rights, cash management, federal financial reporting, allowable cost, drug free workplace, administrative requirements, types of service allowed or unallowed, matching, level of effort or earmarking, and claims for advances and reimbursements.

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

During the year ended December 31, 1995, the Town of Pearl River, Louisiana expended 100 percent of its total federal financial assistance under the following nonmajor federal financial assistance programs:

- U. S. Department of Housing and Urban Development
Louisiana Community Development Block Grant

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we have considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the aforementioned nonmajor programs. 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 an opinion.

The Honorable Mayor and Board of Aldermen
Pearl River, Louisiana

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

Smith, Hoval & Kitchell, C.L.C.

March 26, 1996

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO NON-MAJOR FEDERAL FINANCIAL AWARD PROGRAMS

The Honorable Mayor and Board of Aldermen
Pearl River, Louisiana

We have audited the primary government financial statements of the Town of Pearl River, Louisiana, for the year ended December 31, 1995, and have issued our report thereon dated March 26, 1996.

In connection with our audit of the primary government financial statements of the Town of Pearl River, Louisiana, and with our consideration of the town of Pearl River, Louisiana's control structure used to administer federal financial assistance programs, as required by Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments, we selected certain transactions applicable to certain non-major federal financial assistance programs for the year ended December 31, 1995. As required by OMB Circular A-128, we performed auditing procedures to test compliance with the requirements governing allowable costs, reporting, claims for advances and reimbursements, matching and special requirements that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Town of Pearl River, Louisiana's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of our procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the town of Pearl River, Louisiana had not complied, in all material respects, with those requirements.

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

Smith, Huval & Ratcliff, L.L.C.

March 26, 1996

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH GENERAL REQUIREMENTS APPLICABLE TO NON-MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS

The Honorable Mayor and Board of Aldermen
Pearl River, Louisiana

We have audited the primary government financial statements of the Town of Pearl River, Louisiana, as of and for the year ended December 31, 1995, and have issued our report thereon dated March 26, 1996.

We have applied procedures to test the Town of Pearl River, Louisiana's compliance with the following general requirements applicable to its federal programs, which are identified in the accompanying schedule of federal financial assistance for the year ended December 31, 1995. For the purpose of this report we have classified the general requirements applicable to the Town of Pearl River's federal financial awards programs as political activity, civil rights, cash management, federal financial reports, allowable costs, Davis Bacon act, and drug-free workplace.

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

With respect to the items tested, the results of those procedures 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 Pearl River, Louisiana, has not complied, in all material respects, with those requirements.

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

Smith, Huval & Ratcliff, L.L.C.

March 26, 1996

TOWN OF PEARL RIVER
PEARL RIVER, LOUISIANA

RECOMMENDATIONS
FOR IMPROVEMENTS IN
INTERNAL ACCOUNTING CONTROLS OF
TOWN OF PEARL RIVER, LOUISIANA

DECEMBER 31, 1995

C O N T E N T S

	Page
COMMENT LETTER	3
COMMENTS	
FIDELITY BOND COVERAGE	4
ACCOUNTING POLICIES	4
UNIFORM ALLOWANCE	4

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March 26, 1996

To the Honorable Mayor and
Board of Aldermen
Town of Pearl River, Louisiana

Gentlemen:

In planning and performing our audit of the primary government financial statements of the Town of Pearl River, Louisiana, for the year ended December 31, 1995, we considered the Town's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure. Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses and/or reportable conditions under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation 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. A reportable condition involves matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the Town's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. We noted no matters involving the internal control structure and its operations that we consider to be a material weakness and/or a reportable condition as defined above during our audit. However, we did note certain matters involving the Town's internal control structure and its operation that we feel the following recommendations would improve.

Town of Pearl River
March 26, 1996

Fidelity Bond Coverage

Comment:

During our review of the Town's insurance coverage, we noted that not all employees who handle cash are covered under the Fidelity Bond. In order to prevent a loss to the Town, we suggest the Town amend its Fidelity Bond coverage to include all employees who handle cash.

Response:

The Town intends to insure all employees, who handle cash, under their Fidelity Bond policy.

Accounting Policies

Comment:

During the audit, we noted the Town does not maintain a written set of accounting procedures for the governmental funds, nor are all office employees cross-trained to perform the day-to-day accounting functions. We recommend the Town establish written accounting procedures and cross-train office personnel to perform daily accounting duties.

Response:

The Town has implemented some cross-training procedures and intends to prepare a written set of accounting procedures.

Uniform Allowance

Comment:

The Town provides police department employees with an allowance for uniforms; however, the Town does not require employees to provide receipts substantiating the costs associated with the uniforms. Because the amount of reimbursement exceeding expenses incurred is taxable to the employee, we recommend the Town institute a policy requiring employees to turn in receipts for uniform costs once per year and any reimbursement amount that exceeds costs incurred be included on the employee's W-2.

Response:

The Town intends to require police department employees to turn in all receipts relating to their cost associated with uniform and other police related cost they may incur to substantiate their reimbursement received.

Town of Pearl River
March 26, 1996

This letter is intended for the information of management and others within the organization as well as the Office of Community Development, Farmers' Home Administration, and the Louisiana Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record. We wish to express our appreciation for the cooperation and courtesies extended to us by the management and employees of the Town of Pearl River, Louisiana, and look forward to working with you in the future.

Sincerely,

Smith, Huval & Ratcliff, L.L.C.

SMITH, HUVAL & RATCLIFF, L.L.C.

Local Government
800-842-0131

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TOWN OF PEARL RIVER
PEARL RIVER, LOUISIANA

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS'
REPORT WITH SUPPLEMENTAL INFORMATION

DECEMBER 31, 1995

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 8-14-96

C O N T E N T S

	PAGE
INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS	4
PRIMARY GOVERNMENT FINANCIAL STATEMENTS (COMBINED STATEMENTS - OVERVIEW)	
Combined balance sheet - all fund types and account groups	7
Combined statement of revenues, expenditures, and changes in fund balances - all governmental fund types	9
Combined statement of revenues, expenditures, and changes in fund balances - budget (GAAP basis) and actual - general and special revenue fund types	10
Statement of revenues, expenses, and changes in retained earnings - proprietary fund type	11
Statement of cash flows - proprietary fund type	12
Notes to financial statements	13
SUPPLEMENTAL INFORMATION	
General Fund:	
Schedule of revenues	28
Schedule of expenditures	29
Special Revenue Funds:	
Combining balance sheet	30
Combining statement of revenues, expenditures, and changes in fund balances	31
Sales Tax Fund:	
Schedule of expenditures	32
Police Fund:	
Schedule of expenditures	33
Enterprise Fund - Utility Systems:	
Schedule of operating expenses	34
Schedule of general fixed assets	35

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INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Board of Aldermen
Town of Pearl River, Louisiana

We have audited the accompanying primary government financial statements of the Town of Pearl River, Louisiana, as of and for the year ended December 31, 1995, as listed in the table of contents. These financial statements are the responsibility of the Town'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 and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the primary government financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments and offices that are not legally separate. Such legally separate entities are referred to as component units. In our opinion, the primary government financial statements present fairly, in all material respects, the financial position of the primary government of the Town of Pearl River, Louisiana, as of December 31, 1995, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

The Honorable Mayor and Board of Aldermen
Pearl River, Louisiana

However, the primary government financial statements, because they do not include the financial data of the Housing Authority of the Town of Pearl River (the only component unit of the Town of Pearl River, Louisiana), do not purport to, and do not, present fairly the financial position of the Town of Pearl River, Louisiana, as of December 31, 1995, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the primary government financial statements taken as a whole. The accompanying financial information listed as supporting schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of Town of Pearl River, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the primary government financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements of each of the respective individual funds and account groups taken as a whole.

In accordance with Government Auditing Standards, we have also issued a report dated March 26, 1996 on our consideration of the Town of Pearl River's internal control structure and a report dated March 26, 1996, on its compliance with laws and regulations.

Smith, Hoval & Ratcliff, C.L.C.

March 26, 1996

PRIMARY GOVERNMENT FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

Town of Pearl River, Louisiana

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

December 31, 1995

	Governmental Fund Types		Proprietary Fund Type		Account Groups			Total
	General	Special Revenue	Enterprise	General Fixed Assets	General Long-Term Debt	(Memorandum Only) 1995		
ASSETS								
Cash on hand and in bank	133,847	\$ 66,175	\$ 38,085	\$	\$		238,107	
Certificates of deposit	36,000		73,834				109,834	
Receivables								
Property taxes	23,423						23,423	
Sales taxes		19,602					19,602	
Other taxes	19,812						19,812	
Accounts receivable, net			17,323				17,323	
Interest receivable	797		4,357				5,154	
Other receivable		1,932					1,932	
Restricted assets:								
Revenue Bond Sinking Fund								
Cash			125,776				125,776	
Revenue Bond Reserve Fund								
Cash			23,197				23,197	
Depreciation and Contingency Fund								
Cash			35,472				35,472	
Certificate of deposit - contingency							20,000	
Certificate of deposit - water system	20,000		177,349				177,349	
Cash - block grant			62,209				62,209	
Fixed assets - net of depreciation			3,259,536	359,750			3,619,286	
Other assets:								
Amount to be provided for retirement of capital lease					4,168		4,168	
	<u>233,879</u>	<u>\$ 87,709</u>	<u>\$ 3,817,138</u>	<u>\$ 359,750</u>	<u>\$ 4,168</u>		<u>4,502,644</u>	

The accompanying notes are an integral part of this statement.

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS (CONTINUED)

December 31, 1995

	Governmental Fund Types		Proprietary Fund Type	Account Groups			Total
	General	Special Revenue		Enterprise	General Fixed Assets	General Long-Term Debt	
LIABILITIES AND FUND EQUITY							
Current liabilities:							
Accounts payable	\$	\$	4,353	\$	\$	\$	4,353
Payroll taxes and retirement payable		310					310
Deferred revenue			13,844				13,844
Payable from restricted assets:							
Accounts payable - block grant			62,209				62,209
Interest payable on revenue bonds			40,477				40,477
Revenue bonds payable			15,563				15,563
Note payable			13,000				13,000
Accrued interest			3,003				3,003
Capital lease payable					4,168		4,168
Long-term liabilities:							
Bonds payable			592,823				592,823
Note payable			162,000				162,000
Total liabilities		310	907,272		4,168		911,750
Fund Equity:							
Contributed capital			2,838,761				2,838,761
Investment in General Fixed Assets				359,750			359,750
Retained earnings:							
Revenue Bond Fund			92,933				92,933
Contingencies Fund			35,472				35,472
Unreserved			(57,300)				(57,300)
Fund balances:							
Reserve for contingency	20,000						20,000
Unreserved and undesignated	213,879	87,399					301,278
Total fund equity	233,879	87,399	2,909,866	359,750			3,590,894
	\$	\$	3,817,138	\$	4,168	\$	4,502,644

The accompanying notes are an integral part of this statement.

Town of Pearl River, Louisiana

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES

For the Year Ended December 31, 1995

	General	Special Revenue	Total (Memorandum Only) 1995
Revenues:			
Taxes	\$ 46,028	\$ 245,113	\$ 291,141
Court fines	121,536		121,536
Licenses and permits	60,762		60,762
Grant revenue	55,000		55,000
Insurance licenses	47,499		47,499
Interest	3,038		3,038
Other	15,469	18,898	34,367
Total revenues	<u>349,332</u>	<u>264,011</u>	<u>613,343</u>
Expenditures:			
General government	175,858		175,858
Police		197,338	197,338
Public works		93,997	93,997
Total expenditures	<u>175,858</u>	<u>291,335</u>	<u>467,193</u>
Excess (deficiency) of revenues over expenditures	173,474	(27,324)	146,150
Other financing sources (uses)			
Operating transfers in		151,538	151,538
Operating transfers out	(21,940)	(129,598)	(151,538)
Total other financing sources (uses)	<u>(21,940)</u>	<u>21,940</u>	<u>-</u>
Excess (deficiency) of revenue and other financing sources over expenditures and other financing uses	151,534	(5,384)	146,150
Fund balance, beginning	82,345	92,783	175,128
Fund balance, ending	<u>\$ 233,879</u>	<u>\$ 87,399</u>	<u>\$ 321,278</u>

The accompanying notes are an integral part of this statement.

Town of Pearl River, Louisiana

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL AND SPECIAL REVENUE FUND TYPES

For the Year Ended December 31, 1995

	General Fund			Special Revenue Funds			Variance Favorable (Unfavorable)
	Budget	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	
Revenues:							
Taxes	\$ 30,437	\$ 46,028	\$ 15,591	\$ 188,000	\$ 245,113	\$ 57,113	
Court fines	88,087	121,536	33,449				
Licenses and permits	49,920	60,762	10,842				
Grant revenue		55,000	55,000				
Insurance licenses	44,000	47,499	3,499				
Interest		3,038	3,038				
Other	10,000	15,469	5,469	20,000	18,898	(1,102)	
Total revenue	<u>222,444</u>	<u>349,332</u>	<u>126,888</u>	<u>208,000</u>	<u>264,011</u>	<u>56,011</u>	
Expenditures:							
General government	142,942	175,858	(32,916)	193,428	197,338	3,910	
Police				114,074	93,997	(20,077)	
Public works				307,502	291,335	(16,167)	
Total expenditures	<u>142,942</u>	<u>175,858</u>	<u>(32,916)</u>	<u>307,502</u>	<u>291,335</u>	<u>(16,167)</u>	
Excess (deficiency) of revenues over expenditures	<u>79,502</u>	<u>173,474</u>	<u>93,972</u>	<u>(99,502)</u>	<u>(27,324)</u>	<u>72,178</u>	
Other financing sources (uses):							
Operating transfers in				189,502	151,538	(37,964)	
Operating transfers out	(99,502)	(21,940)	77,562	(90,000)	(129,598)	(39,598)	
Total other financing sources (uses)	<u>(99,502)</u>	<u>(21,940)</u>	<u>77,562</u>	<u>99,502</u>	<u>21,940</u>	<u>(77,562)</u>	
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ <u>(20,000)</u>	\$ 151,534	\$ 171,534	\$ -	\$ (5,384)	\$ (5,384)	
Fund balance, beginning		82,345			92,783		
Fund balance, ending	\$	<u>233,879</u>		\$	<u>87,399</u>		

The accompanying notes are an integral part of this statement.

Town of Pearl River, Louisiana

ENTERPRISE FUND
UTILITY SYSTEMS

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

For the Year Ended December 31, 1995

Operating revenues	
Sewer charges	\$ 158,371
Late fees	4,275
Other fees and charges	<u>1,476</u>
Total operating revenues	<u>164,122</u>
Operating expenses	
Administrative and general	43,163
Sewerage system	53,936
Depreciation	<u>137,419</u>
Total operating expenses	<u>234,518</u>
Net operating loss	(70,396)
Non-operating revenues (expenses)	
Interest income	12,098
FEMA funds	12,000
Interest expense	<u>(44,633)</u>
Total non-operating revenue (expenses)	<u>(20,535)</u>
Net loss before operating transfers	(90,931)
Depreciation transferred to Contributed Capital	<u>113,014</u>
Net income	22,083
Retained earnings, beginning	<u>49,022</u>
Retained earnings, ending	<u>\$ 71,105</u>

The accompanying notes are an integral part of this statement.

Town of Pearl River, Louisiana

ENTERPRISE FUND
UTILITY SYSTEMS

STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE

For the Year Ended December 31, 1995

Cash flows from operating activities:	
Net operating loss	\$ (70,396)
Adjustments to reconcile net operating income to net cash provided by operating activities	
Depreciation	137,419
Increase in receivables	(418)
Increase in accounts payable	60,110
Increase in deferred revenue	618
Total adjustments	<u>197,729</u>
Net cash provided by operating activities	<u>127,333</u>
Cash flows from noncapital financing activities:	
Change in due to/from other funds	<u>1,684</u>
Net cash provided by noncapital financing activities	<u>1,684</u>
Cash flows from capital and related financing activities:	
Principal payment on bonds	(14,970)
Purchase of fixed assets	(194,727)
Proceeds from loan	175,000
Interest payment on bonds	(46,496)
Community development block grant proceeds	172,245
FEMA funds	<u>12,000</u>
Net cash provided by capital and related financing activities	<u>103,052</u>
Cash flows from investing activities:	
Interest received from investments	7,741
Purchase of certificates of deposit not classified as cash equivalents	<u>(177,759)</u>
Net cash used by investing activities	<u>(170,018)</u>
Net increase in cash and cash equivalents	62,051
Cash and cash equivalents at the beginning of the year	<u>222,688</u>
Cash and cash equivalents at the end of the year	<u>\$ 284,739</u>

The accompanying notes are an integral part of this statement.

Town of Pearl River, Louisiana

NOTES TO FINANCIAL STATEMENTS

December 31, 1995

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Pearl River was incorporated in 1906 under the provisions of the Lawrason Act. The Town operates under a Mayor-Board of Aldermen form of government.

The accounting and reporting policies of the Town of Pearl River conform to generally accepted accounting principles (GAAP) as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body in establishing governmental accounting and financial reporting principles. The following is a summary of certain significant accounting policies:

1. Reporting Entity

All activities of the primary government are included in these financial statements.

Based upon the criteria of Governmental Accounting Standards Board Statement No. 14, it has been determined that the Housing Authority of Town of Pearl River is the only component unit of the Town of Pearl River.

The Town, as the reporting entity, is the primary government. Governmental Accounting Standards Board Statement No. 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, a primary government's financial statements are not a substitute for the reporting entity's financial statements. The Town has chosen to issue financial statements of the primary government only. As such, the accompanying financial statements are not intended to and do not report in accordance with Governmental Accounting Standards Board Statement No. 14.

2. Fund Accounting

The accounts of the Town of Pearl River are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following funds and groups of

Town of Pearl River, Louisiana

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 1995

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Fund Accounting - continued

accounts included in the accompanying financial statements are used by the Town of Pearl River:

Governmental Funds:

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

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources (other than capital projects) that are legally restricted to expenditures for specific purposes. The following are the Town's special revenue funds:

Sales Tax Fund - This fund is used to account for proceeds of the 2% Sales and Use Tax that is collected and restricted to the following uses:

1% of Levy dedicated for construction, resurfacing, lighting and improving public streets, sidewalks and bridges; constructing, purchasing, improving, maintaining and operating recreation facilities and equipment; constructing, acquiring or improving lands, buildings and any work of permanent public improvement, including equipment and furnishings therefor; and installing and operating sewerage and water systems including disposal plants, lagoons, etc., title to which shall be in the public.

1% of Levy dedicated to police department salaries and expenses. This portion is transferred to the police fund where police department expenditures are budgeted.

Police Fund - This fund is used to account for the expenditures of the police department.

Proprietary Fund:

Enterprise Fund - The Enterprise Fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the government body is that the costs (expenses, including depreciation) of providing goods or services to the general

Town of Pearl River, Louisiana

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 1995

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Fund Accounting - continued

public on a continuing basis be financed or recovered primarily through user charges or (b) where the governing body has decided the period determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

General Fixed Assets and General Long-Term Debt Account Groups:

General Fixed Assets - The General Fixed assets Account Group is used to account for fixed assets used in governmental fund type operations for control purposes. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are estimated at their fair market value on the date of donation. No depreciation is recorded on general fixed assets.

General Long-Term Debt Account Group - The General Long-Term Debt Account Group is used to account for long-term liabilities to be financed from governmental funds.

3. Fixed Assets and Long-Term Liabilities

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

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group rather than in governmental funds. No depreciation has been provided on general fixed assets.

Fixed asset values are based on historical cost (if available) or estimated historical cost if historical cost was not available.

Town of Pearl River, Louisiana

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 1995

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Fixed Assets and Long-Term Liabilities - continued

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

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

The two account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

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

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

Sewerage System	25-40 years
Equipment	5-10 years

4. Basis of Accounting

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

Town of Pearl River, Louisiana

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 1995

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Basis of Accounting - Continued

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available.

Ad valorem, sales, and other taxes and fees are considered measurable when in the hands of intermediary collecting governments and are recognized as revenue at that time. Grants from other governments are recognized when qualifying expenditures are incurred.

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

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

5. Budgets and Budgetary Accounting

Prior to the beginning of each year, an annual operating budget is prepared. At the end of the fiscal year, unexpended appropriations of these funds automatically lapse.

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

- (1) The Mayor, Board of Aldermen, Town Clerk, and other advisory personnel assemble the necessary financial information. The Mayor submits the information for review to the Board of Aldermen at least 45 days prior to January 1 of the following year.
- (2) A public hearing is conducted to obtain taxpayer comments.
- (3) Prior to the beginning of the new fiscal year, the budget is legally enacted through passage of a resolution by the Board of Aldermen.
- (4) The Mayor is authorized to transfer budgeted amounts among programs within a department, office or agency; however, any

Town of Pearl River, Louisiana

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 1995

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Budgets and Budgetary Accounting - Continued

revisions that alter the total revenues and/or expenditures budgeted for any department, office, agency or fund must be approved by the Board of Aldermen.

6. Cash, Cash Equivalents and Investments

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the municipality may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the municipality may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

7. Accounts Receivable

Uncollectible amounts due for customers' utility receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. The allowance is \$2,000 at December 31, 1995.

8. Total Columns of Combined Statements - Overview

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

Town of Pearl River, Louisiana

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 1995

NOTE B - CASH AND CASH EQUIVALENTS

The Town's deposits at December 31, 1995, are summarized as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Category 1		
Demand deposits	\$ 484,761	\$ 490,364
Certificates of deposit	<u>307,183</u>	<u>307,183</u>
Total	<u>\$ 791,944</u>	<u>\$ 797,547</u>

Under state law, the bank balances of these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. At December 31, 1995, deposits are entirely insured or collateralized with securities held by a mutually acceptable third party financial institution in the Town's name, which is considered a Category 1 investment credit risk as defined by the Governmental Accounting Standards Board. The carrying amount does not include accrued interest of \$5,154 on certificates of deposit.

NOTE C - AD VALOREM TAXES

Property taxes are normally levied and billed in December of each year and are due in February of the following year. Revenues are recognized when levied to the extent they are determined to be currently collectible. The Town bills and collects its own property taxes using the assessed values determined by the tax assessor of St. Tammany Parish.

NOTE D - RESTRICTED ASSETS

Utility Revenue Bond requirements provide for certain restrictions of assets of the Sewer Fund.

1. Revenue Bond Sinking Fund

The requirement calls for the establishment and maintenance of a Sewer Utility Revenue Bond and Sinking Fund sufficient in amount to

Town of Pearl River, Louisiana

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 1995

NOTE D - RESTRICTED ASSETS (Continued)

1. Revenue Bond Sinking Fund - Continued

pay promptly and in full the principal of and the interest on bonds authorized as they become due and payable. This requirement has been met at December 31, 1995.

2. Revenue Bond Reserve Fund

The requirement calls for the establishment of a Revenue Bond Reserve Fund by depositing 5% of the amount required to be transferred to the Revenue Bond Sinking Fund until such time as there has been accumulated in said Reserve Fund a sum equal to the highest combined principal and interest payment in any year of the Bond. The sole purpose of this fund is to pay the principal of and the interest on the bonds payable from the Revenue Bond Reserve Fund as to which these would otherwise be in default. This requirement has been met as of December 31, 1995.

3. Depreciation and Contingency Fund

The resolution called for the establishment and maintenance of a Depreciation and Contingency Fund to care for depreciation, extensions, additions, improvements and replacements necessary to properly operate the system. Regular deposits of \$260 per month are to be deposited with the regularly designated fiscal agent of the Town. This requirement has been met at December 31, 1995.

NOTE E - FIXED ASSETS

The Town has established a detailed fixed asset listing using historical cost and estimated historical cost. Presented below is a summary of changes in general fixed assets:

	<u>Amount</u>
Balance at January 1, 1995	\$ 333,798
Additions	25,952
Retirements	<u> </u>
Balance at December 31, 1995	<u>\$ 359,750</u>

Town of Pearl River, Louisiana

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 1995

NOTE E - FIXED ASSETS (Continued)

Fixed assets are shown at net on the Balance Sheet for the Enterprise Fund and consist of the following:

Land	\$ 68,609
Sewer plant	831,654
Sewer lines	2,760,635
Street resurfacing	232,026
Tools and equipment	47,492
Computer system	<u>6,879</u>
	3,947,295
Less: Accumulated Depreciation	<u>(860,004)</u>
	3,087,291
Construction in progress (Water System)	<u>172,245</u>
Net	<u>\$3,259,536</u>

NOTE F - REVENUE BONDS PAYABLE

The following is a summary of revenue bond transactions of the Enterprise Fund for the year ended December 31, 1995:

	Revenue Bonds
Bonds Payable at 01/01/95	\$ 623,356
Bonds Issued	-
Bonds Retired	<u>14,970</u>
Bonds Payable at 12/31/95	<u>\$ 608,386</u>

Bonds payable at December 31, 1995 is comprised of the following individual bond:

\$675,000 Utility Bonds dated 02/02/89; due in annual installments of \$61,466 including interest at 7.5%; secured by revenues of the Sewer System	<u>\$ 608,386</u>
Less current maturities	<u>15,563</u>
Long-term debt	<u>\$ 592,823</u>

Town of Pearl River, Louisiana
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 1995

NOTE F - REVENUE BONDS PAYABLE (Continued)

The annual requirements to amortize Revenue Bonds Payable, including interest payments of \$559,459, are as follows as of December 31, 1995:

<u>Year Ending December 31</u>	<u>Revenue Bonds</u>
1996	\$ 61,466
1997	61,466
1998	61,466
1999	61,466
2000	61,466
Thereafter	<u>860,515</u>
	<u>\$1,167,845</u>

Town of Pearl River, Louisiana

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 1995

NOTE G - NOTE PAYABLE

Because projected construction costs for the water system installation exceeded the grant award, a loan in the amount of \$175,000 was obtained from a bank to fund the remaining project cost. Upon receipt of the loan proceeds, the Town purchased a CD in the amount of \$175,000. The funds will be used when the grant funds are depleted. The accompanying financial statements reflect the loan and certificate of deposit and also accrued interest on the loan of \$3,003. Principal payments are due once per year and interest payments are due twice per year.

Balance, 12/31/95	\$ 175,000
Less current maturities	<u>13,000</u>
Long term debt	<u>\$ 162,000</u>

Principal payments required in future years as of December 31, 1995, are as follows:

1996	\$ 13,000
1997	14,000
1998	15,000
1999	16,000
20000	17,000
Thereafter	<u>100,000</u>
	<u>\$ 175,000</u>

Town of Pearl River, Louisiana

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 1995

NOTE H - PENSION PLANS

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

Plan Description. All full-time police department employees engaged in law enforcement are eligible to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3-1/3 percent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (504) 929-7411.

Funding Policy. Plan members are required by state statute to contribute 7.5 percent of their annual covered salary and the Town of Pearl River is required to contribute at an actuarially determined rate. The current rate is 9.0 percent of annual covered payroll. The contribution requirements of plan members and the Town of Pearl River are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of Pearl River contributions to the System for the years ending December 31, 1995 and 1994 were \$4,799 and \$2,523, respectively, equal to the required contributions for each year.

NOTE I - CAPITAL LEASE OBLIGATIONS

The Town is obligated under a lease accounted for as a capital lease. The leased asset and related obligation is accounted for in the General Fixed Asset Account Group and the General Long-Term Debt Account Group, respectively. The assets under capital lease totaled \$27,960. The following is a schedule of future minimum lease payments under capital lease, together with the net present value of the minimum lease payments as of December 31, 1995:

Town of Pearl River, Louisiana
 NOTES TO FINANCIAL STATEMENTS (Continued)
 December 31, 1995

NOTE I - CAPITAL LEASE OBLIGATIONS (Continued)

Year Ending <u>December 31</u>	General Long-Term Debt <u>Account Group</u>
1996	\$ <u>4,279</u>
Minimum lease payments	4,279
Amount representing interest	<u>111</u>
Present value of minimum lease payments	<u>\$ 4,168</u>

NOTE J - CHANGES IN CONTRIBUTED CAPITAL

The following details the components of Sewer Fund Contributed Capital at December 31, 1995:

Contributions in aid of construction from:	
Environmental Protection Agency	\$2,427,139
L.C.D.B.G.	749,300
Town of Pearl River	210,204
L.C.D.B.G. - Water System	<u>172,245</u>
	3,558,888
Less depreciation on assets constructed substantially from funds supplied by contributions in aid of construction	<u>(720,127)</u>
Total	<u>\$2,838,761</u>

NOTE K - BOARD OF ALDERMEN SALARIES

The Board of Aldermen receive two hundred dollars per monthly meeting. The Board of Aldermen salaries are included in the Town's General Fund.

Town of Pearl River, Louisiana

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 1995

NOTE L - GRANT AWARD

In 1994, the Town was chosen as a recipient of a Louisiana Community Development Block Grant. The total awarded was \$598,725, to be used for the installation of a water system. The accompanying financial statements reflect \$172,245 received from this grant, the remainder of which is to be funded as expenses are incurred during 1996.

SUPPLEMENTAL INFORMATION

Town of Pearl River, Louisiana

GENERAL FUND

SCHEDULE OF REVENUES

For the Year Ended December 31, 1995

Revenue:

Taxes:

Ad valorem tax	\$ 22,049
Video poker	11,574
Tobacco	7,840
Beer	4,565
Court fines	121,536
Licenses and permits	60,762
Grant revenue	
State grants	50,000
Other grants	5,000
Insurance licenses	47,499
Interest	3,038
Other	
Charges for services	2,105
Donations	2,064
FEMA funds	2,000
Other	<u>9,300</u>

Total revenue \$ 349,332

Town of Pearl River, Louisiana

GENERAL FUND

SCHEDULE OF EXPENDITURES

For the Year Ended December 31, 1995

General government:	
Salaries	\$ 37,127
Alderman's expense	12,000
Payroll taxes	2,897
Group insurance	619
Retirement	5,392
Workmen's compensation	265
Recreation District No. 5	42,367
Utilities	9,474
Insurance	9,457
Christmas program	6,326
Office	5,785
Repairs and maintenance	5,565
Dues and conventions	4,500
Miscellaneous	4,249
Accounting	2,000
Vehicle expense	1,430
Attorney fees	1,200
Tax roll preparation	1,193
Tax collectors' expense	886
Official journal	390
Animal control	250
Capital outlay	<u>22,486</u>
Total	<u>\$ 175,858</u>

Town of Pearl River, Louisiana

ALL SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

December 31, 1995

	<u>Sales Tax</u>	<u>Police Fund</u>	<u>Total</u>
ASSETS			
Cash	\$ 61,136	\$ 5,039	\$ 66,175
Sales taxes receivable	19,602	-	19,602
Other receivables	-	<u>1,932</u>	<u>1,932</u>
	<u>\$ 80,738</u>	<u>\$ 6,971</u>	<u>\$ 87,709</u>
 LIABILITIES AND FUND BALANCE			
Accounts payable and accrued expenses	\$ -	\$ 310	\$ 310
	-	<u>310</u>	<u>310</u>
Fund balances	<u>80,738</u>	<u>6,661</u>	<u>87,399</u>
	<u>\$ 80,738</u>	<u>\$ 6,971</u>	<u>\$ 87,709</u>

Town of Pearl River, Louisiana

ALL SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

For the Year Ended December 31, 1995

	<u>Sales Tax</u>	<u>Police Fund</u>	<u>Total</u>
Revenues			
Taxes	\$ 245,113	\$ -	\$ 245,113
Intergovernmental	-	-	-
Miscellaneous	<u>5,868</u>	<u>13,030</u>	<u>18,898</u>
Total revenues	<u>250,981</u>	<u>13,030</u>	<u>264,011</u>
Expenditures			
Public safety	-	197,338	197,338
Public works	<u>93,997</u>	<u>-</u>	<u>93,997</u>
Total expenditures	<u>93,997</u>	<u>197,338</u>	<u>291,335</u>
Excess (deficiency) of revenues over expenditures	156,984	(184,308)	(27,324)
Other financing sources (uses)			
Operating transfers in	-	151,538	151,538
Operating transfers out	<u>(129,598)</u>	<u>-</u>	<u>(129,598)</u>
Total other financing sources (uses)	<u>(129,598)</u>	<u>151,538</u>	<u>21,940</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	<u>27,386</u>	<u>(32,770)</u>	<u>(5,384)</u>
Fund balance, beginning	<u>53,352</u>	<u>39,431</u>	<u>92,783</u>
Fund balance, ending	<u>\$ 80,738</u>	<u>\$ 6,661</u>	<u>\$ 87,399</u>

Town of Pearl River, Louisiana

SALES TAX FUND

SCHEDULE OF EXPENDITURES

For the Year Ended December 31, 1995

EXPENDITURES

Public works:

Salaries	\$ 32,998
Payroll taxes	2,748
Workmen's compensation insurance	4,749
Paving materials	34,230
General operating	4,560
Gasoline and fluids	2,482
Repairs and maintenance	2,041
Insurance	1,819
Accounting	700
Utilities	464
Capital outlay	1,500
Capital lease payments:	
Principal	5,183
Interest	<u>523</u>

Total \$ 93,997

Town of Pearl River, Louisiana

POLICE FUND

SCHEDULE OF EXPENDITURES

For the Year Ended December 31, 1995

EXPENDITURES

Public Safety:

Salaries	\$ 105,541
Payroll taxes	8,743
Workmen's compensation insurance	6,511
Retirement	4,799
Group insurance	542
Other	16,961
Vehicle expenses	13,921
Uniforms and badges	11,249
Insurance	10,888
Utilities	6,827
Office supplies	3,951
Building repair and maintenance	2,974
Radio communications	2,464
Capital outlay	<u>1,967</u>

Total

\$ 197,338