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VILLAGE OF ESTHERWOOD, LOUISIANA
FINANCIAL REPORT
JUNE 30, 1997

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

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

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

Broussard, Poché, Lewis & Breaux

Crowley, Louisiana
January 10, 1998

GENERAL PURPOSE FINANCIAL STATEMENTS
(Combined Statements - Overview)

VILLAGE OF BIRKENHEAD, LOUISIANA

COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 June 30, 1997
 See accountant's Compilation Report

ASSETS	Governmental Fund Types		
	General	Special Revenue	Capital Projects
Cash and cash equivalents	\$ 1,451	\$ 194	\$ 15
Revolving fund of allowances for accruals/deferrals):			
Accounts	-	599	-
Due from other funds	83,439	23,456	-
Other	-	-	-
Certificates of deposit	-	-	-
Restricted assets:			
Cash and cash equivalents	-	-	-
Certificates of deposit	-	-	-
Fixed assets (net of accumulated depreciation)	-	-	-
	<u>\$ 86,900</u>	<u>\$ 28,809</u>	<u>\$ 15</u>
LIABILITIES AND FUND EQUITY			
LIABILITIES			
Accounts payable	\$ 1,295	\$ -	\$ -
Due to other funds	83,893	-	15
Accrued liabilities	1,596	-	-
Revenue bonds payable	-	-	-
Payable from restricted assets:			
Revenue bonds	-	-	-
accrued interest	-	-	-
Water deposits	-	-	-
	<u>\$ 12,784</u>	<u>\$ -</u>	<u>\$ 15</u>
FUND EQUITY			
Contributed capital	\$ -	\$ -	\$ -
Reserve in general fixed assets	-	-	-
Retained earnings (deficit):			
Reserved for revenue bond retirement	-	-	-
Unreserved	-	-	-
Fund balances:			
Unreserved	<u>74,115</u>	<u>28,809</u>	<u>-</u>
	<u>\$ 74,115</u>	<u>\$ 28,809</u>	<u>\$ -</u>
	<u>\$ 86,900</u>	<u>\$ 28,809</u>	<u>\$ 15</u>

See Notes to Financial Statements.

Proprietary Fund Type	Account Type		Total (Revenues Only)
	General	Fund	
Enterprises	Accounts		
\$ 1,486	\$ -	\$ -	\$ 1,486
9,445	-	-	10,932
12,859	-	-	123,854
4,366	-	-	4,366
3,000	-	-	3,000
66,838	-	-	66,838
18,875	-	-	18,875
<u>268,789</u>	<u>433,783</u>		<u>1,482,321</u>
<u>21,683,862</u>	<u>2,433,783</u>		<u>22,117,645</u>
\$ 185	\$ -	\$ -	\$ 1,480
82,818	-	-	123,854
250	-	-	1,831
186,374	-	-	186,374
18,800	-	-	18,800
9,852	-	-	9,852
<u>12,683</u>	<u>-</u>		<u>12,683</u>
<u>\$ 279,892</u>	<u>\$ -</u>		<u>\$ 123,008</u>
\$1,500,000	\$ -	\$1,500,000	
-	433,783	433,783	
24,792	-	24,792	
(380,143)	-	(380,143)	
<u>-</u>	<u>-</u>	<u>81,212</u>	
<u>\$ 768,921</u>	<u>\$ 433,783</u>	<u>\$1,202,704</u>	
<u>21,943,942</u>	<u>2,433,783</u>	<u>21,517,725</u>	

VILLAGE OF ESTHERWOOD, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
ALL GOVERNMENTAL FUND TYPES
Year Ended June 30, 1997

See Accountant's Compilation Report.

	General	Special Revenues	Capital Projects	Total (Memorandum Only)
Revenues:				
Taxes	\$ 18,488	\$ 17,800	\$ -	\$ 36,288
Licenses and permits	15,968	-	-	15,968
Intergovernmental	18,820	-	-	18,820
Fines	3,009	-	-	3,009
Other	<u>3,636</u>	<u>1,829</u>	-	<u>5,465</u>
	<u>\$ 41,911</u>	<u>\$ 19,629</u>	<u>\$ -</u>	<u>\$ 61,540</u>
Expenditures:				
CURRENT:				
General government	\$ 28,767	\$ 8,314	\$ -	\$ 37,081
Public safety	3,719	-	-	3,719
Public works	17,995	-	-	17,995
Culture and recreation	184	-	-	184
Capital outlays	<u>292</u>	<u>1,821</u>	-	<u>2,113</u>
	<u>\$ 41,967</u>	<u>\$ 10,135</u>	<u>\$ -</u>	<u>\$ 52,102</u>
Excess of revenues over expenditures	\$ 19,944	\$ 9,494	\$ -	\$ 29,438
Other financing uses:				
Operating transfers out	-	(13,600)	-	(13,600)
Excess of revenues over expenditures and other uses	\$ 19,944	\$ 9,894	\$ -	\$ 29,838
Fund balances, beginning	<u>51,718</u>	<u>13,166</u>	-	<u>64,884</u>
Fund balances, ending	<u>\$ 71,662</u>	<u>\$ 23,060</u>	<u>\$ -</u>	<u>\$ 94,722</u>

See Notes to Financial Statements.

VILLAGE OF ESTHERWOOD, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - BUDGET (ONLY BASIS) AND ACTUAL
GENERAL AND SPECIAL REVENUE FUNDS
Year Ended June 30, 1997
See Accountant's Compliance Report

	General Fund		Variance- Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Taxes	\$ 28,294	\$ 28,484	\$ 190
Licenses and permits	12,244	13,988	1,744
Intergovernmental	7,995	18,323	10,328
Fees	4,000	3,028	(972)
Other	1,382	1,624	242
	<u>\$ 53,915</u>	<u>\$ 65,447</u>	<u>\$ 11,532</u>
Expenditures:			
Current:			
General government	\$ 21,688	\$ 28,767	\$ 7,079
Public safety	4,400	3,790	(610)
Public works	18,084	17,993	(91)
Culture and recreation	340	344	4
Capital outlays	5,500	171	(5,329)
	<u>\$ 49,912</u>	<u>\$ 60,765</u>	<u>\$ 11,147</u>
Excess of revenues over expenditures	\$ 4,003	\$ 14,682	\$ 10,679
Other financing uses:			
Operating transfers out	-	-	-
Excess of revenues over expenditures and other uses	\$ 4,003	\$ 14,682	\$ 10,679
Fund balances, beginning	<u>33,328</u>	<u>33,328</u>	-
Fund balances, ending	<u>\$ 37,331</u>	<u>\$ 48,010</u>	<u>\$ 10,679</u>

See Notes to Financial Statements.

<u>Special Revenue Fund</u>		
Budget	Actual	Variance- Favorable (Unfavorable)
\$ 16,000	\$ 17,808	\$ 1,808
-	-	-
-	-	-
-	-	-
<u>16,000</u>	<u>17,808</u>	<u>1,808</u>
\$ 9,548	\$ 8,134	\$ 1,415
-	-	-
-	-	-
-	-	-
<u>618</u>	<u>1,922</u>	<u>(1,304)</u>
<u>\$ 10,000</u>	<u>\$ 10,056</u>	<u>\$ (56)</u>
\$ 6,000	\$ 8,993	\$ 2,993
<u>(16,000)</u>	<u>(16,023)</u>	<u>23</u>
\$ -	\$ 3,363	\$ 3,363
<u>(23,788)</u>	<u>(23,186)</u>	<u>602</u>
<u>\$ 22,212</u>	<u>\$ 22,837</u>	<u>\$ 625</u>

VILLAGE OF ESTHERWOOD, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN RETAINED EARNINGS - PROPRIETARY FUND TYPE
 Year Ended June 30, 1997
 See Accountant's Compilation Report

Operating revenues:			
Charges for services		\$	149,840
Other			<u>1,000</u>
		\$	150,840
Operating expenses:			
Labor	\$	59,398	
Payroll taxes		5,873	
Group insurance		890	
Plant supplies		3,714	
Office supplies		1,781	
Depreciation		13,045	
Utilities		13,101	
Auditing		7,008	
Repairs and maintenance		6,175	
Insurance		4,849	
Fuel purchases		29,189	
Other		<u>31,822</u>	
			<u>179,082</u>
Operating loss			\$ (29,242)
Non-operating revenues (expenses):			
Interest revenue	\$	1,709	
Interest expense		(10,993)	
Loss on sale of fixed assets		<u>621</u>	
			<u>(18,663)</u>
Loss before operating transfers			\$ (47,905)
Operating transfers:			<u>1,682</u>
Operating transfers in			
Net loss			\$ (46,223)
Retained earnings (deficit), beginning			<u>(132,886)</u>
Retained earnings (deficit), ending			<u>\$ (179,101)</u>
See Notes to Financial Statements.			

VILLAGE OF BETHLEHEM, LOUISIANA

COMBINED STATEMENT OF CASH FLOW - PROPRIETARY FUND TYPE

Year Ended June 30, 1997

See Accountant's Compilation Report

CASH FLOW FROM OPERATING ACTIVITIES		
Operating loss		\$(29,894)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation		11,065
Change in assets and liabilities:		
Decrease in accounts receivable	482	
Decrease in due from other funds	117	
Increase in other receivable	(4,144)	
Decrease in accounts payable	12,023	
Increase in due to other funds	19,718	
Decrease in meter deposits	(213)	
Decrease in other liabilities	<u>(813)</u>	
Net cash provided by operating activities		\$ 17,621
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES		
Operating transfers in		5,458
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from maturities of certificates of deposit	\$ 31,885	
Purchases of certificates of deposit	(24,184)	
Interest received	<u>1,128</u>	
Net cash provided by investing activities		8,829
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of equipment	\$ (3,704)	
Principal paid on revenue bond securities	(18,090)	
Interest paid	<u>(10,582)</u>	
Net cash used by capital and related financing activities		<u>(32,376)</u>
Net decrease in cash and cash equivalents		\$ (14,926)
Cash and cash equivalents, beginning		<u>52,632</u>
Cash and cash equivalents, ending		<u>\$ 37,706</u>

See Notes to Financial Statements.

VILLAGE OF KATHERWOOD, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

See Accountant's Compilation Report

Note 1. Summary of Significant Accounting Policies

The Village of Katherwood was incorporated March 12, 1900, under the provisions of Section 11 of Louisiana Act No. 134. The Village operates under a Mayor-alderman form of government and provides the following services as authorized by its charter: public safety (police), highways and streets, sanitation, health, recreation, public improvements, planning and zoning, and general administrative services.

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

Fund accounting:

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

Governmental Funds

General fund:

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

Special revenue funds:

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

NOTES TO FINANCIAL STATEMENTS
See ACCOUNTANT'S Compliance Report

Capital project funds:

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

Proprietary Funds

Enterprise funds:

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

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

Proprietary funds are reported in accordance with GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting. This standard requires that all applicable GASB pronouncements, Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletin (ARBs) issued on or before November 30, 1987 be applied to proprietary activities unless they (FASB Statements and Interpretations, APB Opinions, and ARBs) conflict with or contradict GASB pronouncements.

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

NOTES TO FINANCIAL STATEMENTS
See Accountant's Compilation Report

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

Water wells	60 years
Lines	20-30 years
Equipment	10-12 years

Account Group

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) to net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

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

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

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

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

NOTES TO FINANCIAL STATEMENTS
See Accountant's Compilation Report

Basis of accounting:

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

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

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

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

Budgets and budgetary accounting:

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

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

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

NOTES TO FINANCIAL STATEMENTS
See Accountant's Compilation Report

Cash and cash equivalents:

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

Bad debts:

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

Total columns on Combined Statements - Overview:

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

Note 2. Property Tax

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

The Village currently levies taxes at 3 mills on the dollar of assessed valuations of property for general corporate purposes.

Note 3. Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	Balance, July 1, <u>1986</u>	Additions	Deletions	Balance, June 30, <u>1987</u>
Land and land improvements	\$243,437	\$ -	\$ -	\$243,437
Buildings	70,782	-	-	70,782
Equipment	<u>118,332</u>	<u>2,122</u>	-	<u>120,454</u>
	<u>\$432,551</u>	<u>\$ 2,122</u>	<u> </u>	<u>\$434,673</u>

NOTES TO FINANCIAL STATEMENTS
See Accountant's Compilation Report.

A summary of proprietary fixed type property, plant, and equipment at June 30, 1997 follows:

	Water Fund.	Gas Fund	Sewer Fund.	Total
Water wells	\$ 17,789	\$ -	\$ -	\$ 17,789
Water tank	114,447	-	-	114,447
Water treatment plant	41,828	-	-	41,828
Distribution system	79,852	43,972	1,213,424	1,336,248
Building	-	1,387	-	1,387
Meters	1,543	12,688	-	12,944
Other equipment	10,288	18,383	3,213	28,463
	<u>\$ 264,719</u>	<u>\$ 64,343</u>	<u>\$ 1,216,637</u>	<u>\$ 1,545,719</u>
Less accumulated depreciation	<u>(139,218)</u>	<u>(18,124)</u>	<u>(127,480)</u>	<u>(284,822)</u>
	<u>\$ 125,501</u>	<u>\$ 46,219</u>	<u>\$ 891,157</u>	<u>\$ 1,062,897</u>

Note 4. Changes in Long-Term Debt

The following is a summary of debt transactions for the Village for the year period ended June 30, 1997:

Debt payable at July 1, 1996	\$221,247
Debt retired	(118,081)
	<u>\$ 103,166</u>
Debt payable at June 30, 1997	<u>\$ 103,166</u>

Debt payable at June 30, 1997 is comprised of the following individual items:

Revenue bonds:

\$75,800 Gas revenue bonds issued June 1, 1989, due in annual installments of \$2,800 to \$3,000 through June 1, 1998; interest at 3-1/2%	\$ 10,800
\$117,400 Sewer revenue bonds issued July 7, 1982, due in annual installments of \$13,161 through July 7, 2002; interest at 7%	<u>192,366</u>
	<u>\$ 303,166</u>

NOTES TO FINANCIAL STATEMENTS
See Accountant's Compilation Report

The annual requirements to amortize all debt outstanding as of June 30, 1997, including interest payments of \$63,911 are as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Revenue</u>
1998	\$ 29,511
1999	28,826
2000	27,561
2001	27,961
2002	27,361
2003 - thereafter	<u>140,657</u>
	<u>\$482,881</u>

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

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

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

After payment to the bond and interest sinking fund, 15% of the balance remaining in the revenue fund must be transferred monthly to the bond reserve fund until a balance of \$7,000 is accumulated. Money in the bond reserve fund is solely dedicated to paying current principal and interest to the extent necessary to prevent a default and if so used, must be replaced in full as soon as feasible with funds not required for operation and maintenance or payment of current principal and interest.

The revenue fund must transfer monthly to the depreciation and contingency fund a sum equal to 2% of the balance remaining in the revenue fund after the payment to the bond and interest sinking fund until a balance of \$4,000 is accumulated. Money so accumulated shall be used for making alterations, additions, improvements, and replacements to the utility system provided the balance will not be reduced below \$1,000, or for payment of principal and interest. Any such use of funds must be replaced as soon as feasible with funds not required for operation and maintenance or payment of current principal and interest.

NOTES TO FINANCIAL STATEMENTS
See Accountant's Compilation Report

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

The required and current balances of the above funds as June 30, 1987 are as follows:

	Required	Actual	Percent Compliance
Bond and interest sinking fund	\$ 485	\$ 143	30%
Bond reserve fund	7,808	7,808	100%
Depreciation and contingency fund	<u>4,808</u>	<u>7,808</u>	<u>163%</u>
	<u>\$ 13,101</u>	<u>\$ 15,759</u>	<u>120%</u>

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

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

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

After the above requirements are met, the revenue fund must transfer monthly in advance on or before the 15th day of each month of each year beginning not later than after the system becomes revenue producing, a sum equal to 2% of the sum to be required to be transferred in each month to the bond sinking fund. The payments are to continue until such time as there has been accumulated therein a sum equal to the highest combined principal and interest requirement in any succeeding fiscal year on the outstanding principal of the bonds.

NOTES TO FINANCIAL STATEMENTS
See Accountant's Compilation Report

After all required payments above have been met, the revenue fund must transfer \$99 into the depreciation and contingencies fund. The first monthly payment is to be made by the 20th day of the first full month following completion of the sewer system and by the 20th day of each month thereafter until \$25,600 is accumulated. The money in the depreciation and contingencies fund shall be used first to pay currently accruing principal and interest for which there is insufficient money in the bond fund or reserve account and secondly for making replacements, improvements, or extensions to the system. Any deficiencies in the depreciation and contingencies fund shall be made up from money in the revenue fund whenever such money is not needed for maintenance and operation or payment of current principal, interest, and reserve account requirements.

The required and current balances of the above funds as June 30, 1997 are as follows:

	Required	Actual	Excess (Deficiency)
Bond and interest sinking fund	\$ 25,600	\$ 25,658	\$ 58
Bond reserve account	15,700	15,700	0
Depreciation and contingencies fund	<u>15,840</u>	<u>5,617</u>	<u>(10,223)</u>
	<u>\$ 57,140</u>	<u>\$ 46,975</u>	<u>\$10,165</u>

Note 3. Deficit Retained Earnings

The Water Utility Fund, the Gas Utility Fund, and Sewer Utility Fund have deficit unreserved retained earnings balances at June 30, 1997 of \$174,998, \$30,926 and \$174,271, respectively.

Note 4. Dedication of Sales Tax Proceeds

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

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

NOTES TO FINANCIAL STATEMENTS
See Accountant's Compilation Report.

Note 3. Enterprise Fund Operations

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

	Water Utility Fund	Gas Utility Fund	Sewer Utility Fund	Total
Operating revenues	\$ 48,119	\$ 63,088	\$ 39,651	\$ 150,858
Operating expenses	48,119	70,287	41,883	159,889
Operating loss	<u>\$10,000</u>	<u>\$7,200</u>	<u>\$2,232</u>	<u>\$19,432</u>
Depreciation expense	\$ 1,883	\$ 362	\$ 23,888	\$ 26,133
Operating transfers in	\$ -	\$ -	\$ 3,438	\$ 3,438
Net loss	<u>\$11,883</u>	<u>\$7,562</u>	<u>\$11,692</u>	<u>\$31,137</u>
Property, plant, and equipment additions	\$ -	\$ -	\$ 2,759	\$ 2,759
Net working capital (current assets less current liabilities)	<u>\$13,330</u>	<u>\$13,130</u>	<u>\$ 21,293</u>	<u>\$ 47,753</u>
Total assets	<u>\$ 82,130</u>	<u>\$ 18,130</u>	<u>\$53,086</u>	<u>\$153,346</u>
Total equity	<u>\$ 21,883</u>	<u>\$13,130</u>	<u>\$24,080</u>	<u>\$ 59,093</u>

Note 8. Allowance for Uncollectibles

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

Note 9. Cash, Cash Equivalents, and Investments

As of June 30, 1997, bank deposits totaling \$75,982 were completely secured by FDIC Insurance.

NOTES TO FINANCIAL STATEMENTS
See Accountant's Compilation Report

Note 10. Interfund Receivables, Payables

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General fund	\$ 53,439	\$ 30,890
Special revenue fund:		
Sales tax	27,436	-
Capital projects fund:		
ACRMS	-	13
Enterprise funds:		
Water utility	3,739	47,443
Gas utility	4,480	38,338
Sewer utility	<u>6,023</u>	<u>7,149</u>
	<u>127,836</u>	<u>127,836</u>

Note 11. Other Receivable

The receivable in the gas utility fund consists of an amount due from a Village employee which is expected to be repaid by June 30, 1998.

ENTERPRISE FUNDS

Water Utility Fund -

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

Gas Utility Fund -

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

sewer Utility Fund -

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

VILLAGE OF ESTHERWOOD, LOUISIANA
 ENTERPRISE FUNDS

COMBINING BALANCE SHEET
 June 30, 1987

See Accountant's Compilation Report

ASSETS	Water Dollars	Gas Dollars	Power Dollars	Total
CURRENT ASSETS				
Cash and cash equivalents	\$ 1,718	\$ 188	\$ 98	\$ 1,994
Accounts receivable, net of allowance for uncollectible accounts of \$4,512	3,424	2,938	2,857	9,219
Due from other funds	3,373	4,481	6,853	14,707
Certificates of deposit	3,008	-	-	3,008
Other receivable	-	4,268	-	4,268
Total current assets	\$ 12,523	\$ 12,865	\$ 9,808	\$ 35,196
RESTRICTED ASSETS				
Cash and cash equivalents	\$ 988	\$ 2,876	\$ 43,792	\$ 47,656
Certificates of deposit	6,267	11,385	3,833	21,485
	<u>\$ 7,255</u>	<u>\$ 14,261</u>	<u>\$ 47,625</u>	<u>\$ 69,141</u>
PLANT AND EQUIPMENT				
Plant and equipment, at cost	\$ 264,736	\$ 64,945	\$1,218,648	\$1,548,329
Accumulated depreciation	(109,718)	(18,124)	(317,683)	(445,525)
	<u>\$ 155,018</u>	<u>\$ 46,821</u>	<u>\$ 900,965</u>	<u>\$ 1,102,804</u>
	\$ 287,741	\$ 59,686	\$ 950,793	\$ 1,298,220

LIABILITIES AND FUND EQUITY	Water Utility	Gas Utility	sewer Utilities	Total
CURRENT LIABILITIES (payable from current assets)				
Accounts payable	\$ 183	\$ -	\$ -	\$ 183
Due to other funds	67,643	18,336	7,161	93,140
Sales tax payable	-	315	-	315
	<u>\$ 67,826</u>	<u>\$ 18,381</u>	<u>\$ 7,161</u>	<u>\$ 93,318</u>
CURRENT LIABILITIES (payable from restricted assets)				
Water deposits	\$ 3,233	\$ 3,373	\$ 3,993	\$ 10,600
Revenue bonds	-	9,680	13,803	14,600
Accrued interest	-	-	9,652	9,652
	<u>\$ 3,233</u>	<u>\$ 9,373</u>	<u>\$ 27,448</u>	<u>\$ 40,054</u>
Total current liabilities	<u>\$ 71,059</u>	<u>\$ 27,754</u>	<u>\$ 34,891</u>	<u>\$ 133,704</u>
OTHER LIABILITIES				
Revenue bonds payable	\$ -	\$ 3,000	\$ 381,316	\$ 384,316
FUND EQUITY				
Contributed capital	\$ 204,443	\$ -	\$ 893,877	\$1,108,320
Retained earnings (deficit):				
Reserved for revenue bond retirement	-	9,386	19,406	28,792
Unreserved	(178,288)	(129,826)	(1579,212)	(2,087,326)
	<u>\$ 26,155</u>	<u>\$ (120,440)</u>	<u>\$ 244,071</u>	<u>\$ 149,786</u>
	<u>\$ 97,214</u>	<u>\$ 7,314</u>	<u>\$ 588,962</u>	<u>\$ 692,490</u>

VILLAGE OF ESTHERWOOD, LOUISIANA
MUNICIPAL GOVERNMENT

COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
Year Ended June 30, 1997
See Accountant's Compilation Report.

	Water Utility	Gas Utility	Sewer Utility	Total
Operating revenues:				
Charges for services	\$ 45,000	\$ 43,964	\$ 26,807	\$115,771
Other	<u>1,150</u>	<u>1,344</u>	<u>2,746</u>	<u>5,240</u>
	<u>\$ 46,150</u>	<u>\$ 45,308</u>	<u>\$ 29,553</u>	<u>\$120,811</u>
Operating expenses:				
Personal services:				
Labor	\$ 37,547	\$ 37,187	\$ 4,264	\$ 78,998
Payroll taxes	2,396	2,188	509	5,093
Group insurance	455	433	63	951
Supplies and materials:				
Plant supplies	4,917	688	311	5,914
Office supplies	565	523	613	1,701
Depreciation	8,893	360	21,888	31,141
Utilities	9,443	692	4,174	14,309
Fuel purchases	-	19,359	-	19,359
Other services and charges:				
Auditing	7,000	-	-	7,000
Repairs and maintenance	2,472	1,714	1,909	6,095
Insurance	2,366	1,746	1,417	5,529
Other	<u>3,386</u>	<u>4,072</u>	<u>4,473</u>	<u>11,931</u>
	<u>\$ 65,312</u>	<u>\$ 78,787</u>	<u>\$ 41,863</u>	<u>\$185,962</u>
Operating loss	<u>\$19,162</u>	<u>\$ 33,479</u>	<u>\$ 12,310</u>	<u>\$65,001</u>
Non-operating revenues (expenses):				
Interest revenue	\$ 473	\$ 538	\$ 897	\$ 1,908
Interest expense	-	(833)	(9,766)	(10,599)
Loss on sale of fixed assets	-	121	-	121
	<u>\$ 473</u>	<u>\$ (274)</u>	<u>\$ (8,869)</u>	<u>\$ (8,670)</u>
Loss before operating transfers (consolidated forward)	<u>\$18,689</u>	<u>\$ 33,205</u>	<u>\$ 13,441</u>	<u>\$65,331</u>

VILLAGE OF KATHLEEN, LOUISIANA
 ENTERPRISE FUNDS

COMBINED STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN RETAINED EARNINGS
 Year Ended June 30, 1997
 See Accountant's Compilation Report

	Water Billing	Gas Billing	Sewer Billing	Total
Loss before operating transfers (totals forwarded)	\$ (19,080)	\$ (5,554)	\$ (13,321)	\$ (37,957)
Operating transfers in: Operating transfers in	—	—	3,438	3,438
Net loss	\$ (19,080)	\$ (5,554)	\$ (9,883)	\$ (34,517)
Retained earnings (deficit) - beginning	<u>(133,356)</u>	<u>(30,803)</u>	<u>(144,766)</u>	<u>(308,925)</u>
Retained earnings (deficit) - ending	<u>\$ (152,436)</u>	<u>\$ (36,357)</u>	<u>\$ (154,649)</u>	<u>\$ (343,442)</u>

VILLAGE OF WATERBURY, LOUISIANA
ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 1997
See Accountant's Compilation Report

	Water Utilities	Gas Utilities	Sewer Utility	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating loss	\$ (19,551)	\$ (5,199)	\$ (4,712)	\$ (29,462)
Adjustments to reconcile operating loss to net cash provided by operating activities:				
Depreciation	8,803	342	21,888	31,033
(Increase) decrease in assets:				
Accounts receivable	798	(1,779)	183	202
Due from other funds	(1,806)	1,276	(812)	757
Other receivable	-	(4,346)	-	(4,346)
Increase (decrease) in liabilities:				
Accounts payable	170	(2,183)	-	(2,013)
Due to other funds	4,867	12,841	2,328	19,736
WATER deposits	(175)	(1,250)	(121)	(1,546)
Other liabilities	<u>(158)</u>	<u>50</u>	<u>(186)</u>	<u>(294)</u>
Net cash provided (used) by operating activities	<u>\$ 4,212</u>	<u>\$ 4,877</u>	<u>\$ 20,699</u>	<u>\$ 29,788</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating transfers in	\$ -	\$ -	\$ 3,632	\$ 3,632
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from maturing of certificates of deposit	\$ 24,612	\$ 23,170	\$ 4,283	\$ 52,065
Purchases of certificates of deposit	(20,344)	(23,170)	(4,643)	(48,157)
Interest received	<u>673</u>	<u>339</u>	<u>632</u>	<u>1,644</u>
Net cash provided (used) by investing activities	<u>\$ 4,941</u>	<u>\$ 359</u>	<u>\$ 2,272</u>	<u>\$ 7,572</u>
Shortfalls covered	<u>\$ (6,729)</u>	<u>\$ (4,828)</u>	<u>\$ 23,427</u>	<u>\$ 11,870</u>

VILLAGE OF ESTHERWOOD, LOUISIANA
ENTERPRISE FUNDS

COMPARING STATEMENT OF CASH FLOWS
Year Ended June 30, 1997
See Accountant's Compilation Report.

	Water Billions	Gas Billions	Power Utility	Total
Subtotals Forwarded	\$ (2,798)	\$ 4,826	\$ 23,063	\$ 24,891
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of equipment	\$ -	\$ -	\$ (2,704)	\$ (2,704)
Principal paid on revenue bond maturities	-	(5,800)	(13,081)	(18,881)
Interest paid	-	(825)	(8,784)	(9,609)
Net cash used by capital and related financing activities	\$ -	\$ (6,625)	\$ (24,569)	\$ (31,194)
Net decrease in cash and cash equivalents	\$ (2,798)	\$ (1,809)	\$ (488)	\$ (4,095)
Cash and cash equivalents, beginning	4,898	1,251	64,188	70,337
Cash and cash equivalents, ending	\$ 2,100	\$ (2,362)	\$ 63,600	\$ 63,338

VILLAGE OF ESTERWOOD, LOUISIANA

SCHEDULE OF PER DIEM PAID TO ELECTED OFFICIALS

Year Ended June 30, 1987

See ACCOUNTANCY'S Compilation Report

Stephen Bouscassat, Mayor	2	100
Norman Hoffmann		120
Winford Gallaway		120
Billy Boy		120
		<u>360</u>

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

The monthly retail gas rates in effect at June 30, 1997 were as follows:

Monthly residential and commercial rates

\$5.00 per month minimum, which includes first 400 cubic feet.
 \$.47 for each 100 cubic feet thereafter.

The monthly retail water rates in effect at June 30, 1997 were as follows:

First 3,000 gallons per month or less	\$ 6.00
Each 1,000 gallons thereafter	\$ 1.80

Rates are based upon the water consumption for the customers. The monthly sewer rates in effect at June 30, 1997 were as follows:

Residential

First 3,000 gallons of water or less	\$ 6.00
Each 1,000 gallons thereafter	\$ 1.80 per 1,000 gallons

Commercial

First 3,000 gallons of water or less	\$20.00
Each 1,000 gallons thereafter	\$ 1.80 per 1,000 gallons

Average monthly billing per customer - water

Water sales	\$ 44,199
Average sales per month	\$ 3,733
Number of customers	263
Average monthly bill per customer	\$ 14.20

Average monthly billing per customer - gas

Gas sales	\$ 63,838
Average sales per month	\$ 5,319
Number of customers	182
Average monthly bill per customer	\$ 29.22

(Continued)

VILLAGE OF ESTATESWOOD, LOUISIANA
MONTHLY GAS AND WATER SALES
ENTERPRISE FUND
See Accountant's Compilation Report

Average monthly billing per customer - sewer

Sewer Income	\$ 14,167
Average sales per month	\$ 3,094
Number of customers:	
Residential	334
Commercial	<u>26</u>
Total	<u>360</u>
Average monthly bill per customer	\$ 31.99

Aged Accounts Receivable

	Water Billing	Gas Billing	Sewer Billing	Total
0-30 days	\$ 3,844	\$ 3,078	\$ 3,078	\$ 9,912
Over 30 days	<u>818</u>	<u>3,031</u>	<u>367</u>	<u>4,918</u>
	\$ 4,662	\$ 6,109	\$ 3,445	\$ 14,216
Less: Allowance for uncollectible accounts	<u>(818)</u>	<u>(3,178)</u>	<u>(367)</u>	<u>(4,363)</u>
	<u>\$ 3,844</u>	<u>\$ 2,931</u>	<u>\$ 3,078</u>	<u>\$ 9,853</u>

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 ON APPLYING AGREED-UPON PROCEDURES**

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All offices of this member firm are
 members of the Institute of Certified
 Public Accountants.

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

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed on by the management of Village of Estherwood, Louisiana and the Legislative Auditor, State of Louisiana, solely to assist the audit in evaluating management's assertions about Village of Estherwood, Louisiana's compliance with certain laws and regulations during the year ended June 30, 1997 included in the accompanying Louisiana Accounting Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Insure all expenditures made during the year for material and supplies exceeding \$5,000, or public works exceeding \$30,000, and determine whether such purchases were made in accordance with LSA-RS 48:1181-1191 (the public bid law).

There were not any expenditures made during the year which exceeded \$5,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 48:1181-1194 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

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

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

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

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (1) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

Some of the employees included on the list of employees provided by management [agreed-upon procedure (1)] appeared on the list provided by management in agreed-upon procedure (2).

Budgeting

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

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

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

We traced the adoption of the original budget and amendments to the minutes of a meeting held on June 11, 1996 and June 10, 1997, respectively, which indicated that the budget and amendments had been adopted by the Board of Aldermen of the Village of Estherwood, Louisiana.

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

We compared the revenues and expenditures of the amended budget to actual revenues and expenditures. Actual expenditures for the year did not exceed budget.

Accounting and Reporting

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

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

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

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

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

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

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

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

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LA-RS 43:1 through 43:17 (the open meetings law).

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

Bank

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

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

Advances and Bonuses

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

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

Other inquiries indicated advances of \$4,346 from the gas utility fund to the City Clerk without the Board of Aldermen's approval.

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

Prior Comments and Recommendations

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

A. Inadequate Segregation of Duties

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

B. Reserve Requirements

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

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

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

Beaumont, Pinede, Lewis & Johnson

Crowley, Louisiana
January 10, 1988