

**Combined Statement of Cash (and Cash Equivalents) Flows
Proprietary Fund Types
For The Year Ended June 30, 1996**

Cash Flows From Operating Activities:	
Net income	\$25,423
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	56,155
Changes in assets and liabilities:	
Decrease in accounts receivable	1,194
Increase in accounts payable	1,134
Increase in accrued expenses	242
Increase in due to customers	1,144
Total Adjustments	<u>59,869</u>
Net Cash Provided By Operating Activities	85,292
Cash Flows From Capital and Related Financing Activities:	
Principal payments on long-term debt	<u>(49,000)</u>
Cash Flows From Financing Activities	(49,000)
Cash Flows From Investing Activities:	
Acquisition and construction of capital assets	<u>(11,114)</u>
Total Cash Flows From Investing Activities	(11,114)
Net Decrease In Cash And Cash Equivalents	25,178
Cash and Cash Equivalents At Beginning of Year	<u>420,831</u>
Cash and Cash Equivalents At End of Year	<u><u>446,009</u></u>

The accompanying notes are an integral part of this statement.

TOWN OF OAK GROVE, LOUISIANA

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Independent Auditor's Report

To the Mayor and Council Members
Town of Oak Grove
Oak Grove, Louisiana

I have audited the accompanying general purpose financial statements of the Town of Oak Grove, Louisiana, as of and for the year ended June 30, 1996. These general purpose financial statements are the responsibility of the Town of Oak Grove's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

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

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

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplementary schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Town of Oak Grove, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

In accordance with "Government Auditing Standards", I have also issued a report dated October 29, 1996, on my consideration of Town of Oak Grove's internal control structure and a report dated October 29, 1996, on its compliance with laws and regulations.



DARLA S. TURNER
CERTIFIED PUBLIC ACCOUNTANT

October 29, 1996

TOWN OF OAK GROVE, LOUISIANA

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

	GOVERNMENTAL FUNDS		
	General Fund	Special Revenue Funds	Debt Service Fund
ASSETS AND OTHER DEBITS			
ASSETS			
Cash and Cash Equivalents	\$73,991	\$743,662	\$72,931
Receivables -- (net, where applicable, of allowance for uncollectibles)			
Ad Valorem taxes	21,956	—	—
Other	—	3,443	—
Inventory	—	—	—
Restricted assets	180,275	—	98,000
Capital lease payments receivable	—	103,200	—
Property and equipment (net of accumulated depreciation)	—	—	—
Due from other funds	—	15,931	—
OTHER DEBITS			
Meter deposits	—	—	—
Amount available in debt service fund	—	—	—
Amount to be provided for retirement of general long-term debt	—	—	—
TOTAL ASSETS AND OTHER DEBITS	<u>276,222</u>	<u>866,236</u>	<u>170,931</u>
LIABILITIES, EQUITY AND OTHER CREDITS			
Liabilities:			
Accounts payable	4,454	7,240	—
Refundable sales tax	—	43,334	—
Payable from restricted assets:			
Revenue bond	—	—	—
Accrued interest and expenses	—	—	—
Customers' deposits	—	—	—
Refundable deposits	1,320	—	—
Due to other funds	—	—	15,931
Deferred revenues	77,993	103,200	—
General obligation bonds payable	—	—	—
Revenue bonds payable	—	—	—
Total Liabilities	<u>83,767</u>	<u>153,774</u>	<u>15,931</u>
Equity and Other Credits			
Contributed capital	—	—	—
Investment in general fixed assets	—	—	—
Retained earnings:			
Unreserved	—	—	—
Fund balances:			
Reserved for debt service	—	—	155,000
Unreserved -- undesignated (deficit)	192,455	712,462	—
Total Equity and Other Credits	<u>192,455</u>	<u>712,462</u>	<u>155,000</u>
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	<u>276,222</u>	<u>866,236</u>	<u>170,931</u>

The accompanying notes are an integral part of this statement.

PROPRIETARY FUND TYPE	FIDUCIARY FUND TYPE	ACCOUNT GROUPS		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Debt	
Enterprise Fund	Trust and Agency Fund			
\$134,072	\$9,597	--	--	\$1,034,253
--	--	--	--	21,956
24,985	--	--	--	28,428
8,005	--	--	--	8,005
311,937	--	--	--	590,212
--	--	--	--	103,200
1,191,234	--	758,853	--	1,950,087
--	--	--	--	15,931
--	--	--	--	0
--	--	--	155,000	155,000
--	--	--	--	0
<u>1,670,233</u>	<u>9,597</u>	<u>758,853</u>	<u>155,000</u>	<u>3,907,072</u>
4,945	--	--	--	16,639
--	--	--	--	43,334
52,000	--	--	--	52,000
17,076	9,597	--	--	26,673
29,501	--	--	--	29,501
--	--	--	--	1,320
--	--	--	--	15,931
--	--	--	--	181,193
--	--	--	155,000	155,000
475,000	--	--	--	475,000
578,522	9,597	0	155,000	996,591
947,092	--	--	--	947,092
--	--	758,853	--	758,853
144,619	--	--	--	144,619
--	--	--	--	155,000
--	--	--	--	904,917
<u>1,091,711</u>	<u>0</u>	<u>758,853</u>	<u>0</u>	<u>2,910,481</u>
<u>1,670,233</u>	<u>9,597</u>	<u>758,853</u>	<u>155,000</u>	<u>3,907,072</u>

**Governmental Funds
Combined Statement of Revenues, Expenditures, and Changes
In Fund Balances
For the Year Ended June 30, 1996**

	GOVERNMENTAL FUNDS			Totals (Memorandum Only)
	General Fund	Special Revenue Funds	Debt Service Fund	
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$45,419	—	—	\$45,419
Sales and use	—	427,331	—	427,331
Other	11,060	—	—	11,060
Licenses and permits	104,960	—	—	104,960
State sources:				
Restricted grants—in-aid	15,000	134,942	—	149,942
Fees, charges and commissions	59,962	3,443	—	63,405
Fines and forfeitures	12,462	—	—	12,462
Earned portion capital lease	—	17,765	—	17,765
Use of money and property	10,126	37,009	8,386	55,521
Other revenues	15,708	9,166	—	24,874
Total Revenues	274,697	629,656	8,386	912,739
EXPENDITURES				
General government	169,799	106,818	—	276,617
Public safety	114,991	15,405	—	130,396
Public works	538	123,735	—	124,273
Capital outlay	—	47,932	—	47,932
Economic development and assistance	—	94,642	—	94,642
Home improvement	—	40,660	—	40,660
Debt service:				
Principal retirement	—	—	65,000	65,000
Interest and fiscal charges	—	—	3,785	3,785
Total Expenditures	285,328	429,192	68,785	783,305
Excess (Deficiency) Of Revenues Over Expenditures	(10,631)	200,464	(60,399)	129,434
OTHER FINANCING SOURCES (USES)				
Operating transfers in	—	15,931	71,330	87,261
Operating transfers (out)	—	(65,450)	(21,811)	(87,261)
Total Other Financing Sources (Uses)	0	(49,519)	49,519	0
Excess (Deficiency) Of Revenues And Other Sources Over Expenditures and Other Uses	(10,631)	150,945	(10,880)	129,434
Fund Balances, Beginning	203,086	582,152	165,880	951,118
Less Prior Period Adjustment	—	(20,635)	—	(20,635)
Fund Balances, Ending	192,455	712,462	155,000	1,059,917

The accompanying notes are an integral part of this statement.

TOWN OF OAK GROVE, LOUISIANA

Governmental Funds

Combined Statement of Revenues, Expenditures, and Changes In Fund Balances – Budget (GAAP Basis) and Actual For the Year Ended June 30, 1996

	General Fund		
	Budget	Actual	Variance
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$45,000	\$45,419	\$419
Sales and use	—	—	—
Other	12,000	11,060	(940)
Licenses and permits	92,200	104,960	12,760
State sources:			
Restricted grants—in-aid	92,993	15,000	(77,993)
Fees, charges and commissions	58,300	59,962	1,662
Fines and forfeitures	12,000	12,462	462
Earned portion capital lease	—	—	0
Use of money and property	10,900	10,126	(774)
Other	6,500	15,708	9,208
Total Revenues	329,893	274,697	(55,196)
EXPENDITURES			
General Governmental	175,270	169,799	5,471
Public safety	118,900	114,991	3,909
Public works	565	538	27
Health and welfare	—	—	0
Economic development and assistance	—	—	0
Home improvement	—	—	0
Capital outlay	1,500	—	1,500
Debt service:			
Principal retirement	—	—	0
Interest and fiscal fees	—	—	0
Total Expenditures	296,235	285,328	10,907
Excess (Deficiency) Of Revenues Over Expenditures	33,658	(10,631)	(44,289)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	—	—	0
Operating transfers (out)	—	—	0
Total Other Financing Sources (Uses)	0	0	0
Excess (Deficiency) Of Revenues and Other Sources Over Expenditures and Other Uses	33,658	(10,631)	(44,289)
Fund Balances, Beginning		203,086	
Less: Prior Period Adjustment		—	
Fund Balances, Ending		192,455	

The accompanying notes are an integral part of this statement.

Special Revenue Funds			Debt Service Fund		
Budget	Actual	Variance	Budget	Actual	Variance
\$47,000	\$46,390	(\$610)	--	--	\$0
370,000	380,941	10,941	--	--	0
--	--	0	--	--	0
--	--	0	--	--	0
--	134,942	134,942	--	--	0
3,535	3,443	(92)	--	--	0
--	--	0	--	--	0
25,800	17,765	(8,035)			
27,718	37,009	9,291	8,000	8,386	386
8,600	9,166	566	--	--	0
<u>482,653</u>	<u>629,656</u>	<u>147,003</u>	<u>8,000</u>	<u>8,386</u>	<u>386</u>
117,700	106,818	10,882	--	--	0
16,520	15,405	1,115	--	--	0
133,700	123,735	9,965	--	--	0
--	--	0	--	--	0
--	94,642	(94,642)	--	--	0
--	40,660	(40,660)	--	--	0
48,375	47,932	443	--	--	0
--	--	0	65,000	65,000	0
--	--	0	3,653	3,785	132
<u>316,295</u>	<u>429,192</u>	<u>(112,897)</u>	<u>68,653</u>	<u>68,785</u>	<u>132</u>
166,358	200,464	34,106	(60,653)	(60,399)	254
--	15,931	15,931	71,330	71,330	0
(70,000)	(65,450)	4,550	(5,880)	(21,811)	(15,931)
(70,000)	(49,519)	20,481	65,450	49,519	(15,931)
96,358	150,945	54,587	4,797	(10,880)	(15,677)
	<u>582,152</u>			<u>165,880</u>	
	<u>20,635</u>			<u>--</u>	
	<u><u>712,462</u></u>			<u><u>155,000</u></u>	

NOTES TO THE FINANCIAL STATEMENTS
June 30, 1996

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

Reserves

Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use.

Designated Fund Balances

Designated fund balances represent tentative plans for future use of financial resources.

M. Total Columns on Combined Statements

Total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or 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 – REVENUES – ACTUAL AND BUDGET

The following individual fund had budgeted revenues over actual revenues for the year ended June 30, 1996:

Fund	Budget	Actual	(Unfavorable) Variance
General Fund	\$329,893	\$274,697	(\$55,196)

*Unfavorable variance due to incorrectly budgeting revenues received that were not to be realized until expenditures were incurred.

NOTE 3 – CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Under state law, the Town 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 principal offices in Louisiana.

At June 30, 1996, the Town had cash totaling \$1,624,465, as follows:

Demand Deposits	\$365,680
Certificates of Deposits and Time Deposits	668,573
Restricted Assets (Cash)	<u>590,212</u>
Total	<u>\$1,624,465</u>

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**TOWN OF OAK GROVE
Oak Grove, Louisiana**

*General Purpose Financial Statements
And Independent Auditor's Report
For The Year Ended June 30, 1996
With Supplemental Information Schedules*

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court

Release Date ~~DEC 11 1996~~

DARLA S. TURNER, CPA
A Professional Accounting Corporation
1701 Lamy Lane
Monroe, Louisiana 71201

TOWN OF OAK GROVE, LOUISIANA

*General Purpose Financial Statements
and Independent Auditor's Report
For The Year Ended June 30, 1996
With Supplemental Information Schedules*

NOTES TO THE FINANCIAL STATEMENTS

June 30, 1996

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Oak Grove, Louisiana, was incorporated January 4, 1966, under the provisions of The Home Rule Charter as provided by State Law Reference L.R.S. 33:1381 – 1390. A copy of the ratified charter is recorded in Charter Book "B" at page 401, of the records of West Carroll Parish, Louisiana. The Mayor is the executive officer of the Town, while the Council members are the governing authority of the Town for the purposes of legislation and policy making.

The accounting and reporting policies of the municipality conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to industry audit guide, Audits of State and Local Governmental Units. Revised Statutes 24:517 and to the industry audit guide, Audits of State and Local Governmental Units.

A. Basis of Presentation

The accompanying financial statements of the Town of Oak Grove have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

As the municipal governing authority, for reporting purposes, the Town of Oak Grove, Louisiana is considered a separate financial entity. The financial reporting entity consists of (a) the primary government, (b) organizations for which primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government could cause the statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Town of Oak Grove, Louisiana for the financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body.
 - A. The ability of the municipality to impose its will on that organization and/or
 - B. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the municipality.
2. Organizations for which the municipality does not appoint a voting majority but are fiscally dependent on the municipality.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 1996

NOTE 5 – GENERAL LONG TERM OBLIGATIONS (Cont'd)

\$155,000 is available in the Debt Service Fund to service the general obligation bonds.

There are a number of limitations and restrictions contained in the various bond indentures. The Town is in compliance with all significant limitations and restrictions.

Interest expense for the period totaled \$36,839. All interest was expensed and none was capitalized.

NOTE 6 – CHANGES IN FIDUCIARY FUND TYPE

A summary of changes in fiduciary fund type is as follows:

	Balance 7/1/95	Additions	Deletions	Balance 6/30/96
Cash	\$6,978	\$417,066	\$414,447	\$9,597

NOTE 7 – INTERFUND TRANSACTION

During the course of normal operations, the Town has numerous transactions between funds including expenditures and transfers of resources primarily to provide services. The governmental and proprietary type funds financial statements generally reflect such transactions as transfers.

NOTE 8 – INTERGOVERNMENTAL REVENUES

The Town received \$52,993 and \$25,000 from the State of Louisiana under the provision of restricted grants--in--aid. The grants were received for the economic development of the Town.

NOTE 9 – ENCUMBRANCES

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded.

NOTE 10 – DIRECT FINANCING LEASE

The Town is a lessor in a lease agreement which transferred substantially all of the risks and benefits of ownership from The Town to the lessee.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 1996

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

C. Fund Accounting

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

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

Funds of the Town of Oak Grove are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds

Governmental funds account for all or most of the Town of Oak Grove's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds include:

General Fund – the general operating fund of the Town of Oak Grove and accounts for all financial resources, except those required to be accounted for in other funds.

Special Revenue Funds – account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt Service Funds – account for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term obligations account group.

Proprietary Funds

Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary funds include enterprise funds and internal service funds. Proprietary funds include:

Enterprise Fund – accounts for operations (a) that are financed and operated in a manner similar to a private business enterprise where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user fees; 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.

(Continued)

NOTES TO THE FINANCIAL STATEMENTS

June 30, 1996

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

Fiduciary Funds

Agency Funds – account for assets held by the Town of Oak Grove on behalf of others as its agent. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

D. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds, expendable trust funds, and agency funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied by the Town in September or October and are actually billed on October 1, and are mailed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed. The Town bills and collects its own property taxes using the assessed value determined by the tax assessor of West Carroll Parish. The year ended June 30, 1996, taxes of 14.35 mills were levied on property with assessed valuations totaling \$6,412,170, and were deducted as follows:

General corporate purposes	7.16 mills
Street Maintenance	5.14 mills
Cemetery	2.05 mills

Property tax revenues are recognized when they become available. Available includes those property tax receivables elected to be collected within sixty days after year end. Delinquent taxes are considered fully collectible and therefore no allowance for uncollectible taxes is provided.

Fines, bond forfeiture, and fees are recognized when collected by the Town. Interest income is recorded when it is credited to accounts by the Bank.

Expenditures

Salaries are recorded as expenditures when earned by employees.

Purchases of various operating supplies, etc. are recorded as expenditures when the related fund liability is incurred.

Principal and interest on general long-term debt and installment purchase payments are recognized when due.

(Continued)

NOTES TO THE FINANCIAL STATEMENTS
June 30, 1996**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)****Deferred Revenues**

The Town of Oak Grove reports deferred revenues on its combined balance sheet. Deferred revenues arise when resources are received by the Town of Oak Grove before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when the Town of Oak Grove has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

E. Budgets

The Town of Oak Grove (Mayor and Council) uses the following budget practices:

- (1) Prior to June 30, the Town Clerk submits to the Mayor and Council Members 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 for the upcoming year. The budget is submitted in summary form. In addition, more detailed line item budgets are included for administrative control. The level of control for the detailed budgets is at the department head/function level.
- (2) Public hearings are conducted to obtain taxpayer comment.
- (3) During the month of July the budget is legally enacted through passage of an ordinance.
- (4) Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds and Debt Service Fund.
- (5) Budgets for the General, Debt Service, and Special Revenue Funds are adopted on the GAAP basis.
- (6) Appropriations lapse at the end of each fiscal year.
- (7) The Mayor and Council Members may authorize supplemental appropriations during the year. Supplemental appropriations were made during the fiscal year.

F. Encumbrances

Encumbrance accounting is not used.

G. Cash and Cash Equivalents

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 Town of Oak Grove 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.

(Continued)

NOTES TO THE FINANCIAL STATEMENTS

June 30, 1996

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

Under state law, the Town of Oak Grove 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. Investments are stated at cost.

H. Fixed Assets

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are not capitalized. All fixed assets are valued at historical cost.

Fixed assets used in the proprietary fund operations are included on the balance sheet of the funds net of accumulated depreciation. Depreciation of all exhaustible fixed assets used by proprietary fund operations is charged as an expense against operations. No depreciation has been provided for general fixed assets. Depreciation is computed using the straight-line method and the following useful lives:

Plant/Sewer Collection System	50 years
Machinery and Equipment	5–10 years

I. Long-Term Obligations

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due. Long-term obligations expected to be financed from proprietary fund operations are accounted for in those funds.

J. Compensated Absences

Town employees are entitled to three days of compensated absences. However, compensated absences do not vest or accumulate and are recorded as expenditures when they are paid.

K. Restricted Assets

These assets consist of cash and cash equivalents restricted for both water works and sewer system, debt service and general funds.

L. Fund Equity**Contributed Capital**

Contributed capital is recorded in the Enterprise Fund for capital grants restricted for the acquisition or construction of capital assets. Contributed capital is not amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such resources.

(Continued)

NOTES TO THE FINANCIAL STATEMENTS
June 30, 1996

NOTE 5 – GENERAL LONG TERM OBLIGATIONS (Cont'd)

Bonds payable at June 30, 1996, are comprised of the following issues:

General Obligation Bonds:

\$880,000 Public Improvement Bonds, Series St-1 dated March 1, 1978, due in annual installments of \$20,000 to \$80,000 through March 1, 1998; interest at various rates between 5.5% and 6.75%, issued secured by a pledge from the Town of Oak Grove. \$155,000

Revenue Bonds:

\$1,075,000 Water and Sewer Revenue Bonds dated July 1, 1973, due in various annual installments from \$15,000 to \$81,000 through July 1, 2003; interest at various rates from 5.5% to 6.0%. 527,000

Total \$682,000

The annual requirements to amortize all debt outstanding as of June 30, 1996, including interest payments of \$138,720, are as follows:

Annual Requirements to Amortize Long-Term Debt
June 30, 1996

Year ending June 30,	General Obligation	Revenue	Total
1997	\$76,550	\$82,060	\$158,610
1998	80,400	82,060	162,460
1999	-	83,340	83,340
2000	-	82,650	82,650
2001	-	82,750	82,750
2002	-	83,580	83,580
2003	-	166,570	166,570
Total	<u>156,950</u>	<u>663,010</u>	<u>819,960</u>

NOTES TO THE FINANCIAL STATEMENTS

June 30, 1996

NOTE 3 – CASH AND CASH EQUIVALENTS (Cont'd)

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These securities are held in the name of the pledging bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at June 30, 1996, are secured as follows:

Bank Balances	<u>\$1,624,465</u>
Federal Deposit Insurance	\$300,000
Pledged Securities	1,953,031
Total	<u>\$2,253,031</u>

NOTE 4 – FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance 7/1/95	Additions	Retired Deletions	Balance 6/30/96
Land	\$144,840	\$20,000	–	\$164,840
Building	127,628	–	–	127,628
Equipment	438,452	27,933	–	466,385
	<u>\$710,920</u>	<u>\$47,933</u>	<u>0</u>	<u>\$758,853</u>

A summary of proprietary fund type property, land and equipment at June 30, 1996.

Land	\$10,756
Water/sewer treatment system	1,964,454
Vehicles and equipment	86,859
Furniture and equipment	17,114
Total	<u>2,079,183</u>
Less accumulated depreciation	887,949
Net	<u>\$1,191,234</u>

NOTE 5 – GENERAL LONG TERM OBLIGATIONS

The following is a summary of bond transactions for the Town for the year ended June 30, 1996.

	General Obligation	Revenue	Total
Bonds payable at July 1, 1995	\$220,000	\$576,000	\$796,000
New bonds issued	0	0	0
Bonds retired	65,000	49,000	114,000
Bonds payable at June 30, 1996	<u>155,000</u>	<u>527,000</u>	<u>682,000</u>

(Continued)

**Combined Statement of Revenues, Expenses and Changes In
Retained Earnings – Proprietary Fund Types
For The Year Ended June 30, 1996**

OPERATING REVENUES

Charges for services	\$294,253
Other income	4,708
Total Operating Revenues	<u>298,961</u>

OPERATING EXPENSES

Personal services	126,496
Materials, supplies and repairs	44,983
Other operating expenses	32,163
Depreciation	56,155
Total Operating Expenses	<u>259,797</u>

Operating Income 39,164

NONOPERATING REVENUES (EXPENSES)

Interest revenues	18,062
Interest expense	(31,803)
Total Nonoperating Revenues and Expenses	<u>(13,741)</u>

NET INCOME 25,423

Retained Earnings at Beginning of Year 119,196

Retained Earnings at End of Year 144,619

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Schedule 4

Independent Auditor's Report on
Schedule of Federal Financial Assistance

To The Mayor and Council Members
Town of Oak Grove
Oak Grove, Louisiana

I have audited the general purpose financial statements of the Town of Oak Grove, Louisiana, as and for the year ended June 30, 1996, and have issued my report thereon dated October 29, 1996. These general purpose financial statements are the responsibility of the Town of Oak Grove, Louisiana's, management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

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

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the Town of Oak Grove, Louisiana, taken as a whole. The accompanying schedule of federal financial assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.



DARLA S. TURNER
CERTIFIED PUBLIC ACCOUNTANT

October 29, 1996

TOWN OF OAK GROVE, LOUISIANA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 1996**

CURRENT YEAR FINDINGS:

Criteria:	Municipal wastewater treatment systems are required to comply with the Louisiana Environmental Quality Act, La. R.S. 30:2001, et seq. pertaining to the discharging of certain quantities and/or qualities of wastewater under the terms and conditions of Louisiana Water Discharge Permit System.
Finding:	<p>Upon inspection by the State of Louisiana, Department of Environmental Quality, December 20, 1994, the Town was notified on January 18, 1995 of discrepancies in the treatment and testing of wastewater in its system. On April 6, 1995, a Compliance Order was issued from the State of Louisiana, Department of Environmental Quality stating these discharges are in violation of the terms and conditions of LWDPs permit WP3020, in addition to certain Louisiana Revised Statutes. The required LWDPs permit from the State of Louisiana expired March 21, 1996.</p> <p>The engineer for the Town submitted a letter to Department of Environmental Quality Water Quality Management Division outlining a corrective plan and a timetable for completion. On June 9, 1995, the United States Environmental Protection Agency, after consultation with the State of Louisiana, issued a permit to discharge, effective until midnight June 30, 2000.</p>
Cause of Condition:	Per April 17, 1995 correspondence to State of Louisiana, from Denmon Engineering Co., Inc., condition was caused by limitations of the treatment capabilities of a single-cell oxidation pond facility and the volume of flow of the wastewater entering this facility, primarily due to excessive infiltration, this single-cell pond will not afford the degree of treatment required by their wastewater permit no. WP3020.
Recommendation:	I recommended to the Town that they continue to take steps to comply with the laws and regulations pertaining to wastewater discharge set forth by the Louisiana Department of Environmental Quality.
Response:	The Town has applied for a loan from the Rural Economic and Community Development Service (formerly FmHa) for funds to construct and/or up-date their facilities to meet State and Federal requirements.

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Schedule 6

Independent Auditor's Report On Compliance With
Laws and Regulations Based On An Audit Of
General Purpose Financial Statements Performed In
Accordance With Government Auditing Standards

To the Mayor and Council Members
Town of Oak Grove
Oak Grove, Louisiana

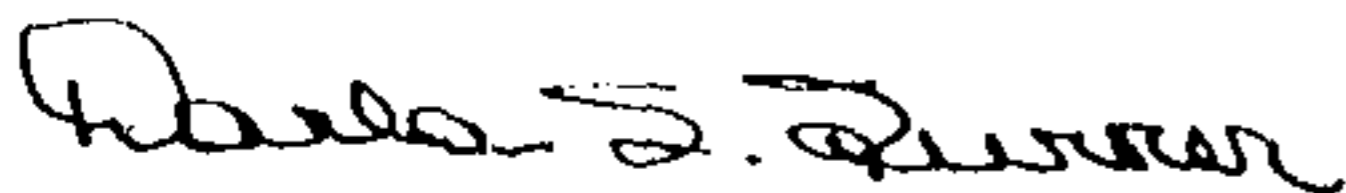
I have audited the general purpose financial statements of the Town of Oak Grove, Louisiana, as of and for the year ended June 30, 1996, and have issued my report thereon dated October 29, 1996.

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

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

The results of my tests disclosed no instances of material noncompliance that are required to be reported under "Government Auditing Standards." However, the results of my procedures disclosed immaterial instances of noncompliance with those requirements, which are described in the accompanying Schedule of Findings and Questioned Costs.

This report is intended for the information of the Town of Oak Grove's management, and the Legislative Auditor of the State of Louisiana. However, this restriction is not intended to limit the distribution of this report, which is a matter of public record.



DARLA S. TURNER
CERTIFIED PUBLIC ACCOUNTANT

October 29, 1996

Budget
Cash
Revenue/receipts – service revenue and receivables – proprietary fund
Expenditures/disbursements/purchasing
Payroll/personnel
Property, plant and equipment, and capital expenditures
Budgeting/budgetary funding
Tax collection/distribution
Single Audit and similar grant programs
Debt and debt service

General Requirements

Political activity.
Davis– Bacon Act.
Civil rights.
Cash management.
Relocation assistance and real property acquisition.
Federal financial reports.
Allowable costs/cost principles.
Drug– free Workplace Act.
Administrative requirements.

Specific Requirements

Types of services allowed or not allowed.
Eligibility.
Matching, level of effort, or earmarking.
Reporting.
Special requirements, if any.
Claims for Advances and Reimbursements
Amounts Claimed of Used for Matching

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

During the year ended June 30, 1996, the Town of Oak Grove, Louisiana, had no major federal financial assistance programs and expended 100 percent of its total federal financial assistance under the following non– major federal financial assistance programs: U.S. Department of Housing and Urban Development – Louisiana Development Block Grant Program and U.S. Department of Housing and Urban Development – Louisiana Housing Finance Agency – Home Program.

I 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 I 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 Town of Oak Grove’s non– major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance. My procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, I do not express such an opinion.

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Schedule 10

Independent Auditor's Report On Internal Control Structure
Used In Administering Federal Financial Assistance Programs

To the Mayor and Council Members
Town of Oak Grove
Oak Grove, Louisiana

I have audited the general purpose financial statements of the Town of Oak Grove, Louisiana, as of and for the year ended June 30, 1996, and have issued my report thereon dated October 29, 1996. I have also audited the compliance of the Town of Oak Grove, Louisiana, with requirements applicable to non-major federal financial assistance programs and have issued my report thereon dated October 29, 1996.

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

In planning and performing my audit for the year ended June 30, 1996, I considered the internal control structure of the Town of Oak Grove, in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses my consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. I have addressed internal control structure policies and procedures relevant to my audit of the general purpose financial statements in a separate report dated October 29, 1996.

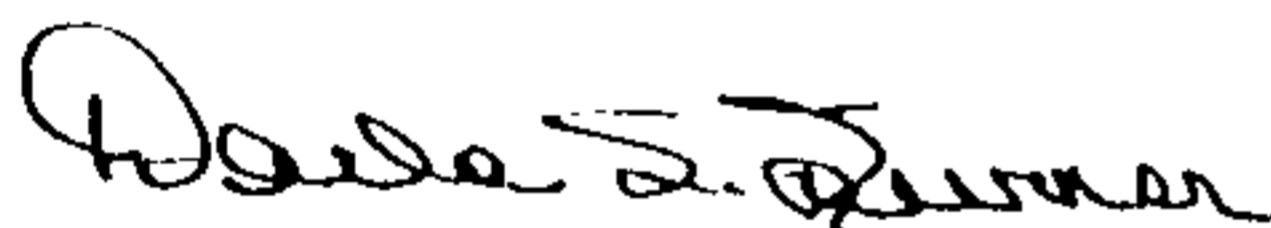
The management of the Town of Oak Grove is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose 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, I have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weakness under standards established by the American Institute of Certified Public Accountants.

A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control structure and its operation that I consider to be material weaknesses as defined above.

This report is intended for the information of the Town of Oak Grove's management and the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit the distribution of the report, which is a matter of public record.



DARLA S. TURNER
CERTIFIED PUBLIC ACCOUNTANT

October 29, 1996

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Schedule 9

Independent Auditor's Report On Internal Control Structure Based
On An Audit Of General Purpose Or Basic Financial Statements Performed
In Accordance With Government Auditing Standards

To the Mayor and Council Members
Town of Oak Grove
Oak Grove, Louisiana

I have audited the general purpose financial statements of the Town of Oak Grove, Louisiana, as of and for the year ended June 30, 1996, and have issued my report thereon dated October 29, 1996.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the Town of Oak Grove 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 general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing my audit of the general purpose financial statements of the Town of Oak Grove, Louisiana for the year ended June 30, 1996, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

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

Audit procedures revealed that, in some instances, checks were disbursed with only one of the two required signatures present. This condition provides for unauthorized or unallowable disbursements being made by the Town.

Examination of vendor invoices revealed that most of the invoices did not contain evidence that payment had been approved by an authorized individual. This condition exposes the Town to duplicate payment of an invoice.

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Schedule 8

Independent Auditor's Report On Compliance With Specific Requirements
Applicable to Non-Major Federal Financial Assistance Program Transactions

To the Mayor and Council Members
Town of Oak Grove
Oak Grove, Louisiana

I have audited the general purpose financial statements of the Town of Oak Grove, Louisiana, as of and for the year ended June 30, 1996, and have issued my report thereon dated October 29, 1996.

In connection with my audit of the general purpose financial statements of the Town of Oak Grove, Louisiana, as of June 30, 1996, and for the year then ended, and with my consideration of the internal control structure used to administer federal financial assistance programs, as required by Office of Management and Budget circular A-128, "Audits of State and Local Governments," I selected certain transactions applicable to certain non-major financial assistance programs for the year ended June 30, 1996.

As required by OMB Circular A-128, I have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed and eligibility that are applicable to those transactions. My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the compliance with these requirements. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material noncompliance with the requirements listed in the previous paragraph. With respect to items not tested, nothing came to my attention that caused me to believe that the Town of Oak Grove, Louisiana, had not complied, in all material respects, with those requirements. Also, the results of my procedures did not disclose any immaterial instances of non-compliance with those requirements.

This report is intended for the information of the Town of Oak Grove's management, and the Legislative Auditor of the State of Louisiana. However, this restriction is not intended to limit the distribution of this report, which is a matter of public record.



DARLA S. TURNER
CERTIFIED PUBLIC ACCOUNTANT

October 29, 1996

TOWN OF OAK GROVE, LOUISIANA

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NOTES TO THE FINANCIAL STATEMENTS**June 30, 1996****NOTE 11 – PENSION COST (Cont'd.)****Municipal Police Retirement System**

Plan Description

Members of the police department of the Town of Oak Grove participate in a cost-sharing multiple-employer plan, administered by the Municipal Police Employees' Retirement System.

The Municipal Police Employees' Retirement System provides retirement benefits for municipal police officers. Membership is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrest, providing they do not have to pay social security and providing they meet the statutory criteria.

Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211–11:2233. The Municipal Police Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Municipal Police Employees' Retirement System. That report may be obtained by writing to Duplantier, Hrapmann, Hogan & Maher, L.L.P., Certified Public Accountants, 821 Gravier St., Suite 1300, New Orleans, LA 70112, or by calling 1–504–586–8866.

Funding Policy

Plan members are required to contribute 7.5% of their annual covered salary and the Town of Oak Grove is required to contribute at an actuarially determined rate. The current rate is 9% of the annual covered payroll. The contribution requirements of plan members and the Town of Oak Grove are established and may be amended by the Municipal Police Employees' Retirement System's Board of Trustees. The Town's contributions to the retirement system for the years ending June 30, 1994, 1995 and 1996, were \$10,159, \$6,065 and \$10,624, respectively, equal to the required contributions for each year.

NOTE 12 – SUBSEQUENT EVENTS

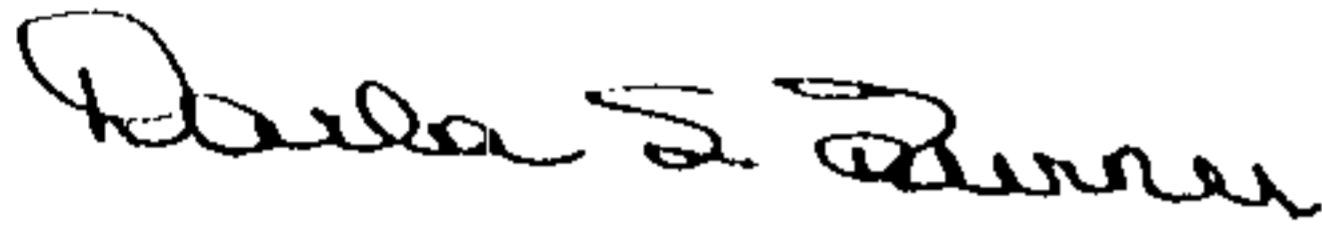
None

NOTE 13 – CONTINGENCIES

A civil action lawsuit has been filed against the Parish of West Carroll by Darrel Smith for injuries sustained in the process of being taken into custody. Outcome is unknown.

My consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control structure and its operations that I consider to be material weaknesses as defined above.

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



DARLA S. TURNER
CERTIFIED PUBLIC ACCOUNTANT

October 29, 1996

Schedule of Federal Financial Assistance
For the Year Ended June 30, 1996

Federal Agency or Department	Federal CFDA Number	Grant Number	Federal Award Amount	1996 Program Assistance Received	1996 Expenditures	Total Program Expenditures to June 30, 1996
U. S. Department of Housing and Urban Development -- State of Louisiana, Division of Administration, Louisiana Development Block Grant Program	14.228	101-4030	\$596,000	\$94,282	\$94,642	\$520,077
U.S. Department of Housing and Urban Development -- State of Louisiana -- Passes through Louisiana Housing Finance Agency -- Home Program	14.239	4036	78,000	40,660	40,660	63,735
Total Federal Financial Assistance -- Non-Major Programs			<u>674,000</u>	<u>134,942</u>	<u>135,302</u>	<u>583,812</u>

Supplemental Information Schedules

TOWN OF OAK GROVE, LOUISIANA

**Special Revenue Funds
Combining Balance Sheets
June 30, 1996**

	LCDBG Fund	Sales Tax Fund	Fire Fund	Street Fund
ASSETS				
Cash	\$0	\$487,417	\$25,189	\$66,201
Accounts receivable	-	-	3,443	-
Due from other funds	-	15,931	-	-
Capital lease receivable	-	-	-	-
TOTAL ASSETS	<u>0</u>	<u>503,348</u>	<u>28,632</u>	<u>66,201</u>
LIABILITIES AND FUND EQUITY				
Liabilities				
Accounts payable	-	6,483	31	596
Accrued expenses	-	-	-	-
Due to other governments	-	-	-	-
Deferred revenues -- capital lease	-	-	-	-
Refundable sales tax	-	43,334	-	-
Total Liabilities	<u>0</u>	<u>49,817</u>	<u>31</u>	<u>596</u>
FUND EQUITY				
Unreserved -- undesignated	0	453,531	28,601	65,605
Total Fund Equity	<u>-</u>	<u>453,531</u>	<u>28,601</u>	<u>65,605</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>0</u>	<u>503,348</u>	<u>28,632</u>	<u>66,201</u>

Cemetery Fund	Economic Development	LHFA Home Program	Community Center	Total (Memorandum Only)
\$45,886	\$108,162	—	\$10,807	\$743,662
—	—	—	—	3,443
—	—	—	—	15,931
—	103,200	—	—	103,200
<u>45,886</u>	<u>211,362</u>	<u>0</u>	<u>10,807</u>	<u>866,236</u>
130	—	—	—	7,240
—	—	—	—	—
—	—	—	—	—
—	103,200	—	—	103,200
—	—	—	—	43,334
<u>130</u>	<u>103,200</u>	<u>—</u>	<u>—</u>	<u>153,774</u>
45,756	108,162	—	10,807	712,462
<u>45,756</u>	<u>108,162</u>	<u>—</u>	<u>10,807</u>	<u>712,462</u>
<u>45,886</u>	<u>211,362</u>	<u>0</u>	<u>10,807</u>	<u>866,236</u>

TOWN OF OAK GROVE, LOUISIANA

**Special Revenue Funds
Combining Schedule of Revenues, Expenditures, and
Changes In Fund Balances
For The Year Ended June 30, 1996**

	LCDBG Fund	Sales Tax Fund	Fire Fund	Street Fund
REVENUES				
Taxes	-	\$380,941	-	\$33,534
Use of money and property	-	23,245	1,068	-
Fees, charges and commissions	-	-	3,443	-
Intergovernmental restricted grant	94,282	-	-	-
Earned portion of capital lease	-	-	-	-
Other	-	-	-	-
Total Revenues	94,282	404,186	4,511	33,534
EXPENDITURES				
General government	-	106,818	-	-
Public health and safety	-	-	2,056	-
Public works	-	117,809	-	5,926
Capital outlay	-	41,543	6,172	217
Economic development and assistance	94,642	-	-	-
Home improvement	-	-	-	-
Total Expenditures	94,642	266,170	8,228	6,143
Excess (Deficiency) Of Revenues Over Expenditures	(360)	138,016	(3,717)	27,391
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	15,931	-	-
Operating transfers (out)	-	(65,450)	-	-
Total Other Financing Sources (Uses)	-	(49,519)	-	-
Excess (Deficiency) Of Revenues And Other Sources Over Expenditures and Other Uses	(360)	88,497	(3,717)	27,391
Fund Balances, Beginning	360	365,034	32,318	38,214
Less: Prior Period Adjustment	-	-	-	-
Fund Balances, Ending	0	453,531	28,601	65,605

Cemetery Fund	Economic Development	LHFA Home Program	Community Center	Total (Memorandum Only)
\$12,856	--	--	--	\$427,331
1,251	11,096	--	349	37,009
--	--	--	--	3,443
--	--	40,660	--	134,942
--	17,765	--	--	17,765
9,166	--	--	--	9,166
23,273	28,861	40,660	349	629,656
--	--	--	--	106,818
13,349	--	--	--	15,405
--	--	--	--	123,735
--	--	--	--	47,932
--	--	--	--	94,642
--	--	40,660	--	40,660
13,349	0	40,660	0	429,192
9,924	28,861	0	349	200,464
--	--	--	--	15,931
--	--	--	--	(65,450)
--	--	--	--	(49,519)
9,924	28,861	0	349	150,945
35,832	99,936	0	10,458	582,152
--	20,635	--	--	20,635
45,756	108,162	0	10,807	712,462

Schedule of Compensation Paid Mayor and Council Members
For the Year Ended June 30, 1996

<u>BOARD MEMBER</u>	<u>AMOUNT</u>
James H. Dumas, Mayor	\$9,000
Lavelle Brown, Mayor Pro Tem	1,800
Albert Mizell	1,200
Robert Ruffin	1,200
Mike Reeves	0
Clementine Mathews	1,200
Total	<u>14,400</u>

NOTES TO THE FINANCIAL STATEMENTS

June 30, 1996

NOTE 10 – DIRECT FINANCING LEASE

The following lists the components of the net investment in this direct financing lease at June 30, 1996:

	<u>1996</u>
Total minimum lease payments to be received	\$103,200
Less: Unearned income	<u>15,554</u>
Net investment in direct financing leases	<u>\$87,646</u>

Minimum lease payments for each of the four remaining fiscal years are as follows:

<u>Year</u>	<u>Amount</u>
1997	\$25,800
1998	25,800
1999	25,800
2000	25,800
	<u>\$103,200</u>

NOTE 11 – PENSION COST

Municipal Employees' Retirement System

Plan Description

Substantially all full-time employees except police and firemen of the Town of Oak Grove are covered under the Municipal Employees' Retirement System of Louisiana (Plan B), a cost sharing multiple employer public employee retirement system (PERS), controlled and administered by a separate board of trustees. The Municipal Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for Municipal Employees' Retirement System. That report may be obtained by writing to Duplantier, Hrapmann, Hogan & Maher, L.L.P., Certified Public Accountants, 821 Gravier St., Suite 1300, New Orleans, LA 70112, or by calling 1-504-586-8866.

Funding Policy

Plan members are required to contribute 5% of their annual covered salary and the Town of Oak Grove is required to contribute at an actuarially determined rate. The current rate is 3.75% of the annual covered payroll. The contribution requirement of plan members and the Town of Oak Grove are established and may be amended by the Municipal Employees' Retirement System Board of Trustees. The Town's contributions to the Municipal Employees' Retirement System for the years ending June 30, 1994, 1995 and 1996 were \$29,733, \$29,679 and \$25,046, respectively, equal to the required contributions for each year.

(Continued)