

2301

RECEIVED
LEGISLATIVE AUDITOR
2007 NOV -5 AM 11:18

TOWN OF OBERLIN, LOUISIANA

Financial Report

Year Ended June 30, 2007

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 11/28/07

TABLE OF CONTENTS

	Page
Independent Auditors' Report	1-2
 BASIC FINANCIAL STATEMENTS	
 GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)	
Statement of net assets	5
Statement of activities	6
 FUND FINANCIAL STATEMENTS (FFS)	
Balance sheet - governmental funds	9
Reconciliation of the governmental funds balance sheet to the statement of net assets	10
Statement of revenues, expenditures, and changes in fund balances- governmental funds	11
Reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities	12
Statement of net assets - proprietary funds	13
Statement of revenues, expenses, and changes in net assets - proprietary funds	14
Statement of cash flows - proprietary funds	15-16
Notes to basic financial statements	17-34
 REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary comparison schedules:	
General Fund	36
Sales Tax Special Revenue Fund	37

(continued)

TABLE OF CONTENTS (continued)

	<u>Page</u>
OTHER SUPPLEMENTARY INFORMATION	
OTHER FINANCIAL INFORMATION	
Major Governmental Funds -	
General Fund - budgetary comparison schedule - revenues	40
General Fund - budgetary comparison schedule- expenditures	41-42
Nonmajor Governmental Funds -	
Combining balance sheet	44
Combining statement of revenues, expenditures, and changes in fund balances	45
Nonmajor special revenue funds -	
Statement of revenues, expenditures and changes in fund balances - budget (GAAP basis) and actual	46
Nonmajor debt service funds -	
Statement of revenues, expenditures and changes in fund balances - budget (GAAP basis) and actual	47
Schedule of number of utility customers (unaudited)	48
Schedule of insurance in force (unaudited)	49
Combined schedule of interest-bearing deposits - all funds	50
Departmental analysis of revenues and expenses - utility funds	51
INTERNAL CONTROL, COMPLIANCE AND OTHER MATTERS	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	53-54
Summary schedule of current and prior year audit findings and corrective action plan	55-56

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

OFFICES

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
P. Troy Courville, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Nixon, CPA*

183 South Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141
Fax (337) 232-8660

Tynes E. Nixon, Jr., CPA
Allen J. LaBry, CPA
Albert R. Leger, CPA, PFS, CSA*
Penny Angelle Scruggins, CPA
Christine L. Cousin, CPA
Mary T. Thibodeaux, CPA
Marshall W. Guidry, CPA
Alan M. Taylor, CPA
James R. Roy, CPA
Robert J. Metz, CPA
Kelly M. Doucet, CPA
Cheryl L. Bartley, CPA, CVA
Mandy B. Self, CPA
Paul L. Deicambre, Jr. CPA

113 East Bridge St.
Breaux Bridge, LA 70517
Phone (337) 332-4020
Fax (337) 332-2867

133 East Waddill St.
Marksville, LA 71351
Phone (318) 253-9252
Fax (318) 253-8681

1234 David Dr. Ste 203
Morgan City, LA 70380
Phone (985) 384-2020
Fax (985) 384-3020

408 West Cotton Street
Ville Platte, LA 70588
Phone (337) 363-2792
Fax (337) 363-3049

332 West Sixth Avenue
Oberlin, LA 70655
Phone (337) 639-4737
Fax (337) 639-4568

200 South Main Street
Abbeville, LA 70510
Phone (337) 893-7944
Fax (337) 893-7948

450 East Main Street
New Iberia, LA 70560
Phone (337) 367-9204
Fax (337) 367-9208

1013 Main Street
Franklin, LA 70538
Phone (337) 828-0272
Fax (337) 828-0290

INDEPENDENT AUDITORS' REPORT

WEB SITE:
WWW.KCSRPCAS.COM

Retired:
Conrad O. Chapman, CPA* 2006
Harry J. Clostio, CPA 2007

* A Professional Accounting Corporation

The Honorable Phillip W. Beard, Mayor,
and Members of the Board of Aldermen
Town of Oberlin, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Oberlin, Louisiana, as of and for the year ended June 30, 2007, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Oberlin, Louisiana, as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated September 20, 2007, on our consideration of the Town of Oberlin, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in conjunction with this report in considering the results of our audit.

Member of:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Member of:
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

The required supplementary information on pages 36 and 37 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The Town of Oberlin has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Oberlin's basic financial statements. The other supplementary information on pages 40 through 51 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Town of Oberlin, Louisiana. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The prior year comparative information on the other supplementary information has been derived from the Town of Oberlin's 2006 financial statements, which was subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, was fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Oberlin, Louisiana
September 20, 2007

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

TOWN OF OBERLIN, LOUISIANA

Statement of Net Assets
June 30, 2007

ASSETS	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Current assets:			
Cash and interest-bearing deposits	\$ 423,406	\$ 63,654	\$ 487,060
Receivables, net	14,312	280,638	294,950
Internal balances	6,415	(6,415)	-
Due from other governmental units	<u>70,310</u>	<u>-</u>	<u>70,310</u>
Total current assets	<u>514,443</u>	<u>337,877</u>	<u>852,320</u>
Noncurrent assets:			
Restricted assets:			
Cash and interest-bearing deposits	-	129,809	129,809
Capital assets, net	<u>966,262</u>	<u>6,212,678</u>	<u>7,178,940</u>
Total noncurrent assets	<u>966,262</u>	<u>6,342,487</u>	<u>7,308,749</u>
Total assets	<u>1,480,705</u>	<u>6,680,364</u>	<u>8,161,069</u>
LIABILITIES			
Current liabilities:			
Accounts and other payables	45,600	158,190	203,790
Deferred revenue	94,841	-	94,841
Bonds payable	<u>-</u>	<u>19,035</u>	<u>19,035</u>
Total current liabilities	<u>140,441</u>	<u>177,225</u>	<u>317,666</u>
Noncurrent liabilities:			
Customers' deposits payable	-	74,420	74,420
Bonds payable	<u>-</u>	<u>1,886,041</u>	<u>1,886,041</u>
Total noncurrent liabilities	<u>-</u>	<u>1,960,461</u>	<u>1,960,461</u>
Total liabilities	<u>140,441</u>	<u>2,137,686</u>	<u>2,278,127</u>
NET ASSETS			
Invested in capital assets, net of related debt	966,262	4,332,344	5,298,606
Restricted for debt service	-	30,647	30,647
Unrestricted	<u>374,002</u>	<u>179,687</u>	<u>553,689</u>
Total net assets	<u>\$1,340,264</u>	<u>\$4,542,678</u>	<u>\$5,882,942</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF OBERLIN, LOUISIANA

Statement of Activities
Year Ended June 30, 2007

Activities	Program Revenues			Net (Expense) Revenues and Changes in Net Assets			
	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 221,586	\$ 40,778	\$ 21,572	\$ -	\$ (159,236)	\$ -	\$ (159,236)
Public safety:							
Police	444,246	181,038	176,191	4,551	(82,466)	-	(82,466)
Streets	270,726	-	107,842	-	(162,884)	-	(162,884)
Urban redevelopment and housing	73,613	-	73,613	-	-	-	-
Total governmental activities	1,010,171	221,816	379,218	4,551	(404,586)	-	(404,586)
Business-type activities:							
Gas	347,369	338,124	-	3,454	-	(5,791)	(5,791)
Water and sewer	528,513	403,952	-	47,613	-	(76,948)	(76,948)
Total business-type activities	875,882	742,076	-	51,067	-	(82,739)	(82,739)
Total	\$ 1,886,053	\$ 963,892	\$ 379,218	\$ 55,618	(404,586)	(82,739)	(487,325)

General revenues:

Taxes -	
Property taxes, levied for general purposes	19,351
Sales and use taxes, levied for general purposes	176,900
Franchise taxes	67,052
Grants and contributions not restricted to specific programs -	
State sources	3,511
Interest and investment earnings	3,134
Miscellaneous	18,165
Transfers	41,686
Total general revenues and transfers	329,799
Change in net assets	(74,787)
Net assets - July 1, 2006	1,415,051
Net assets - June 30, 2007	\$ 1,340,264
	292,638
	(194,687)
	6,077,629
	\$ 5,882,942

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

MAJOR FUND DESCRIPTIONS

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Special Revenue Fund

Sales Tax Fund

To account for the receipt and use of proceeds of the Town's 1% sales and use tax approved by the voters on September 16, 1978. These taxes are dedicated and used for the purposes of constructing, acquiring, extending, improving, operating water-works, streets, recreational facilities and fire protection facilities and equipment, and purchasing and acquiring the necessary land, equipment and furnishings for any of the aforesaid public works, improvements and facilities, or for any one or more said purposes; and shall the Town be further authorized to fund the proceeds of the tax into bonds to be issued in series from time to time for improving and/or acquiring any one or more of the aforesaid capital improvements to the extent and in the manner permitted by the laws of Louisiana. To account for the receipt and use of proceeds of the Town's .3% sales and use tax approved by the voters on October 7, 1989. These taxes are dedicated and used for the purpose of constructing, improving, maintaining, and operating public streets, sidewalks, and alleys, and for acquiring, constructing, improving, maintaining and operating recreational facilities. The Town shall be further authorized to fund the proceeds of the tax into bonds to be issued in series from time to time for any capital purpose described above, to the extent and in the manner provided by Louisiana law.

Enterprise Funds

Gas Utility Fund

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

Water and Sewer Utility Fund

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

TOWN OF OBERLIN, LOUISIANA
Balance Sheet - Governmental Funds
June 30, 2007

	General	Sales Tax	Other Governmental	Total
ASSETS				
Cash	\$ 98,895	\$ 23,988	\$ 101,080	\$ 223,963
Interest-bearing deposits, at cost	65,167	126,879	7,397	199,443
Receivables:				
Taxes	284	13,560	-	13,844
Other	468	-	-	468
Due from other funds	6,415	-	-	6,415
Due from other governmental units	70,310	-	-	70,310
Total assets	<u>\$ 241,539</u>	<u>\$ 164,427</u>	<u>\$ 108,477</u>	<u>\$ 514,443</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 23,867	\$ -	\$ -	\$ 23,867
Accrued liabilities	21,733	-	-	21,733
Deferred revenue	-	-	94,841	94,841
Total liabilities	<u>45,600</u>	<u>-</u>	<u>94,841</u>	<u>140,441</u>
Fund balances -				
Unreserved, undesignated	195,939	164,427	13,636	374,002
Total fund balances	<u>195,939</u>	<u>164,427</u>	<u>13,636</u>	<u>374,002</u>
Total liabilities and fund balances	<u>\$ 241,539</u>	<u>\$ 164,427</u>	<u>\$ 108,477</u>	<u>\$ 514,443</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF OBERLIN, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
June 30, 2007

Total fund balances for governmental funds at June 30, 2007		\$ 374,002
Total net assets reported for governmental activities in the statement of net assets is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$188,312	
Buildings, net of \$156,603 accumulated depreciation	32,804	
Infrastructure, net of \$277,632 accumulated depreciation	610,090	
Vehicles, net of \$144,465 accumulated depreciation	61,382	
Equipment, furniture, and fixtures net of \$195,508 accumulated depreciation	<u>73,674</u>	<u>966,262</u>
Total net assets of governmental activities at June 30, 2007		<u>\$1,340,264</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF OBERLIN, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances -
 Governmental Funds
 Year Ended June 30, 2007

	General	Sales Tax	Other Governmental	Total
Revenues:				
Taxes	\$ 86,403	\$ 176,900	\$ -	\$ 263,303
Licenses and permits	40,618	-	-	40,618
Intergovernmental	292,095	-	95,185	387,280
Fines and forfeits	181,038	-	-	181,038
Charges for services	-	-	160	160
Miscellaneous	<u>19,394</u>	<u>1,500</u>	<u>405</u>	<u>21,299</u>
Total revenues	<u>619,548</u>	<u>178,400</u>	<u>95,750</u>	<u>893,698</u>
Expenditures:				
Current -				
General government	191,812	3,571	23,131	218,514
Public safety -				
Police	424,780	-	-	424,780
Highways and streets	211,741	-	-	211,741
Urban redevelopment and housing	-	-	73,613	73,613
Capital outlay	<u>37,351</u>	<u>-</u>	<u>-</u>	<u>37,351</u>
Total expenditures	<u>865,684</u>	<u>3,571</u>	<u>96,744</u>	<u>965,999</u>
Excess (deficiency) of revenues over expenditures	<u>(246,136)</u>	<u>174,829</u>	<u>(994)</u>	<u>(72,301)</u>
Other financing sources (uses):				
Transfers in	227,182	-	1,559	228,741
Transfers out	<u>(1,399)</u>	<u>(185,496)</u>	<u>(160)</u>	<u>(187,055)</u>
Total other financing sources (uses)	<u>225,783</u>	<u>(185,496)</u>	<u>1,399</u>	<u>41,686</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(20,353)</u>	<u>(10,667)</u>	<u>405</u>	<u>(30,615)</u>
Fund balances, beginning	<u>216,292</u>	<u>175,094</u>	<u>13,231</u>	<u>404,617</u>
Fund balances, ending	<u>\$ 195,939</u>	<u>\$ 164,427</u>	<u>\$ 13,636</u>	<u>\$ 374,002</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF OBERLIN, LOUISIANA

Statement of Net Assets
Proprietary Funds
June 30, 2007

	Gas Utility Fund	Water and Sewer Utility Fund	Total
ASSETS			
Current assets:			
Cash	\$ 18,088	\$ 9,670	\$ 27,758
Interest-bearing deposits	14,496	21,400	35,896
Accounts receivable	82,941	106,203	189,144
Contracts receivable	-	91,494	91,494
Due from other funds	-	15,735	15,735
Total current assets	<u>115,525</u>	<u>244,502</u>	<u>360,027</u>
Restricted assets:			
Cash	5,859	10,689	16,548
Interest-bearing deposits	23,311	89,950	113,261
Total restricted assets	<u>29,170</u>	<u>100,639</u>	<u>129,809</u>
Property, plant and equipment, at cost, net of accumulated depreciation (\$1,914,633)	<u>52,300</u>	<u>6,160,378</u>	<u>6,212,678</u>
Total assets	<u>196,995</u>	<u>6,505,519</u>	<u>6,702,514</u>
LIABILITIES			
Current liabilities:			
Accounts payable	3,853	16,211	20,064
Retainage payable	-	91,494	91,494
Other accrued liabilities	24,209	22,423	46,632
Due to other funds	17,119	5,031	22,150
Payable from restricted assets - Revenue bonds	-	19,035	19,035
Total current liabilities	<u>45,181</u>	<u>154,194</u>	<u>199,375</u>
Noncurrent liabilities:			
Revenue bonds payable	-	1,886,041	1,886,041
Customers' deposits	29,170	45,250	74,420
Total noncurrent liabilities	<u>29,170</u>	<u>1,931,291</u>	<u>1,960,461</u>
Total liabilities	<u>74,351</u>	<u>2,085,485</u>	<u>2,159,836</u>
NET ASSETS			
Invested in capital assets, net of related debt	52,300	4,280,044	4,332,344
Restricted for debt service	-	30,647	30,647
Unrestricted	<u>70,344</u>	<u>109,343</u>	<u>179,687</u>
Total net assets	<u>\$122,644</u>	<u>\$4,420,034</u>	<u>\$4,542,678</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF OBERLIN, LOUISIANA

Statement of Revenues, Expenses, and Changes in Net Assets
 Proprietary Funds
 Year Ended June 30, 2007

	Gas Utility Fund	Water and Sewer Utility Fund	Total
Operating revenues:			
Charges for services -			
Gas sales	\$ 319,758	\$ -	\$ 319,758
Water sales	-	202,594	202,594
Sewer sales	-	200,963	200,963
Delinquent charges	17,957	-	17,957
Miscellaneous	409	395	804
Total operating revenues	<u>338,124</u>	<u>403,952</u>	<u>742,076</u>
Operating expenses:			
Gas department expenses	347,369	-	347,369
Water and sewer department expenses	-	444,258	444,258
Total operating expenses	<u>347,369</u>	<u>444,258</u>	<u>791,627</u>
Operating loss	<u>(9,245)</u>	<u>(40,306)</u>	<u>(49,551)</u>
Nonoperating revenues (expenses):			
Interest income	1,102	3,423	4,525
Interest expense	-	(84,255)	(84,255)
Total nonoperating revenues (expenses)	<u>1,102</u>	<u>(80,832)</u>	<u>(79,730)</u>
Loss before transfers	<u>(8,143)</u>	<u>(121,138)</u>	<u>(129,281)</u>
Transfers in (out):			
Gaming	17,000	-	17,000
Sales Tax Fund	6,468	-	6,468
General Fund	(54,671)	(10,483)	(65,154)
Total transfer in (out)	<u>(31,203)</u>	<u>(10,483)</u>	<u>(41,686)</u>
Net loss	(39,346)	(131,621)	(170,967)
Capital contributions	<u>3,454</u>	<u>47,613</u>	<u>51,067</u>
Change in net assets	(35,892)	(84,008)	(119,900)
Net assets, beginning	<u>158,536</u>	<u>4,504,042</u>	<u>4,662,578</u>
Net assets, ending	<u>\$ 122,644</u>	<u>\$4,420,034</u>	<u>\$4,542,678</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF OBERLIN, LOUISIANA

Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2007

	Gas Utility Fund	Water and Sewer Utility Fund	Totals
Cash flows from operating activities:			
Receipts from customers	\$ 320,204	\$ 388,921	\$ 709,125
Payments to suppliers	(237,978)	(191,595)	(429,573)
Payments to employees	(83,589)	(83,589)	(167,178)
Other receipts	<u>409</u>	<u>395</u>	<u>804</u>
Net cash provided (used) by operating activities	<u>(954)</u>	<u>114,132</u>	<u>113,178</u>
Cash flows from noncapital financing activities:			
Transfers to other funds	<u>(31,203)</u>	<u>(10,483)</u>	<u>(41,686)</u>
Net cash used by noncapital financing activities	<u>(31,203)</u>	<u>(10,483)</u>	<u>(41,686)</u>
Cash flows from capital and related financing activities:			
Principal paid on revenue bonds payable	-	(20,927)	(20,927)
Interest paid on revenue bonds payable	-	(93,765)	(93,765)
Increase in customers' meter deposits	555	695	1,250
Acquisition of property, plant and equipment	(9,923)	(44,314)	(54,237)
Contribution from federal grant	<u>3,454</u>	<u>40,500</u>	<u>43,954</u>
Net cash used by capital and related financing activities	<u>(5,914)</u>	<u>(117,811)</u>	<u>(123,725)</u>
Cash flows from investing activities:			
Purchase of interest-bearing deposits	(37,807)	(111,350)	(149,157)
Proceeds from maturities of interest-bearing deposits	36,706	97,378	134,084
Interest received on interest-bearing deposits	<u>1,102</u>	<u>3,423</u>	<u>4,525</u>
Net cash provided (used) by investing activities	<u>1</u>	<u>(10,549)</u>	<u>(10,548)</u>
Net decrease in cash and cash equivalents	(38,070)	(24,711)	(62,781)
Cash and cash equivalents, beginning of period	<u>62,017</u>	<u>45,070</u>	<u>107,087</u>
Cash and cash equivalents, end of period	<u>\$ 23,947</u>	<u>\$ 20,359</u>	<u>\$ 44,306</u>

(continued)

TOWN OF OBERLIN, LOUISIANA

Statement of Cash Flows (continued)
 Proprietary Funds
 Year Ended June 30, 2007

	Gas Utility Fund	Water and Sewer Utility Fund	Totals
Reconciliation of operating loss to net cash provided (used) by operating activities			
Operating loss	\$ (9,245)	\$ (40,306)	\$ (49,551)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities -			
Depreciation	2,913	160,449	163,362
Changes in current assets and liabilities:			
(Increase) decrease in accounts receivable	446	(14,636)	(14,190)
Increase in accounts payable	533	8,118	8,651
Increase in other accrued liabilities	4,399	507	4,906
Net cash provided (used) by operating activities	<u>\$ (954)</u>	<u>\$ 114,132</u>	<u>\$ 113,178</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:			
Cash and cash equivalents, beginning of period -			
Cash - unrestricted	\$ 56,862	\$ 35,076	\$ 91,938
Cash - restricted	5,155	9,994	15,149
Interest-bearing deposits - unrestricted	13,246	19,776	33,022
Interest-bearing deposits - restricted	23,460	77,602	101,062
Less: Interest-bearing deposits with a maturity over three months when purchased	<u>(36,706)</u>	<u>(97,378)</u>	<u>(134,084)</u>
Total cash and cash equivalents	<u>62,017</u>	<u>45,070</u>	<u>107,087</u>
Cash and cash equivalents, end of period -			
Cash - unrestricted	18,088	9,670	27,758
Cash - restricted	5,859	10,689	16,548
Interest-bearing deposits - unrestricted	14,496	21,400	35,896
Interest-bearing deposits - restricted	23,311	89,950	113,261
Less: Interest-bearing deposits with a maturity over three months when purchased	<u>(37,807)</u>	<u>(111,350)</u>	<u>(149,157)</u>
Total cash and cash equivalents	<u>23,947</u>	<u>20,359</u>	<u>44,306</u>
Net decrease	<u>\$ (38,070)</u>	<u>\$ (24,711)</u>	<u>\$ (62,781)</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF OBERLIN, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Town of Oberlin (Town) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

The Town of Oberlin was incorporated under the provisions of the Lawrason Act. The Town operates under the Mayor-Board of Aldermen form of government.

This report includes all funds that are controlled by or dependent on the Town's executive and legislative branches (the Mayor and Board of Aldermen). Control by or dependence on the Town was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

Based on the foregoing criteria, a certain governmental body is a related organization but is not a part of the Town and is thus excluded from the accompanying financial statements. This organization is the Oberlin Housing Authority. Although the Town does appoint its board, no control is exercised over its operations.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

TOWN OF OBERLIN, LOUISIANA

Notes to Basic Financial Statements (Continued)

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of the Town are classified into two categories: governmental and proprietary. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Town or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major funds of the Town are described below:

Governmental Funds -

General Fund

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

TOWN OF OBERLIN, LOUISIANA

Notes to Basic Financial Statements (Continued)

Special Revenue Funds

Sales Tax Fund -

The Sales Tax Fund is used to account for the proceeds of a one percent sales and use tax and a .3% sales and use tax that are legally restricted to expenditures for specific purposes.

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. The Town's enterprise funds are the Gas Utility Fund and the Water and Sewer Utility Fund.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net assets and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

TOWN OF OBERLIN, LOUISIANA

Notes to Basic Financial Statements (Continued)

- b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

Basis of Accounting

In the government-wide statement of net assets and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

D. Assets, Liabilities and Equity

Cash and interest-bearing deposits

For purposes of the statement of net assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Town.

For the purpose of the proprietary fund statement of cash flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit with an original maturity of three months or less.

TOWN OF OBERLIN, LOUISIANA

Notes to Basic Financial Statements (Continued)

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables."

Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net assets.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes. Business-type activities report customer's utility service receivables as their major receivables. Uncollectible amounts due for sales and use taxes and customer's utility service receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. Although the specific charge-off method is not in conformity with generally accepted accounting principles (GAAP), no allowance for uncollectible receivables is recorded due to immateriality at June 30, 2007. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are not recorded due to immateriality at June 30, 2007.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide or fund financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Town maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Prior to July 1, 2001, governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

TOWN OF OBERLIN, LOUISIANA

Notes to Basic Financial Statements (Continued)

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	40 years
Vehicles and equipment	5 years
Utility system and improvements	20-40 years
Infrastructure	20 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Restricted Assets

Restricted assets include cash and interest-bearing deposits of the proprietary funds that are legally restricted as to their use. The restricted assets are related to debt service and to the utility meter deposits.

Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of the revenue bonds payable and utility meter deposits payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

TOWN OF OBERLIN, LOUISIANA

Notes to Basic Financial Statements (Continued)

Compensated Absences

Vacation and sick leave are recorded as expenditures of the period in which paid. Each full-time, permanent employee earns ten days of sick leave per year up to a maximum of thirty days for major illness. Employees who resign or retire or who are dismissed from employment shall not be paid for any accrued sick leave. Five days of annual leave are earned on the anniversary date of employment of each full-time, permanent employee with less than two full years of service with the municipality as a full-time, permanent employee. Ten days of annual leave are earned by such employees after two full years as a full-time, permanent employee. Fifteen days of annual leave are earned after ten full years and twenty days of annual leave are earned after twenty full years of employment as full-time, permanent employees. Employees may not carry over or accumulate annual leave or sick leave from one anniversary date to another. Any liability the town might have in this regard at June 30, 2007 is considered immaterial; therefore, no liability has been recorded in the accounts.

Equity Classifications

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements.

TOWN OF OBERLIN, LOUISIANA

Notes to Basic Financial Statements (Continued)

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - by character
Proprietary Fund - by operating and nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

F. Revenue Restrictions

The Town has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Sales tax	See Note 3
Gas, water and sewer revenue	Debt service and utility operations

The Town uses unrestricted resources only when restricted resources are fully depleted.

TOWN OF OBERLIN, LOUISIANA

Notes to Basic Financial Statements (Continued)

G. Budget and Budgetary Accounting

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

1. Prior to June 15, the Town Clerk submits to the Mayor and Board of Aldermen a proposed operating budget for the fiscal year commencing the following July 1.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of a resolution prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board of Aldermen. Such amendments were not material in relation to the original appropriations.

H. Capitalization of Interest Expense

It is the policy of the Town of Oberlin to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets in the Proprietary Funds. At June 30, 2007, there was no capitalized interest.

TOWN OF OBERLIN, LOUISIANA

Notes to Basic Financial Statements (Continued)

I. Use of Estimates

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

(2) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Town in September or October and are actually billed to taxpayers in November or December. Billed taxes become delinquent on January 1 of the following year. The Town bills and collects its own property taxes using the assessed values determined by the tax assessor of Allen Parish. Property tax revenues are recognized when levied to the extent that they result in current receivables.

For the year ended June 30, 2007, taxes of 3.05 mills were levied on property with assessed valuations totaling \$5,877,730 and were dedicated as follows:

General corporate purposes	3.05 mills
----------------------------	------------

Total taxes levied were \$16,932 Ad valorem tax receivable at June 30, 2007 amounted to \$284.

(3) Dedication of Proceeds and Flow of Funds - 1978 and 1989 Sales and Use Tax

Proceeds of a 1% sales and use tax levied by the Town of Oberlin (2007 collections \$136,213; 2006 collections \$147,915) are dedicated to the following purposes:

To be used for the purposes of constructing, acquiring, extending, improving, operating and/or maintaining sewers and sewerage disposal works, waterworks, streets, recreational facilities and fire protection facilities and equipment, and purchasing and acquiring the necessary land, equipment and furnishings for any of the aforesaid public works, improvements and facilities, or for any one or more said purposes; and shall the Town be further authorized to fund the proceeds of the tax into bonds to be issued in series from time to time for the purpose of defraying the costs of constructing, improving, and/or acquiring any one or more of the aforesaid capital improvements to the extent and in the manner permitted by the laws of Louisiana.

TOWN OF OBERLIN, LOUISIANA

Notes to Basic Financial Statements (Continued)

Proceeds of a .3% sales and use tax levied by the Town of Oberlin (2007 collections \$40,687; 2006 collections \$44,183) are dedicated to the following purposes:

Seventy percent to be used for constructing, improving, maintaining and operating public streets, sidewalks, and alleys. Thirty percent to be used for acquiring, constructing, improving, maintaining and operating recreational facilities. The Town of Oberlin shall be further authorized to fund the proceeds of the tax into bonds to be issued into series from time to time for any capital purpose described above, to the extent and in the manner provided by Louisiana Law.

(4) Cash and Interest-Bearing Deposits

Under state law, the Town may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Town may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2007, the Town had cash and interest-bearing deposits (book balances) totaling \$616,869 as follows:

Demand deposits	\$ 268,269
Time and money market accounts	<u>348,600</u>
Total	<u>\$ 616,869</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Town's deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. 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 similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the Town or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2007 are secured as follows:

Bank balances	<u>\$ 686,136</u>
Federal deposit insurance	300,143
Pledged securities (Category 3)	<u>385,993</u>
Total FDIC insurance and pledged securities	<u>\$ 686,136</u>

As of June 30, 2007, the Town's total bank balances were fully insured and collateralized with securities held in the name of the Town by the pledging financial institution's agent and, therefore, not exposed to custodial credit risk.

TOWN OF OBERLIN, LOUISIANA

Notes to Basic Financial Statements (Continued)

(5) Receivables

Receivables at June 30, 2007 of \$294,950 consist of the following:

	General	Sales Tax	Utility	Total
Accounts	\$ 468	\$ -	\$ 189,144	\$ 189,612
Contracts	-	-	91,494	91,494
Taxes:				
Ad valorem	284	-	-	284
Sales tax	-	13,560	-	13,560
Totals	\$ 752	\$ 13,560	\$ 280,638	\$ 294,950

(6) Due from Other Governmental Units

The amount due from other governmental units in the amount of \$70,310 at June 30, 2007 is from the Coshatta Tribe of Louisiana for the Town's share of grant revenue earned through June 30, 2007. The grant revenue is received from a compact agreed upon by the Coshatta Tribe and the State of Louisiana. The revenues are received by the Town of Oberlin directly from the Coshatta Tribe. The compact states that the Town of Oberlin is to use the funds to assist in the furnishing of fire protection to the tribal-owned casino resort in Kinder, Louisiana; to assist in the development, construction, maintenance and repair of apartment housing; to assist in furnishing municipal police services; and to assist in the construction, maintenance and repair of municipal infrastructure and housing.

Grant revenue for fiscal year ended June 30, 2007 was \$259,219. The amount receivable at June 30, 2007 of \$70,310 was dedicated for police protection and maintenance of municipal infrastructure.

(7) Restricted Assets - Proprietary Fund Types

Restricted assets consisted of the following at June 30, 2007:

Revenue bond and interest sinking account	\$ 8,628
Revenue bond reserve account	20,527
Revenue bond contingency account	20,527
Sewer construction account	5,707
Customer deposits - gas	29,170
Customer deposits - water and sewer	45,250
Total restricted assets	\$ 129,809

TOWN OF OBERLIN, LOUISIANA

Notes to Basic Financial Statements (Continued)

(8) Capital Assets

Capital asset activity for the year ended June 30, 2007 was as follows:

	<u>Balance 07/01/06</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/07</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 188,312	\$ -	\$ -	\$ 188,312
Other capital assets:				
Buildings	189,407	-	-	189,407
Infrastructure	886,918	804	-	887,722
Vehicles	177,440	28,407	-	205,847
Equipment, furniture and fixtures	261,042	8,140	-	269,182
Totals	<u>1,703,119</u>	<u>37,351</u>	<u>-</u>	<u>1,740,470</u>
Less accumulated depreciation				
Buildings	153,051	3,552	-	156,603
Infrastructure	254,076	23,556	-	277,632
Vehicles	124,413	20,052	-	144,465
Equipment, furniture and fixtures	161,145	34,363	-	195,508
Total accumulated depreciation	<u>692,684</u>	<u>81,523</u>	<u>-</u>	<u>774,208</u>
Governmental activities, capital assets, net	<u>\$ 1,010,435</u>	<u>\$ (44,172)</u>	<u>\$ -</u>	<u>\$ 966,262</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 7,224	\$ -	\$ -	\$ 7,224
Construction in progress	1,953,078	9,922	1,953,078	9,922
Other capital assets:				
Gas system	308,495	-	-	308,495
Water and sewer system	5,734,066	1,998,659	-	7,732,725
Equipment	63,098	5,847	-	68,945
Totals	<u>8,065,961</u>	<u>2,014,428</u>	<u>1,953,078</u>	<u>8,127,311</u>
Less accumulated depreciation				
Gas system	265,348	1,634	-	266,982
Water and sewer system	1,433,327	157,076	-	1,590,403
Equipment	52,596	4,652	-	57,248
Total accumulated depreciation	<u>1,751,271</u>	<u>163,362</u>	<u>-</u>	<u>1,914,633</u>
Business-type activities, capital assets, net	<u>\$ 6,314,690</u>	<u>\$ 1,851,066</u>	<u>\$ 1,953,078</u>	<u>\$ 6,212,678</u>

TOWN OF OBERLIN, LOUISIANA

Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 3,072
Police	19,466
Highways and streets	<u>58,985</u>
 Total depreciation expense	 <u>\$ 81,523</u>

Depreciation expense was charged to business-type activities as follows:

Gas	\$ 2,913
Water and sewer	<u>160,449</u>
 Total depreciation expense	 <u>\$163,362</u>

(9) Accounts, Salaries, and Other Payables

The accounts, salaries, and other payables consisted of the following at June 30, 2007:

	Governmental Activities	Business-type Activities	Total
Accounts	\$ 23,867	\$ 20,064	\$ 43,931
Retainage	-	91,494	91,494
Other liabilities	<u>21,733</u>	<u>46,632</u>	<u>68,365</u>
 Totals	 <u>\$ 45,600</u>	 <u>\$158,190</u>	 <u>\$203,790</u>

(10) Changes in Long-term Debt

The following is a summary of long-term debt transactions of the Town for the year ended June 30, 2007:

	Business-Type Activities
Long-term debt payable, July 1, 2006	\$1,926,003
Long-term debt issued	-
Long-term debt retired	<u>(20,927)</u>
Long-term debt payable, June 30, 2007	<u>\$1,905,076</u>

TOWN OF OBERLIN, LOUISIANA

Notes to Basic Financial Statements (Continued)

Long-term debt payable at June 30, 2007 is comprised of the following individual issue:

Sewer revenue bonds -

\$1,687,000 Sewer Revenue Bonds Series 2003 dated January 28, 2003; due in monthly installments of \$7,659 through January 28, 2043; interest at 4.5 percent, secured by Utility Fund revenues	\$ 1,627,796
\$280,000 Sewer Revenue bonds Series 2005 dated August 16, 2005; due in monthly installments of \$1,207 through July 28, 2045; interest at 4.125 percent, secured by Utility Fund revenues	<u>277,280</u>
Total	<u>\$ 1,905,076</u>

The bond is due as follows:

<u>Year ending June 30,</u>	<u>Business-Type Activities</u>	
	<u>Principal payments</u>	<u>Interest payments</u>
2008	22,172	84,217
2009	23,176	83,213
2010	24,227	82,163
2011	25,325	81,064
2012	26,472	79,917
2013-2017	151,484	380,463
2018-2022	189,075	342,872
2023-2027	236,008	295,938
2028-2032	294,607	237,340
2033-2037	367,773	164,163
2038-2042	459,134	72,813
2043-2045	<u>85,623</u>	<u>3,401</u>
Total	<u>\$ 1,905,076</u>	<u>\$ 1,907,564</u>

(11) Employee Retirement

All employees of the Town of Oberlin participate in the Social Security System. The Town and its employees contribute a percentage of each employee's salary to the System (7.65% contributed by the Town, 7.65% by the employees). The Town's contributions during the years ended June 30, 2007, 2006 and 2005 amounted to \$33,139, \$34,698, and \$33,311, respectively, equal to the required contribution for each year.

TOWN OF OBERLIN, LOUISIANA

Notes to Basic Financial Statements (Continued)

The Town of Oberlin employees also contribute to tax-deferred individual retirement accounts or Internal Revenue Code Section 403b retirement accounts. The Town matches a portion of each of these plans for employees. Retirement contributions for the Town amounted to \$2,344, \$3,107 and \$1,883 for the years ended June 30, 2007, 2006 and 2005, respectively. Neither the Town nor its employees are obligated to make contributions and the Town has no further liability to these retirement plans. Data concerning the actuarial status of the plans are not available.

Municipal Police Employees' Retirement System of Louisiana

The Chief-of-Police and one police officer belong to the Municipal and State Police Retirement System. This System is a cost-sharing, multiple-employer defined benefit pension plan, controlled and administered by a separate board of trustees. Pertinent information relative to the plan follows.

Plan members are required to contribute 7.5 percent of their annual covered salary to the system while the Town is required to contribute the statutory rate of 15.50 percent of the total annual covered salary. The Town's contributions to the system for the years ended June 30, 2007, 2006, and 2005 were \$4,983, \$7,077, and \$11,621, respectively, equal to the required contribution for each year.

A publicly available financial report that includes financial statements and required supplemental financial information may be obtained by writing to the Municipal Police Employee's Retirement System, P.O. Box 94095 - Capital Station, Baton Rouge, Louisiana 70804-9095.

(12) Segment Information - Enterprise Fund

The Town of Oberlin maintains two utility departments within its two enterprise funds which provide gas, water, and sewer services. Segment information for the year ended June 30, 2007 is as follows:

	Gas Department	Water and Sewer Department	Total Enterprise Fund
Operating revenues	\$ 338,124	\$ 403,952	\$742,076
Operating expenses	347,369	444,258	791,627
Operating loss	\$ (9,245)	\$ (40,306)	\$ (49,551)

TOWN OF OBERLIN, LOUISIANA

Notes to Basic Financial Statements (Continued)

(13) Litigation and Claims

At June 30, 2007, the Town is involved in several lawsuits claiming damages. In the opinion of the Town's legal counsel, the exposure to the Town at June 30, 2007 is not determinable.

(14) Compensation of Town Officials

A detail of compensation paid to the Mayor and Board of Aldermen for the year ended June 30, 2007 follows:

Mayor:	
Phillip Beard	\$14,400
Aldermen:	
Wilbert Berry	900
Becky Manuel	900
Mark Manuel	2,700
Troy Meaux	2,700
James Ryder	2,700
Robert Vest	1,800
Janice Simon	<u>1,800</u>
Total	<u>\$27,900</u>

(15) Risk Management

The Town is exposed to risks of loss in the areas of health care, general and auto liability, property hazards and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year.

TOWN OF OBERLIN, LOUISIANA

Notes to Basic Financial Statements (Continued)

(16) Interfund Transactions

A. Receivables and Payables

Interfund receivables and payables consisted of the following at June 30, 2007:

Due to the General Fund from the Utility Funds representing short-term loans	\$ 6,415
Due to the Water and Sewer Utility Fund from the Gas Utility Fund for reimbursement for expenditures paid	<u>15,735</u>
Total	<u>\$ 22,150</u>

Summary of balances due from other funds reported in fund financial statements:

Due from other funds, Balance Sheet - Governmental Funds	\$ 6,415
Due from other funds, Statement of Net Assets - Proprietary Funds	<u>15,735</u>
Total	<u>\$ 22,150</u>

B. Transfers

Transfers consisted of the following at June 30, 2007:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major governmental funds:		
General Fund	\$ 227,182	\$ 1,399
Sales Tax Special Revenue Fund	-	185,496
Non-major governmental funds	1,399	-
Proprietary funds:		
Gas Utility Fund	23,468	54,671
Water and Sewer Utility Fund	-	<u>10,483</u>
Total	<u>\$ 252,049</u>	<u>\$ 252,049</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**REQUIRED SUPPLEMENTARY
INFORMATION**

TOWN OF OBERLIN, LOUISIANA
General Fund

Budgetary Comparison Schedule
Year Ended June 30, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 87,100	\$ 85,636	\$ 86,403	\$ 767
Licenses and permits	38,000	40,000	40,618	618
Intergovernmental	294,731	248,154	292,095	43,941
Fines and forfeits	200,000	185,000	181,038	(3,962)
Miscellaneous	13,900	9,330	19,394	10,064
Total revenues	<u>633,731</u>	<u>568,120</u>	<u>619,548</u>	<u>51,428</u>
Expenditures:				
Current -				
General government	183,800	206,100	191,812	14,288
Public safety - police	386,100	395,192	424,780	(29,588)
Highways and streets	161,200	210,200	211,741	(1,541)
Capital outlay	24,000	34,927	37,351	(2,424)
Debt service				
Principal retirement	27,583	-	-	-
Total expenditures	<u>782,683</u>	<u>846,419</u>	<u>865,684</u>	<u>(19,265)</u>
Deficiency of revenues over expenditures	<u>(148,952)</u>	<u>(278,299)</u>	<u>(246,136)</u>	<u>32,163</u>
Other financing sources (uses):				
Transfer to Utility Funds	(8,000)	-	-	-
Transfer from Utility Funds	-	45,000	48,154	3,154
Transfer from Sales Tax Fund	148,000	175,000	179,028	4,028
Transfer to Cemetery Fund	(1,500)	(1,680)	(1,399)	281
Total other financing sources (uses)	<u>138,500</u>	<u>218,320</u>	<u>225,783</u>	<u>7,463</u>
Deficiency of revenues and other sources over expenditures and other uses	<u>(10,452)</u>	<u>(59,979)</u>	<u>(20,353)</u>	<u>39,626</u>
Fund balances, beginning	<u>216,292</u>	<u>216,292</u>	<u>216,292</u>	<u>-</u>
Fund balances, ending	<u>\$ 205,840</u>	<u>\$ 156,313</u>	<u>\$ 195,939</u>	<u>\$ 39,626</u>

TOWN OF OBERLIN, LOUISIANA
Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
Year Ended June 30, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 185,000	\$ 175,000	\$ 176,900	\$ 1,900
Miscellaneous - interest	<u>1,200</u>	<u>2,000</u>	<u>1,500</u>	<u>(500)</u>
Total revenues	<u>186,200</u>	<u>177,000</u>	<u>178,400</u>	<u>1,400</u>
Expenditures:				
Current -				
General government:				
Street expense	500	-	-	-
Collection fees	<u>4,000</u>	<u>5,500</u>	<u>3,571</u>	<u>1,929</u>
Total expenses	<u>4,500</u>	<u>5,500</u>	<u>3,571</u>	<u>1,929</u>
Excess of revenues over expenditures	<u>181,700</u>	<u>171,500</u>	<u>174,829</u>	<u>3,329</u>
Other financing sources (uses):				
Transfer to Gas Fund	-	-	(6,468)	(6,468)
Transfer to General Fund	<u>(148,000)</u>	<u>(175,000)</u>	<u>(179,028)</u>	<u>(4,028)</u>
Total other financing sources (uses)	<u>(148,000)</u>	<u>(175,000)</u>	<u>(185,496)</u>	<u>(10,496)</u>
Excess (deficiency) of revenues over expenditures and other uses	33,700	(3,500)	(10,667)	(7,167)
Fund balances, beginning	<u>175,094</u>	<u>175,094</u>	<u>175,094</u>	-
Fund balances, ending	<u>\$208,794</u>	<u>\$171,594</u>	<u>\$164,427</u>	<u>\$ (7,167)</u>

OTHER SUPPLEMENTARY INFORMATION

OTHER FINANCIAL INFORMATION

TOWN OF OBERLIN, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues
Year Ended June 30, 2007
With Comparative Actual Amounts for Year Ended June 30, 2006

	2007			Variance with Final Budget Positive (Negative)	2006 Actual
	Budget		Actual		
	Original	Final			
Taxes:					
Ad valorem	\$ 17,000	\$ 17,000	\$ 16,980	\$ (20)	\$ 16,744
Housing Authority payment in lieu of taxes	2,500	2,636	2,371	(265)	2,636
Franchise -					
Electric	55,000	56,000	57,016	1,016	54,763
Telephone	4,800	7,000	2,804	(4,196)	4,926
Cable	7,800	3,000	7,232	4,232	6,992
Total taxes	<u>87,100</u>	<u>85,636</u>	<u>86,403</u>	<u>767</u>	<u>86,061</u>
Licenses and permits	<u>38,000</u>	<u>40,000</u>	<u>40,618</u>	<u>618</u>	<u>44,320</u>
Intergovernmental:					
State of Louisiana -					
Grants	25,000	22,000	25,211	3,211	43,396
Grass cutting	6,231	4,154	4,154	-	4,154
Beer taxes	3,500	3,500	3,511	11	4,121
Casino revenue	260,000	218,500	259,219	40,719	251,871
Total intergovernmental	<u>294,731</u>	<u>248,154</u>	<u>292,095</u>	<u>43,941</u>	<u>303,542</u>
Fines and forfeits	<u>200,000</u>	<u>185,000</u>	<u>181,038</u>	<u>(3,962)</u>	<u>217,236</u>
Miscellaneous:					
Interest on interest-bearing accounts	100	200	1,229	1,029	572
Section 8 housing administration fees	1,800	1,630	1,784	154	1,677
Insurance reimbursement	5,000	-	158	158	6,065
Other sources	7,000	7,500	16,223	8,723	5,714
Total miscellaneous	<u>13,900</u>	<u>9,330</u>	<u>19,394</u>	<u>10,064</u>	<u>14,028</u>
Total revenues	<u>\$ 633,731</u>	<u>\$ 568,120</u>	<u>\$ 619,548</u>	<u>\$ 51,428</u>	<u>\$ 665,187</u>

TOWN OF OBERLIN, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
Year Ended June 30, 2007
With Comparative Actual Amounts for Year Ended June 30, 2006

	2007			Variance with Final Budget Positive (Negative)	2006 Actual
	Budget		Actual		
	Original	Final			
Current:					
General government -					
Salaries - Mayor and council	\$ 24,300	\$ 32,400	\$ 27,900	\$ 4,500	\$ 23,400
Other salaries	50,000	45,000	33,022	11,978	42,301
Payroll taxes	7,500	6,200	6,599	(399)	5,521
Retirement	3,500	3,200	2,254	946	3,107
Utilities and telephone	4,500	3,500	1,067	2,433	3,664
Travel	500	-	-	-	38
Advertising	2,000	4,450	4,440	10	1,242
Repairs and maintenance	1,500	500	170	330	4,490
Professional fees	23,000	36,500	32,997	3,503	19,732
Insurance	12,500	15,000	23,697	(8,697)	14,004
Health insurance	40,000	42,850	42,970	(120)	36,725
Office supplies	11,000	13,000	14,115	(1,115)	10,446
Uniforms	1,000	-	-	-	1,276
Miscellaneous	2,500	3,500	2,581	919	5,833
Total general government	<u>183,800</u>	<u>206,100</u>	<u>191,812</u>	<u>14,288</u>	<u>171,779</u>
Public safety:					
Police -					
Salaries	180,000	175,000	190,068	(15,068)	182,820
Payroll taxes	14,000	15,000	15,175	(175)	15,415
Health insurance	95,000	105,342	104,899	443	91,752
Retirement	6,000	3,000	5,643	(2,643)	7,077
Repairs and maintenance	10,000	9,700	10,531	(831)	7,921
Utilities and telephone	3,000	2,500	2,083	417	2,680
Insurance	10,500	15,000	22,176	(7,176)	14,577
Professional fees	3,600	3,700	5,581	(1,881)	2,406
Auto expenditures	19,500	19,400	20,741	(1,341)	24,052
Uniforms and supplies	13,000	15,800	16,193	(393)	7,091
Dog pound expenditures	500	1,450	1,331	119	466
Contract labor	18,000	27,800	29,768	(1,968)	18,819
Boarding prisoners	10,000	-	-	-	11,359
Miscellaneous	3,000	1,500	591	909	2,068
Total public safety	<u>\$ 386,100</u>	<u>\$ 395,192</u>	<u>\$ 424,780</u>	<u>\$ (29,588)</u>	<u>\$ 388,503</u>

(continued)

TOWN OF OBERLIN, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (continued)
Year Ended June 30, 2007
With Comparative Actual Amounts for Year Ended June 30, 2006

	2007		Actual	Variance with Final Budget Positive (Negative)	2006 Actual
	Budget				
	Original	Final			
Highways and streets -					
Salaries	\$ 38,000	\$ 35,000	\$ 35,678	\$ (678)	\$ 38,655
Payroll taxes	3,800	3,000	2,848	152	3,261
Contract labor	3,900	5,000	6,030	(1,030)	4,078
Professional fees	-	-	1,000	(1,000)	
Supplies, materials and repairs	27,000	67,000	48,223	18,777	22,503
Utilities and telephone	11,000	12,800	12,519	281	10,993
Insurance	10,500	16,000	22,245	(6,245)	15,728
Street lighting	27,000	27,500	31,330	(3,830)	30,164
Health insurance	20,500	18,500	18,255	245	16,101
Tractor lease	17,000	20,500	29,002	(8,502)	12,683
Miscellaneous	2,500	4,900	4,611	289	3,600
Total highways and streets	<u>161,200</u>	<u>210,200</u>	<u>211,741</u>	<u>(1,541)</u>	<u>157,766</u>
Capital outlay:					
General government -					
Equipment	-	-	-	-	3,366
Public safety -					
Police equipment	4,000	6,519	6,331	188	3,262
Police Vehicles	20,000	8,481	8,481	-	37,230
Streets -					
Vehicles and equipment	-	19,927	22,539	(2,612)	9,500
Total capital outlay	<u>24,000</u>	<u>34,927</u>	<u>37,351</u>	<u>(2,424)</u>	<u>53,358</u>
Debt service:					
Principal retirement	27,583	-	-	-	24,435
Interest expense	-	-	-	-	849
Total debt service	<u>27,583</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,284</u>
Total expenditures	<u>\$ 782,683</u>	<u>\$ 846,419</u>	<u>\$ 865,684</u>	<u>\$ (19,265)</u>	<u>\$ 796,690</u>

Special Revenue Funds

Cemetery Fund

Monies in this fund are received from sales of burial spaces. The cost of improvements to the cemetery grounds are accounted for in this fund.

Section 8 Housing Fund

To account for the administration of grant funds received from the U.S. Department of Housing and Urban Development to provide rental assistance to low income persons.

Debt Service Funds

Certificates of Indebtedness, Series 1997

To accumulate monies for payment of the \$500,000 Certificates of Indebtedness. Debt service is financed from General Fund revenue.

General Obligation Bonds, Series 1990

To accumulate monies for payment of the \$175,000 General Obligation Street Improvement Bonds. Debt service is financed by the levy of ad valorem taxes assessed on all properties and improvements in the Town of Oberlin.

TOWN OF OBERLIN, LOUISIANA
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2007

With Comparative Totals for June 30, 2006

	Special Revenue		Debt Service		Totals	
	Certificates of		General		(Memorandum Only)	
	Cemetery	Section 8	Indebtedness Series 1997	Obligation Series 1990	2007	2006
Cash	\$ 1,470	\$ 99,610	\$ -	\$ -	\$ 101,080	\$ 73,345
Interest-bearing deposits, at cost	7,397	-	-	-	7,397	7,222
Receivables:						
Taxes	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total assets	<u>\$ 8,867</u>	<u>\$ 99,610</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 108,477</u>	<u>\$ 80,567</u>

ASSETS

LIABILITIES AND FUND BALANCES

Liabilities:						
Deferred revenue	\$ -	\$ 94,841	\$ -	\$ -	\$ 94,841	\$ 67,336

FUND BALANCES

Fund balances:						
Reserved for debt service	-	-	-	-	-	-
Unreserved, undesignated	8,867	4,769	-	-	13,636	13,231
Total fund balances	<u>8,867</u>	<u>4,769</u>	<u>-</u>	<u>-</u>	<u>13,636</u>	<u>13,231</u>
Total liabilities and fund balances	<u>\$ 8,867</u>	<u>\$ 99,610</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 108,477</u>	<u>\$ 80,567</u>

TOWN OF OBERLIN, LOUISIANA
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Year Ended June 30, 2007
With Comparative Totals for Year Ended June 30, 2006

	<u>Special Revenue</u>		<u>Debt Service</u>		<u>Totals</u>	
	<u>Cemetery</u>	<u>Section 8</u>	<u>Certificates of Indebtedness Series 1997</u>	<u>General Obligation Series 1990</u>	<u>(Memorandum Only)</u>	
					<u>2007</u>	<u>2006</u>
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental - federal grant	-	95,185	-	-	95,185	75,678
Charges for services	160	-	-	-	160	630
Miscellaneous	175	230	-	-	405	1,021
Total revenues	<u>335</u>	<u>95,415</u>	<u>-</u>	<u>-</u>	<u>95,750</u>	<u>77,329</u>
Expenditures:						
Current -						
General government:						
Administration	-	21,572	-	-	21,572	18,137
Salaries	750	-	-	-	750	1,200
Payroll taxes	60	-	-	-	60	111
Insurance	749	-	-	-	749	628
Miscellaneous	-	-	-	-	-	-
Total general government	<u>1,559</u>	<u>21,572</u>	<u>-</u>	<u>-</u>	<u>23,131</u>	<u>20,076</u>
Urban redevelopment and housing:						
Housing assistance payments	-	73,613	-	-	73,613	57,541
Debt service -						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,559</u>	<u>95,185</u>	<u>-</u>	<u>-</u>	<u>96,744</u>	<u>77,617</u>
Excess (deficiency) of revenues over expenditures	(1,224)	230	-	-	(994)	(288)
Other financing sources (uses):						
Transfer (to) from General Fund	1,399	-	-	-	1,399	(128,753)
Excess (deficiency) of revenues and other sources over expenditures and other uses	175	230	-	-	405	(129,041)
Fund balances, beginning	8,692	4,539	-	-	13,231	142,272
Fund balances, ending	<u>\$ 8,867</u>	<u>\$ 4,769</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,636</u>	<u>\$ 13,231</u>

TOWN OF OBERLIN, LOUISIANA
 Nonmajor Special Revenue Funds

Statement of Revenues, Expenditures, and Changes in Fund Balances -
 Budget (GAAP Basis) and Actual
 Year Ended June 30, 2007
 With Comparative Actual Amounts for Year Ended June 30, 2006

	Cemetery Fund			Section 8		
	2007			2007		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:						
Charges for services	\$ 100	\$ 160	\$ 60	\$ -	\$ -	\$ -
Intergovernmental - federal grant	-	-	-	93,000	95,185	2,185
Miscellaneous - interest	150	175	25	185	230	45
Total revenues	250	335	85	93,185	95,415	2,230
Expenditures:						
Current -						
General government:						
Administration	100	-	100	20,460	21,572	(1,112)
Salaries	1,000	750	250	-	-	-
Payroll taxes	80	60	20	-	-	-
Insurance	750	749	1	-	-	-
Urban redevelopment and housing:						
Housing assistance payments	-	-	-	72,540	73,613	(1,073)
Total expenditures	1,930	1,559	371	93,000	95,185	(2,185)
Excess (deficiency) of revenues over expenditures	(1,680)	(1,224)	456	185	230	45
Other financing source:						
Transfer from General Fund	1,680	1,399	(281)	-	-	-
Excess (deficiency) of revenues and other source over expenditures	-	175	175	185	230	45
Fund balances, beginning	8,692	8,692	-	4,539	4,539	-
Fund balances, ending	\$ 8,692	\$ 8,867	\$ 175	\$ 4,724	\$ 4,769	\$ 45

TOWN OF OBERLIN, LOUISIANA
Nonmajor Debt Service Funds

Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
Year Ended June 30, 2007
With Comparative Actual Amounts for Year Ended June 30, 2006

	Certificates of Indebtedness Series 1997				General Obligation Bonds Series 1990			
	2007		2006		2007		2006	
	Budget	Actual	Variance - Favorable (Unfavorable)	2006 Actual	Budget	Actual	Variance - Favorable (Unfavorable)	2006 Actual
Revenues:								
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous - interest	-	-	-	63	-	-	-	679
Total revenues	-	-	-	63	-	-	-	679
Expenditures:								
Current -								
General government:								
Miscellaneous	-	-	-	-	-	-	-	-
Debt service -								
Principal retirement	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total debt service	-	-	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	63	-	-	-	679
Other financing sources (uses):								
Transfer (to) from General Fund	-	-	-	(12,113)	-	-	-	(117,949)
Excess of revenues and other source over expenditures and other uses	-	-	-	(12,050)	-	-	-	(117,270)
Fund balances, beginning	-	-	-	12,050	-	-	-	117,270
Fund balances, ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TOWN OF OBERLIN, LOUISIANA
Enterprise Fund
Utility Funds

Schedule of Number of Utility Customers
(Unaudited)
June 30, 2007

Records maintained by the Town indicated the following number of customers were being served during the month of June 2007 and 2006:

<u>Department</u>	<u>2007</u>	<u>2006</u>
Gas (metered)	469	489
Water (metered)	754	780
Sewerage	699	725

TOWN OF OBERLIN, LOUISIANA

Schedule of Insurance in Force
(Unaudited)
June 30, 2007

<u>Description of Coverage</u>	<u>Coverage Amounts</u>
Workmen's Compensation - Employer's liability	\$ 500,000
Surety Bonds -	
Town clerk	107,000
Mayor	107,000
Mayor, Pro-term	107,000
Police chief	5,000
Police clerk	107,000
Utility collection clerks	117,000
Other	30,000
General liability:	
Town -	
Each occurrence	500,000
Aggregate	500,000
Police -	
Each occurrence	500,000
Aggregate	500,000
Public official's errors and omissions	500,000
Fire, extended coverage, blanket policy:	
Buildings	496,700
Contents	336,938
Comprehensive liability and collision:	
Liability	500,000
Uninsured motorist bodily injury	500,000

TOWN OF OBERLIN, LOUISIANA

Combined Schedule of Interest-Bearing Deposits - All Funds
June 30, 2007

	Financial Institution	Maturity Date	Interest Rate	Amount
General Fund:				
Emergency reserve certificate of deposit	(F)	7/26/2007	2.34%	\$ 13,278
Public street improvement certificate of deposit	(C)	11/8/2007	2.78%	40,250
Section 8 Administration money market account	(F)	N/A	0.25%	11,639
Total General Fund				<u>65,167</u>
Special Revenue Funds:				
Sales Tax Fund certificate of deposit	(C)	10/9/2007	3.15%	23,747
Sales Tax Fund certificate of deposit	(C)	10/22/2007	2.15%	21,800
Sales Tax Fund certificate of deposit	(F)	7/3/2007	0.50%	81,332
Cemetery Fund certificate of deposit	(C)	11/8/2007	2.78%	3,586
Cemetery Fund certificate of deposit	(C)	10/18/2007	2.78%	3,811
Total Special Revenue Funds				<u>134,276</u>
Utility Funds:				
Unrestricted assets -				
Certificate of deposit	(F)	11/15/2007	2.96%	18,519
Certificate of deposit	(F)	11/15/2007	2.96%	14,496
Certificate of deposit	(C)	11/8/2007	2.78%	2,881
Sewer Construction fund money market account	(F)	N/A	0.25%	5,707
Restricted assets -				
Sewer Revenue Bond Sinking fund money market account	(C)	N/A	4.18%	227
Sewer Revenue Bond Contingency fund money market account	(C)	N/A	4.18%	20,527
Sewer Revenue Bond Reserve fund money market account	(C)	N/A	4.18%	20,527
Certificate of deposit	(C)	9/1/2007	2.10%	8,401
Certificate of deposit	(F)	11/15/2007	2.96%	34,561
Certificate of deposit	(F)	11/15/2007	2.96%	23,311
Total Utility Funds				<u>149,157</u>
Total - all funds				<u>\$348,600</u>
Investments with:				
(C) Cameron State Bank, Lake Charles, Louisiana				
(F) First Federal Bank of Louisiana				

TOWN OF OBERLIN, LOUISIANA

Enterprise Funds

Utility Funds

Departmental Analysis of Revenues and Expenses

Year Ended June 30, 2007

With Comparative Amounts for Year Ended June 30, 2006

	Totals		Gas		Water and Sewer	
	2007	2006	2007	2006	2007	2006
Operating revenues:						
Charges for services -						
Customers	\$ 723,315	\$ 823,174	\$319,758	\$425,480	\$ 403,557	\$ 397,694
Delinquent charges	17,957	15,478	17,957	15,165	-	313
Miscellaneous	804	1,915	409	90	395	1,825
Total operating revenues	<u>742,076</u>	<u>840,567</u>	<u>338,124</u>	<u>440,735</u>	<u>403,952</u>	<u>399,832</u>
Operating expenses:						
Salaries	154,818	150,332	77,409	75,166	77,409	75,166
Payroll taxes	12,360	12,746	6,180	6,373	6,180	6,373
Health insurance	65,546	71,135	37,906	32,555	27,640	38,580
Natural gas purchases	163,025	242,322	163,025	242,322	-	-
Repairs and maintenance	21,931	26,673	2,413	14,504	19,518	12,169
Insurance	19,648	41,863	-	18,323	19,648	23,540
Office expense	4,589	4,207	888	979	3,701	3,228
Supplies	60,705	51,212	20,978	13,062	39,727	38,150
Professional fees	38,093	28,789	23,686	19,223	14,407	9,566
Contract Labor	4,800		1,800		3,000	
Telephone and utilities	75,011	51,045	6,070	4,044	68,941	47,001
Bad debts	-	-	-	-	-	-
Depreciation	163,362	146,144	2,913	2,973	160,449	143,171
Miscellaneous	7,739	5,698	4,101	2,632	3,638	3,066
Total operating expenses	<u>791,627</u>	<u>832,166</u>	<u>347,369</u>	<u>432,156</u>	<u>444,258</u>	<u>400,010</u>
Operating income (loss)	<u>(49,551)</u>	<u>8,401</u>	<u>(9,245)</u>	<u>8,579</u>	<u>(40,306)</u>	<u>(178)</u>
Nonoperating revenues (expenses):						
Interest income	4,525	3,406	1,102	829	3,423	2,577
Interest expense	(84,255)	(84,010)	-	-	(84,255)	(84,010)
Total nonoperating revenues (expenses)	<u>(79,730)</u>	<u>(80,604)</u>	<u>1,102</u>	<u>829</u>	<u>(80,832)</u>	<u>(81,433)</u>
Income (loss) before transfers	<u>(129,281)</u>	<u>(72,203)</u>	<u>(8,143)</u>	<u>9,408</u>	<u>(121,138)</u>	<u>(81,611)</u>
Transfers in (out):						
General Fund	(65,154)	622	(54,671)	28,954	(10,483)	(28,332)
Sales Tax Fund	6,468	-	6,468	-	-	-
Gaming	17,000	-	17,000	-	-	-
Total transfers in (out)	<u>(41,686)</u>	<u>622</u>	<u>(31,203)</u>	<u>28,954</u>	<u>(10,483)</u>	<u>(28,332)</u>
Net income (loss)	<u>(170,967)</u>	<u>(71,581)</u>	<u>(39,346)</u>	<u>38,362</u>	<u>(131,621)</u>	<u>(109,943)</u>
Capital contributions	<u>51,067</u>	<u>1,818,083</u>	<u>3,454</u>	<u>-</u>	<u>47,613</u>	<u>1,818,083</u>
Increase (decrease) in net assets	<u>(119,900)</u>	<u>1,746,502</u>	<u>(35,892)</u>	<u>38,362</u>	<u>(84,008)</u>	<u>1,708,140</u>
Net assets, beginning	<u>4,662,578</u>	<u>2,916,076</u>	<u>158,536</u>	<u>120,174</u>	<u>4,504,042</u>	<u>2,795,902</u>
Net assets, ending	<u>\$ 4,542,678</u>	<u>\$ 4,662,578</u>	<u>\$122,644</u>	<u>\$158,536</u>	<u>\$ 4,420,034</u>	<u>\$ 4,504,042</u>

INTERNAL CONTROL, COMPLIANCE

AND

OTHER MATTERS

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
P. Troy Courville, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*

OFFICES

183 South Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141
Fax (337) 232-8660

113 East Bridge St.
Breaux Bridge, LA 70517
Phone (337) 332-4020
Fax (337) 332-2667

133 East Waddill St.
Marksville, LA 71351
Phone (318) 253-9252
Fax (318) 253-8681

1234 David Dr. Ste 203
Morgan City, LA 70380
Phone (985) 384-2020
Fax (985) 384-3020

408 West Cotton Street
Ville Platte, LA 70586
Phone (337) 363-2792
Fax (337) 363-3049

332 West Sixth Avenue
Oberlin, LA 70655
Phone (337) 639-4737
Fax (337) 639-4568

200 South Main Street
Abbeville, LA 70510
Phone (337) 893-7944
Fax (337) 893-7948

450 East Main Street
New Iberia, LA 70580
Phone (337) 367-9204
Fax (337) 367-9208

1013 Main Street
Franklin, LA 70538
Phone (337) 828-0272
Fax (337) 828-0290

Tynes E. Mixon, Jr., CPA
Allen J. LaBry, CPA
Albert R. Leger, CPA, PFS, CSA*
Penny Angelle Scroggins, CPA
Christine L. Cousin, CPA
Mary T. Thibodeaux, CPA
Marshall W. Guidry, CPA
Alan M. Taylor, CPA
James R. Roy, CPA
Robert J. Metz, CPA
Kelly M. Doucet, CPA
Cheryl L. Bartley, CPA, CVA
Mandy B. Self, CPA
Paul L. Delcambre, Jr. CPA

Retired:
Conrad O. Chapman, CPA* 2006
Harry J. Clostio, CPA 2007

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

WEB SITE:
WWW.KCSRCPAS.COM

* A Professional Accounting Corporation

The Honorable Phillip W. Beard, Mayor
and Members of the Board of Aldermen
Town of Oberlin, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Oberlin, Louisiana (the Town) as of and for the year ended June 30, 2007, which collectively comprise the Town's basic financial statements and have issued our report thereon dated September 20, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion of the effectiveness of the Town's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying summary schedule of current and prior year audit findings and corrective action plan as items 07-1(IC) and 07-2(IC) to be significant deficiencies in internal control over financial reporting.

Member of:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Member of:
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. However, we consider items 07-1(IC) and 07-2(IC) to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under Government Auditing Standards and which is described in the accompany summary schedule of current and prior year audit findings and corrective action plan as item 07-3(C).

We also noted other matters involving the internal control over financial reporting that we have reported to management of the Town in a separate letter dated September 20, 2007.

This report is intended solely for the information of management and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Oberlin, Louisiana
September 20, 2007

TOWN OF OBERLIN, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
Year Ended June 30, 2007

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
<u>CURRENT YEAR (6/30/07) --</u>						
<u>Internal Control</u>						
07-1(IC)	Unknown	Due to the small number of employees, the Town did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Barbara Murray, Town Clerk	N/A
07-2(IC)	06/30/07	The Town does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.	No	The Town has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Barbara Murray, Town Clerk	N/A
<u>Compliance:</u>						
07-3(C)	06/30/07	The Louisiana State Police are currently investigating possible unauthorized withdrawals from the Town's Utility Fund bank accounts by a former Collections Clerk who was employed by the Town from January to April 2007. The outcome of this investigation is pending.	Yes	The Town is reviewing its collection procedures and employing controls to improve efficiency and accuracy.	Barbara Murray, Town Clerk	6/30/2008
<u>Management Letter</u>						
07-4(ML)	2000	Consideration should be given to increasing rates and/or decreasing expenses in order to generate income in the Gas and Water and Sewer Utility Funds.	Partial	The Town has increased utility charges. The mayor and council will continue to closely monitor operations and adjust rates and/or decrease expenses as needed.	Barbara Murray, Town Clerk	Immediately

(continued)

TOWN OF OBERLIN, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan (Continued)
Year Ended June 30, 2007

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
<u>CURRENT YEAR (6/30/07) --</u>						
<u>Management Letter: (Continued)</u>						
07-5(ML)	2007	Management should review the Town's collection procedures and enforce town policy to ensure cash flows.	No	Town personnel will print an accounts receivable subsidiary report on a monthly basis, and management will review for delinquent accounts and enforce collection procedures.	Barbara Murray, Town Clerk	6/30/2008
<u>PRIOR YEAR (6/30/06) --</u>						
<u>Internal Control:</u>						
06-1(IC)	Unknown	Due to the small number of employees, the Town did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Barbara Murray, Town Clerk	N/A
<u>Compliance:</u>						
There were no compliance findings for the year ended June 30, 2006.						
<u>Management Letter:</u>						
06-2(ML)	2000	Consideration should be given to increasing rates and/or decreasing expenses in order to generate a profit in the Gas and Water and Sewer Utility Funds.	Partial	The Town has increased utility charges. The mayor and council will continue to closely monitor operations and adjust rates and/or decrease expenses as needed.	Barbara Murray, Town Clerk	Immediately

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

OFFICES

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
P. Troy Courville, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*

183 South Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141
Fax (337) 232-8660

Tynes E. Mixon, Jr., CPA
Allen J. LaBry, CPA
Albert R. Leger, CPA, PFS, CSA*
Penny Angelle Scroggins, CPA
Christine L. Cousin, CPA
Mary T. Thibodeaux, CPA
Marshall W. Guldry, CPA
Alan M. Taylor, CPA
James R. Roy, CPA
Robert J. Metz, CPA
Kelly M. Doucet, CPA
Cheryl L. Bartley, CPA, CVA
Mandy B. Self, CPA
Paul L. Delcambre, Jr. CPA

MANAGEMENT LETTER

113 East Bridge St.
Breaux Bridge, LA 70517
Phone (337) 332-4020
Fax (337) 332-2867

133 East Waddill St.
Marksville, LA 71351
Phone (318) 253-9252
Fax (318) 253-8581

1234 David Dr. Ste 203
Morgan City, LA 70380
Phone (985) 384-2020
Fax (985) 384-3020

408 West Cotton Street
Ville Platte, LA 70586
Phone (337) 363-2792
Fax (337) 363-3049

332 West Sixth Avenue
Oberlin, LA 70655
Phone (337) 638-4737
Fax (337) 639-4588

200 South Main Street
Abbeville, LA 70510
Phone (337) 893-7944
Fax (337) 893-7946

450 East Main Street
New Iberia, LA 70580
Phone (337) 387-9204
Fax (337) 387-9208

1013 Main Street
Franklin, LA 70538
Phone (337) 828-0272
Fax (337) 828-0290

Retired:
Conrad O. Chapman, CPA* 2006
Harry J. Clostio, CPA 2007

WEB SITE:
WWW.KCSRCPAS.COM

* A Professional Accounting Corporation

The Honorable Phillip W. Beard, Mayor
and Members of the Board of Aldermen
Town of Oberlin, Louisiana

During our audit of the basic financial statements of the Town of Oberlin for the year ended June 30, 2007, we noted an area in which the efficiency and effectiveness of the operations of the Town could be improved.

- (1) Management should consider raising revenues and/or reducing expenditures in the Utility Funds in order to generate income in these funds.
- (2) Management should review the Town's collection procedures and enforce town policy to ensure adequate cash flows.

We would like to express our appreciation to you and your staff, particularly your office staff, for the courtesies and assistance rendered to us in the performance of our audit. Should you have any questions or need assistance please feel free to contact us.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
September 20, 2007