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GENERAL PURPOSE FINANCIAL STATEMENTS
OF THE
TOWN OF LEONVILLE, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 1999

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

Release Date FEB 23 2000

Barbara M. York

CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor
and Members of the Board of Aldermen
Town of Leonville, Louisiana

I have audited the accompanying general purpose financial statements of the Town of Leonville, Louisiana, as of and for the year ended June 30, 1999. These general purpose financial statements are the responsibility of the Town of Leonville, Louisiana, management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and generally accepted government auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget Circular A-128, *Audits of State and Local Governments*. Those standards require that I plan and perform the audits 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements, referred to above, present fairly, in all material respects, the financial position of the Town of Leonville, Louisiana, as of June 30, 1999, and the results of its operations and cash flows of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles.

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



Opelousas, Louisiana
December 31, 1999

TOWN OF LEONVILLE, LOUISIANA
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
 DECEMBER 31, 1999

	GOVERNMENTAL FUND TYPES		PROPRIETARY FUND TYPE
	GENERAL	SPECIAL REVENUE	ENTERPRISE
ASSETS			
Cash	\$30,577	\$0	\$234,751
Taxes receivable	4,918		
Accrued water sales			15,298
Returned checks	91		
Accounts receivable (net of allowance for uncollectibles)		7,031	58,244
Due from water fund		49	
Deposit on cyclinder			2,000
Utility plant and depreciable assets (net)			1,651,341
Land			
Buildings			
Equipment			
Total assets	\$35,586	\$7,080	\$1,961,634
LIABILITIES AND FUND EQUITY			
LIABILITIES			
Accounts payable	\$3,178	\$7,080	\$21,428
Customer deposits			12,525
Total liabilities	3,178	7,080	33,953
FUND EQUITY			
Contributed capital			1,339,647
Investment in general fixed assets			
Retained earnings			
Unreserved, undesignated			588,034
Fund balance			
Unreserved, undesignated	32,408	0	
Total fund equity	32,408	0	1,927,681
Total liabilities and fund equity	\$35,586	\$7,080	\$1,961,634

See accompanying notes to financial statements.

ACCOUNT GROUP	TOTALS
GENERAL	(MEMORANDUM
FIXED ASSETS	ONLY)
	June 30, 1998
	\$265,328
	4,918
	15,298
	91
	65,275
	49
	2,000
	1,651,341
8,912	8,912
86,556	86,556
37,089	37,089
\$132,557	\$2,136,857
	31,686
	12,525
0	44,211
	1,339,647
132,557	132,557
	588,034
	32,408
132,557	2,092,646
\$132,557	\$2,136,857

TOWN OF LEONVILLE, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED JUNE 30, 1999

	GOVERNMENTAL FUND TYPE		TOTALS (MEMORANDUM ONLY)
	GENERAL	SPECIAL REVENUE	
REVENUES			
Franchise tax	25,194		25,194
Licenses	17,076		17,076
Intergovernmental	8,079		8,079
Fines	3,812		3,812
Interest income	212		212
Sales of fixed assets	0		0
Miscellaneous	1,177		120
Total revenue	55,551	0	54,493
EXPENDITURES			
Current			
Executive and administrative	33,100		33,100
Police department	64,710		64,710
Street department	19,570		19,570
Capital Outlay	0		0
Total expenditures	117,380	0	117,380
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(61,829)	0	(61,829)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	68,000	0	68,000
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	6,171	0	6,171
BEGINNING FUND BALANCE	26,237	1	26,238
ENDING FUND BALANCE	\$32,408	\$1	\$32,409

See accountants' report and notes to financial statements.

TOWN OF LEONVILLE, LOUISIANA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 1999

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Franchise tax	25,335	25,194	(141)
Licenses	14,850	17,076	2,226
Intergovernmental	7,850	8,079	229
Fines	4,000	3,812	(188)
Interest income	200	212	12
Sales of fixed assets	0	0	17
Miscellaneous	1,000	1,177	177
Total revenue	53,235	55,551	2,333
EXPENDITURES			
Current			
Executive and administrative	33,100	33,381	(281)
Police department	64,710	63,484	1,226
Street department	19,570	19,888	(318)
Total expenditures	117,380	116,753	627
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(64,145)	(61,202)	2,943
OTHER FINANCING SOURCES (USES)			
Operating transfers in	68,000	68,000	0
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	3,855	6,798	2,943
BEGINNING FUND BALANCE	28,553	25,610	0
ENDING FUND BALANCE	\$32,408	\$32,408	\$2,943

See accountants' report and notes to financial statements.

TOWN OF LEONVILLE, LOUISIANA
 COMBINING STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN FUND BALANCE
 ALL PROPRIETARY FUND TYPES
 FOR THE YEAR ENDED JUNE 30, 1999

OPERATING REVENUES	
Charges for services	461,024
Penalty income	9,884
Miscellaneous	1,111
Total revenue	472,019
OPERATING EXPENSES	
Personal service	210,310
Contractual services	27,541
Repairs & maintenance	18,674
Other	83,763
Total operating expenses	340,288
OPERATING INCOME BEFORE DEPRECIATION	131,731
DEPRECIATION	(64,447)
OPERATING INCOME	67,284
NONOPERATING REVENUES	
Interest income	2,475
Gain on sale of assets	0
Total nonoperating revenues	2,475
INCOME BEFORE OPERATING TRANSFERS	69,759
OPERATING TRANSFERS	
Operating transfers out	(68,000)
NET INCOME (LOSS)	1,759
BEGINNING RETAINED EARNINGS	586,275
ENDING RETAINED EARNINGS	588,034

See accountants' report and notes to financial statements.

TOWN OF LEONVILLE, LOUISIANA
 COMBINED STATEMENT OF CASH FLOWS
 ALL PROPRIETARY FUND TYPES
 FOR THE YEAR ENDED JUNE 30, 1999

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$470,843
Cash payments to suppliers	(135,575)
Cash payments to employees	(210,310)
Net cash provided by operating activities	124,958
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Operating transfers out to other funds	(68,000)
Net cash (used) for non-capital financing activities	(68,000)
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Deposit on cylinders	(2,000)
Contribution from customers	20,668
Purchase of depreciable assets	(36,728)
Net cash provided (used) for capital and related financing activities	(18,060)
 CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	2,476
Net cash provided by investing activities	2,476
 NET INCREASE IN CASH	 41,374
 CASH AND CASH EQUIVALENTS, beginning of year	 193,377
 CASH AND CASH EQUIVALENTS, end of year	 \$234,751

See accountants' report and notes to financial statements.

TOWN OF LEONVILLE, LOUISIANA
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 1999

Reconciliation of operating income to net cash
provided (used) for operating activities:

Operating income (loss)	\$67,284
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	64,447
Non-operating revenues (expenses)	
Changes in assets and liabilities:	
Increase in accounts receivable	(2,327)
Other increases (decreases)	(1,485)
Increase in accrued water sales	6,948
Increase (decrease) in accounts payable	0
Other increases (decreases)	(9,909)
Net cash provided (used) by operating activities	\$124,958

See accountants' report and notes to financial statements.

TOWN OF LEONVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. INTRODUCTION

The Town of Leonville, Louisiana (the Town) was incorporated under the provisions of the State of Louisiana. The Town operates under the Mayor and Board of Aldermen form of government and provides the following services as authorized by its charter: public safety, (police), streets, health and social services, culture-recreation, public improvements, planning and zoning and general administrative services.

The Town complies with Generally Accepted Accounting Principles (GAAP). The Town's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of the Note. The remainder of the Notes are organized to provide explanations, including required disclosures, of the Town's financial activities for the fiscal year ended June 30, 1998.

B. FINANCIAL REPORTING ENTITY - BASIS OF PRESENTATION

THE REPORTING ENTITY

For financial reporting purposes, in conformance with GASB codification Section 2100, General Purpose Financial Statements includes all funds and account groups over which the Town exercises oversight responsibility. This responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. These specific elements were considered in deciding whether to include or exclude specific agencies from this report. The financial statements presented herein do not include agencies which have been formed under applicable state laws or separate and distinct units of government apart from the Town of Leonville.

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

TOWN OF LEONVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

B. FINANCIAL REPORTING ENTITY - BASIS OF PRESENTATION (cont'd)

FUNDS AND ACCOUNT GROUPS

The funds presented in the financial statements are described as follows:

Governmental Fund Types

Governmental funds are accounted for using the current financial resources measurement focus. Only current assets and current liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available resources during a given period.

Proprietary Fund Types

Proprietary funds are accounted for using the economic resources measurement focus, the accounting objectives are determination of net income, financial position, and cash flows. All assets and liabilities associated with a proprietary fund's activities are included on its balance sheets. Proprietary fund equity is segregated into contributed capital and retained earnings.

Account Groups

The account groups are used to account for fixed assets and long-term liabilities which are not accounted for in the respective governmental funds.

TOTAL COLUMNS (MEMORANDUM ONLY)

Total columns on the combined statements are captioned "memorandum only" to indicate that they are presented only to aid in financial analyses. Interfund eliminations have not been made in the aggregation of this data, and it is, therefore, not comparable to a consolidation.

C. BASIS OF ACCOUNTING

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

ACCRUAL BASIS OF ACCOUNTING

The accrual basis of accounting is used in proprietary fund types. The accrual basis of accounting recognizes revenues when earned. Expenses are recorded when incurred.

TOWN OF LEONVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

C. BASIS OF ACCOUNTING (cont'd)

MODIFIED ACCRUAL BASIS OF ACCOUNTING

The Town uses the modified accrual basis of accounting for governmental fund types. The modified accrual basis of accounting recognizes revenues when both "measurable and available." measurable means the amount can be determined. Available means collectable within the current period or soon enough thereafter to pay current liabilities. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

TRANSFERS BETWEEN FUNDS

Transfers between funds which are not expected to be repaid are accounted for as other financing sources (uses).

D. FIXED ASSETS

Property, plant and equipment of all funds are stated at historical cost. Governmental fund fixed assets are recorded in the General Fixed Asset Account Group and are not depreciated. The Town has elected not to report public domain or infrastructure fixed assets that are immovable and of value only to the Town government. Proprietary fund assets are recorded in the respective funds and are depreciated using the straight-line method.

E. BUDGETS AND BUDGETARY ACCOUNTING

The Town Council adopts an annual budget for the General Fund. The annual budget for the General Fund is prepared in accordance with the basis of accounting utilized by the fund. The Mayor is authorized to transfer budgeted amounts within and among departments; however, any revisions that alter the total expenditures must be approved by the Town Council. Subsequent to year end, the Town Council adopts an amended budget approving such additional expenditures. The amended budget for the General Fund is presented in the Statement of Revenues, Expenditures and Changes in Fund Balance -Budget (GAAP Basis) and Actual. All annual appropriations lapse at fiscal year end.

The Town did not budget for the Special Revenue Funds, since budgetary control is maintained on an individual grant basis.

TOWN OF LEONVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

F. CASH AND INVESTMENTS

Investments are stated at cost. Discounts and premiums on the purchase of investments, if any, are amortized over the life of the investment from the date of purchase to the date of maturity. Additional cash and investment information are presented in Note 2.

Louisiana statutes authorize the Agency to invest in United States bonds, treasury notes or certificates, time certificates of deposit in state and national banks, or any other federally insured investment.

G. COMPENSATED ABSENCES

The Town's employees earned and used their vacation and sick leave during the fiscal year. Therefore, there is no provision for compensated absences.

H. STATEMENT OF CASH FLOWS

For purposes of the Statement of Cash Flows, the Water Fund and Gas Fund consider all highly liquid investments (including restricted assets), with a maturity of three months or less when purchased to be cash equivalents.

I. BAD DEBTS

Uncollectible amounts due for customers' utility receivables are recognized as bad debts through the adjustment of an allowance account to the balance of individual's accounts who are no longer customers and are over ninety (90) days old at the end of each fiscal year.

The allowance at June 30, 1999 was \$ 9,434 in the Water Fund and \$ 4,116 in the Gas Fund.

K. INVENTORIES

The Town practices the policy of recording materials and supplies as expenditures when acquired. These items are not recorded as inventory because the amount of the items in stock is insignificant.

TOWN OF LEONVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 2 - CASH AND CASH EQUIVALENTS

Under state law, the Town may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 1999, the Town has cash and cash equivalents totaling \$ 265,328. The amounts on deposit are all demand deposits.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The following is a summary of deposit balances (bank balances) at June 30, 1998, and the related federal insurance and pledged securities:

Federal deposit insurance	\$ 100,000
Pledged securities (uncollateralized)	<u>202,500</u>
Total	<u>\$ 302,500</u>

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten (10) days of being notified by the Town that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 3 - EXPENDITURES - ACTUAL AND BUDGET

There were no individual funds that had actual expenditures in excess of budgeted expenditures for the year ended June 30, 1999.

NOTE 4 - DUE FROM/TO OTHER FUNDS

At June 30, 1999, the Water Fund owed the General Fund \$50.

TOWN OF LEONVILLE, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 1999

NOTE 5 - COMPENSATION OF BOARD MEMBERS

A detail of the compensation paid to individual board members for the fiscal year ending June 30, 1999 is as follows:

Joel Lanclos, Jr. - Mayor	\$ 600
Weston Deranger	120
J. B. Stelly	120
Roy Mallet	120
Cleveland Auzenne	120
Dorothy Meche	<u>120</u>
Total	<u>\$1,200</u>

NOTE 6 - ENTERPRISE FUND - FRANCHISE AGREEMENT

The Town of Leonville entered into franchise agreements with Southwest Louisiana Electric Membership (SLEMCO), Gulf States utilities and St. Landry Cable T.V. The Town receives a percentage of the revenues earned by these corporations, for the use of the Town's lines, poles and other equipment, within the town's corporate limits.

The St. Landry Cable T.V., Inc., franchise is for a period of fifteen (15) years, which expired April 3, 1997, and was renewed for an additional fifteen (15) year period. The Town receives an annual franchise fee equal to three percent (3%) of the revenues collected from subscribers, to be paid by the 1st day of April for the preceding calendar year.

The Gulf States Utilities Company franchise is for a period of sixty (60) years, expiring January 1, 2033. The Town receives an amount equal to four and one-half percent (4 1/2%) for the first ten (10) years and five percent (5%) for the next fifty (50) years, of the gross receipts of the company from the sale of electricity for residential and commercial purposes in the Village of Leonville.

The SLEMCO franchise is for a period of sixty (60) years, expiring May 23, 2034. The Town receives an annual fee equal to eight percent (8%) of the gross receipts actually collected from its customers, members and sales within the corporate limits of the Village of Leonville.

TOWN OF LEONVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 7 - PROPRIETARY FUND - FIXED ASSETS

The following is a summary of proprietary fund fixed assets at June 30, 1999:

	Water	Gas	Total
Utility, plant and other depreciable assets	\$1,912,358	\$554,989	\$2,467,347
Less - accumulated depreciation	(687,826)	(128,180)	(816,006)
Net property, plant and equipment	\$1,224,532	\$426,809	\$1,651,341

	Accumulated Cost	Depreciation	Net
Changes during the year:			
Water Fund:			
Balance, beginning of year	\$1,880,260	\$639,155	\$1,241,105
Assets purchased	32,098		32,098
Assets sold			
Current depreciation		48,671	(48,671)
Accumulated depreciation on asset sold			
Balance, end of year	\$1,912,358	\$687,826	\$1,224,532

Gas Fund:			
Balance, beginning of year	\$550,358	\$112,403	\$437,955
Assets purchased	4,630		4,630
Depreciation		15,776	(15,776)
Balance, end of year	\$554,988	\$128,179	\$426,809

NOTE 8 - PROPRIETARY FUND - CONTRIBUTED CAPITAL

	Water Fund	Gas Fund	Total
Contributions from:			
Membership fees	\$106,460	\$0	\$106,460
Customers	198,191	16,705	214,896
Anti-recession fund	3,723	1,850	5,573
Federal revenue sharing	3,269	12,179	15,448
Block grants	321,797	528,689	850,486
Department of transportation	130,437	12,000	142,437
Total contributed capital	\$763,877	\$571,423	\$1,335,300

TOWN OF LEONVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 9 - PROPRIETARY FUND - RESTRICTED ASSETS

The proprietary fund has restricted assets of \$12,525 for customer deposits in the Gas Fund.

NOTE 10 - SEGMENT INFORMATION - ENTERPRISE FUND

Segment information for the Enterprise Fund for the fiscal year ended June 30, 1999, is as follows:

	WATER	GAS	TOTAL
Operating revenue	\$399,125	\$72,894	\$472,019
Depreciation expense	48,671	15,776	64,447
Operating income (loss)	55,141	12,143	67,284
Operating transfers:			
In	0	0	0
Out	34,000	34,000	68,000
Net income (loss)	22,624	(20,865)	1,759
Net cash flows	46,370	(4,996)	41,374
Total assets	1,440,055	521,579	1,961,634
Bonds and other long-term liabilities	0	0	0
Total fund equity	1,421,061	521,579	1,942,640
Capital contributions from:			
Grants (before amortization)	321,797	528,689	850,486
Others	442,079	47,082	489,161
Property, plant and equipment:			
Additions	32,098	4,630	36,728
Deletions	0	0	0

NOTE 11 - ACCOUNT GROUPS - GENERAL FIXED ASSETS

CHANGES IN GENERAL FIXED ASSETS

The following is a summary of changes in general fixed assets:

	Balance 6/30/98	Additions	Retirements/ Transfers	Balance 6/30/99
Land	\$8,912			\$8,912
Buildings	86,556			86,556
Equipment	36,111		978	37,089
Totals	\$131,579	\$0	\$978	\$132,557

TOWN OF LEONVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 12 - RETIREMENT PLANS

GENERAL INFORMATION

The Town of Leonville, Louisiana, participates in funding two retirement plans. These plans are statewide funded plans which cover substantially all full-time employees.

PENSION BENEFIT OBLIGATION

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and set-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the Systems' funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERS and employers. The Systems do not make separate measurements of assets and pension benefit obligations for individual employees. The pension benefit obligations determined through actuarial valuations performed as of the dates noted are shown individually.

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

All permanent employees working at least thirty-five (35) hours per week, who are not participating in another public funded retirement system and are under age sixty (60) at date of employment are members of the Municipal Employees' Retirement System. The System is a cost-sharing, multiple-employer, statewide retirement system which is administered and controlled by a separate board of trustees. The System is financed by contributions from members based on their earnable compensation, deducted from their wages by the employing municipalities and remitted quarterly to the System, together with contributions from all parishes in the State, excepting Orleans and East Baton Rouge, equal to one-fourth (1/4) of one (1) percent of ad valorem taxes collected within the respective parishes. Effective October 1, 1978, under Act #788, the "Regular Plan" and the "Supplemental Plan" were replaced, and are now known as Plan "A" and Plan "B". The Town provides pension benefits for substantially all of its full-time employees except the police department, through the Municipal Employees' Retirement System of Louisiana, Plan "B". Any member of Plan "B" is eligible for normal retirement providing he meets one of the following criteria:

1. Age fifty-five (55) with thirty (30) or of creditable service.
2. Age sixty (60) with a minimum of ten (10) years of creditable service.
4. Under age sixty (60) with ten (10) years of creditable service eligible for disability benefits.
5. Survivor's benefits require twenty (20) years creditable service at death of member.

Generally, the monthly amount of the retirement allowance for any member shall consist of an amount equal to 2% of the member's final compensation multiplied by his years of creditable service.

TOWN OF LEONVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM

The Municipal Police Employees' Retirement System covers any full-time police officer, empowered to make arrests, who is employed by a municipality of the State and engaged in law enforcement, earns at least \$375 per month, excluding state supplemental pay, or an elected chief of police whose salary is at least \$100 per month. The System is a cost-sharing multiple-employer, statewide retirement system which is administered by a Board of Trustees. For the plan year ending 1994, the System is financed by employee contributions of 7.5 percent of earnable compensation, by employer contributions of 9 percent earnable compensation excluding overtime but including state supplemental pay, and by .4 percent of eligible for retirement benefits after twenty (20) years of service and if they are over fifty (50) or twelve (12) years of service and age fifty-five (55).

TOWN OF LEONVILLE, LOUISIANA
GENERAL FUND
BALANCE SHEET
JUNE 30, 1999

ASSETS

Cash	\$30,577
Taxes receivable	4,918
Returned checks	91
Due from other funds	0
Total assets	\$35,586

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$3,178
Due to other funds	0
Total liabilities	3,178

FUND BALANCE

Unreserved, undesignated	32,408
Total liabilities and fund balance	\$35,586

See accountants' report and notes to financial statements.

TOWN OF LEONVILLE, LOUISIANA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 1999

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Franchise tax	25,335	25,194	(141)
Licenses	14,850	17,076	2,226
Intergovernmental	7,850	8,079	229
Fines	4,000	3,812	(188)
Interest income	200	212	12
Sales of fixed assets	0	0	17
Miscellaneous	1,000	1,177	177
Total revenue	53,235	55,551	2,333
EXPENDITURES			
Current			
Executive and administrative	33,100	33,381	(281)
Police department	64,710	63,484	1,226
Street department	19,570	19,888	(318)
Total expenditures	117,380	116,753	627
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(64,145)	(61,202)	2,943
OTHER FINANCING SOURCES (USES)			
Operating transfers in	68,000	68,000	0
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	3,855	6,798	2,943
BEGINNING FUND BALANCE	28,553	25,610	0
ENDING FUND BALANCE	\$32,408	\$32,408	\$2,943

See accountants' report and notes to financial statements.

TOWN OF LEONVILLE, LOUISIANA
GENERAL FUND
DETAILED SCHEDULE OF REVENUES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 1999

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
FRANCHISE TAXES			
SLEMCO	8,150	8,041	(109)
Entergy	13,500	13,468	(32)
Cable TV	3,685	3,685	0
Total franchises	25,335	25,194	(141)
LICENSES			
Occupational licenses	14,850	17,076	2,226
Total licenses	14,850	17,076	2,226
INTERGOVERNMENTAL			
State tobacco tax	4,460	4,461	1
State beer tax	1,550	1,786	236
Housing Authority	1,840	1,833	(7)
Total - intergovernmental	7,850	8,080	230
FINES			
Court fines	4,000	3,812	(188)
Total fines	4,000	3,812	(188)
INTEREST INCOME			
Interest earned on investments	200	212	12
Total interest income	200	212	12
MISCELLANEOUS			
Sundry	1,000	1,177	177
Total miscellaneous	1,000	1,177	177
SALE OF FIXED ASSETS			
Sale of fixed assets	0	0	0
Total sale of fixed assets	0	0	0
Total revenues	\$53,235	\$55,551	\$2,316

See accountants' report and notes to financial statements.

TOWN OF LEONVILLE, LOUISIANA
GENERAL FUND
DETAILED SCHEDULE OF EXPENDITURES

BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 1999

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
EXECUTIVE AND ADMINISTRATIVE			
Salaries	4,900	4,888	12
Payroll taxes	165	73	92
Retirement	30	400	(370)
Employee benefits	4,250	4,242	8
Accounting	1,050	1,050	0
Advertising	175	468	(293)
Attorney fees	0	0	
Bank charges	185	184	1
Dues & subscriptions	400	331	70
Electricity	2,400	2,395	5
Insurance	5,340	5,345	(5)
Janitorial	500	590	(90)
Office supplies	1,800	1,637	163
Kitchen supplies	325	338	(13)
Park rent	360	360	0
Telephone	1,220	1,153	67
Miscellaneous	10,000	8,949	1,051
Capital outlay	0	978	
Total executive and administrative	33,100	33,381	697
POLICE DEPARTMENT			
Salaries	33,000	32,553	447
Payroll taxes	320	1,048	(728)
Retirement	3,200	1,883	1,317
Employee benefits	2,040	1,511	530
Automobile expenses	14,500	14,309	191
Supplies	550	698	(148)
Uniforms	1,500	1,676	(176)
Insurance	6,800	6,689	111
Miscellaneous	2,800	3,116	(316)
Total police department	64,710	63,484	3,041
STREET DEPARTMENT			
Street materials	9,000	9,074	(74)
Electricity-street lights	9,670	9,959	(289)
Miscellaneous	900	855	45
Total street department	19,570	19,888	(318)

See accountants' report and notes to financial statements.

TOWN OF LEONVILLE, LOUISIANA
SPECIAL REVENUE FUND
BALANCE SHEET
JUNE 30, 1999

ASSETS

Cash	\$0
Accounts receivable	7,030
Due from water fund	50
Total assets	\$7,080

LIABILITIES AND FUND BALANCE

LIABILITIES

Contracts payable	\$7,080
Total liabilities	7,080

FUND BALANCE

Unreserved, undesignated	0
Total liabilities and fund balance	\$7,080

See accountants' report and notes to financial statements.

TOWN OF LEONVILLE, LOUISIANA
SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 1999

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Water fund	0	0	0
Creswell extension grant	0	0	0
Total revenue	0	0	0
EXPENDITURES			
Capital Outlay	0	0	0
Total expenditures	0	0	0
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	0	0	0
OTHER FINANCING SOURCES (USES)			
Operating transfers in	0	0	0
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	0	0	0
BEGINNING FUND BALANCE	0	0	0
ENDING FUND BALANCE	\$0	\$0	\$0

See accountants' report and notes to financial statements.

TOWN OF LEONVILLE, LOUISIANA
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1999

	WATER FUND	GAS FUND	TOTALS (MEMORANDUM ONLY)
CURRENT ASSETS			
Cash	\$148,621	\$86,130	\$234,751
Accrued water sales	13,939	1,359	15,298
Accounts receivable, net of allowance for uncollectibles	50,963	7,281	58,244
Deposit on cylinder	2,000		2,000
Due from other funds		0	0
Total current assets	215,523	94,770	310,293
RESTRICTED ASSETS			
Cash	0	0	0
Total restricted assets	0	0	0
PROPERTY, PLANT AND EQUIPMENT			
Utility plant and depreciable assets, net	1,224,532	426,809	1,651,341
Total property, plant and equipment	1,224,532	426,809	1,651,341
Total assets	\$1,440,055	\$521,579	\$1,961,634

See accountants' report and notes to financial statements.

TOWN OF LEONVILLE, LOUISIANA
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1999

	WATER FUND	GAS FUND	TOTALS (MEMORANDUM ONLY)
LIABILITIES AND FUND EQUITY			
CURRENT LIABILITIES			
Accounts payable	\$18,994	\$2,434	\$21,428
Customer deposits		12,525	12,525
Due to other funds	0		0
Total liabilities	18,994	14,959	33,953
FUND EQUITY			
Contributed capital	763,876	575,771	1,339,647
Unreserved, undesignated	657,185	(69,151)	588,034
Total fund equity	1,421,061	506,620	1,927,681
Total liabilities and fund equity	\$1,440,055	\$521,579	\$1,961,634

See accountants' report and notes to financial statements.

TOWN OF LEONVILLE, LOUISIANA
 ENTERPRISE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN RETAINED EARNINGS
 FOR THE YEAR ENDED JUNE 30, 1999

	WATER FUND	GAS FUND	TOTALS (MEMORANDUM ONLY)
OPERATING REVENUES			
Charges for services	\$388,680	\$72,344	461,024
Penalty income	9,884		9,884
Miscellaneous	561	550	1,111
Total operating revenue	399,125	72,894	472,019
OPERATING EXPENSES			
Personal service	201,240	9,070	210,310
Contractual services		27,541	27,541
Repairs & maintenance	14,762	3,912	18,674
Other	79,311	4,452	83,763
Total operating expenses	295,313	44,975	340,288
OPERATING INCOME BEFORE DEPRECIATION	103,812	27,919	131,731
DEPRECIATION	(48,671)	(15,776)	(64,447)
OPERATING INCOME	55,141	12,143	67,284
NONOPERATING REVENUES			
Interest income	1,483	992	2,475
Sale of assets	0		0
Total nonoperating revenues	1,483	992	2,475
INCOME BEFORE OPERATING TRANSFERS	56,624	13,135	69,759
OPERATING TRANSFERS			
Operating transfers out	(34,000)	(34,000)	(68,000)
NET INCOME (LOSS)	22,624	(20,865)	1,759
BEGINNING RETAINED EARNINGS	634,561	(48,286)	586,275
ENDING RETAINED EARNINGS	657,185	(69,151)	588,034

See accountants' report and notes to financial statements.

TOWN OF LEONVILLE, LOUISIANA
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 1999

	WATER FUND	GAS FUND	TOTALS (MEMORANDUM ONLY)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$398,770	\$72,073	\$470,843
Cash payments to suppliers	(100,346)	(35,229)	(135,575)
Cash payments to employees	(201,240)	(9,070)	(210,310)
Net cash provided by operating activities	97,184	27,774	124,958
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating transfers out to other funds	(34,000)	(34,000)	(68,000)
Net cash (used) for non-capital financing activities	(34,000)	(34,000)	(68,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Deposits on cylinders	(2,000)	0	(2,000)
Contribution from customers	15,800	4,868	20,668
Purchase of depreciable assets	(32,098)	(4,630)	(36,728)
Net cash provided (used) for capital and related financing activities	(18,298)	238	(18,060)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	1,484	992	2,476
Net cash provided by investing activities	1,484	992	2,476
NET INCREASE (DECREASE) IN CASH	46,370	(4,996)	41,374
CASH AND CASH EQUIVALENTS, begining of year	102,251	91,126	193,377
CASH AND CASH EQUIVALENTS, end of year	\$148,621	\$86,130	\$234,751

See accountants' report and notes to financial statements.

TOWN OF LEONVILLE, LOUISIANA
 ENTERPRISE FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 1999

	WATER FUND	GAS FUND	TOTALS (MEMORANDUM ONLY)
Reconciliation of operating income to net cash provided (used) for operating activities:			
Operating income (loss)	\$55,141	\$12,143	\$67,284
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	48,671	15,776	64,447
Non-operating revenues (expenses)			
Changes in assets and liabilities:			
(Increase) decrease accounts receivable	(1,672)	(655)	(2,327)
(Increase) decrease accrued water sales	(1,320)	(165)	(1,485)
Increase (decrease) in accounts payable	6,273	675	6,948
Increase (decrease) due to other funds	0	0	0
Other increases (decreases)	(9,909)	0	(9,909)
Net cash provided (used) by operating activities	\$97,184	\$27,774	\$124,958

See accountants' report and notes to financial statements.

TOWN OF LEONVILLE, LOUISIANA
ENTERPRISE FUNDS
COMBINING SCHEDULE OF OPERATING EXPENSES
FOR THE YEAR ENDED JUNE 30, 1999

OPERATING EXPENSES	WATER FUND	GAS FUND	TOTALS (MEMORANDUM ONLY)
Personal service			
Salaries	\$167,369	\$8,158	\$175,527
Payroll taxes	13,164	644	13,808
Retirement	5,714	268	5,982
Employee benefits	14,993	0	14,993
Total personal services	201,240	9,070	210,310
Contractual services			
Gas purchases	0	27,541	27,541
Repairs & maintenance			
Repairs & maintenance	14,762	3,912	18,674
Other			
Accounting	2,100	1,050	
Bad debts	1,307		1,307
Computer expense	2,423		2,423
Electricity	28,268		28,268
Engineering fees			0
Insurance	22,832	1,232	24,064
Supplies	360	398	758
Telephone	780		780
Truck expense	6,373		6,373
Uniforms	3,225		3,225
Rent - tank sites	300		300
Miscellaneous	11,342	1,772	13,114
Total other	79,310	4,452	83,762
Total operating expenses	\$295,312	\$44,975	\$340,287

See accountants' report and notes to financial statements.

TOWN OF LEONVILLE, LOUISIANA
STATEMENT OF GENERAL FIXED ASSETS
JUNE 30, 1999

ASSETS

Land	\$8,912
Buildings	86,556
Equipment	37,089
Total assets	\$132,557

INVESTMENT IN GENERAL FIXED ASSETS

Acquired from:

General fund revenues	\$84,397
Federal grants	48,160
Federal revenue sharing fund revenues	0

Total investment in general fixed assets	\$132,557
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See accountants' report and notes to financial statements.

TOWN OF LEONVILLE, LOUISIANA
 STATEMENT OF CHANGES IN GENERAL FIXED ASSETS
 FOR THE YEAR ENDED JUNE 30, 1999

	LAND	BUILDINGS	EQUIPMENT	TOTALS
GENERAL FIXED ASSETS. Beginning of year	\$8,912	\$86,556	\$36,111	\$131,579
ADDITIONS				
General fund revenues	0	0	978	978
DEDUCTIONS				
	0	0	0	0
GENERAL FIXED ASSETS. End of year	\$8,912	\$86,556	\$37,089	\$132,557

See accountants' report and notes to financial statements.

Barbara M. York

CERTIFIED PUBLIC ACCOUNTANT

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

To the Honorable Mayor and
Members of the Board of Aldermen
Leonville, Louisiana

I have audited the financial statements of the Town of Leonville, Louisiana, as of and for the year ended June 30, 1999, and have issued my report thereon dated December 31, 1999. I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the grant revenues and allowable expenses are free of material misstatements.

Compliance

As part of obtaining reasonable assurance about whether the Town of Leonville's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

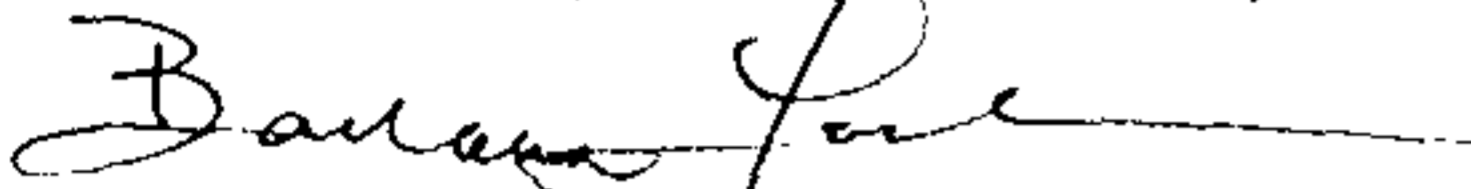
However, there was a reportable condition that does not effect the financial statement amounts. The Town of Leonville, Louisiana, did not submit on a timely basis their audit to the Legislative Auditor. The managment was informed and will make every effort to submit required audits on a timely basis in the future.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Town of Leonville, Louisiana's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to

the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of management and the appropriate regulatory agencies. However, this report is a matter of public record and its distribution is not limited.



Opelousas, Louisiana
December 31, 1999