

VILLAGE OF LILLIE, LOUISIANA

Statement of Revenues, Expenditures and Changes
in Fund Balance - All Governmental Fund Types
Year Ended June 30, 1996

	<u>Governmental Fund Types</u>		<u>Totals</u>
	<u>General</u>	<u>Capital Projects</u>	<u>(Memorandum Only)</u>
Revenues:			
Licenses and permits	\$ 4,852	\$ -	\$ 4,852
Intergovernmental	836	168,835	169,671
Miscellaneous	<u>1,618</u>	<u>-</u>	<u>1,618</u>
Total revenues	<u>7,306</u>	<u>168,835</u>	<u>176,141</u>
Expenditures:			
Current:			
General government	3,809	-	3,809
Public safety	3,674	-	3,674
Capital projects	<u>-</u>	<u>168,835</u>	<u>168,835</u>
Total expenditures	<u>7,483</u>	<u>168,835</u>	<u>176,318</u>
Excess of expenditures over revenues	(177)	-	(177)
Fund balance at beginning of year	<u>9,612</u>	<u>-</u>	<u>9,612</u>
Fund balance at end of year	<u>\$ 9,435</u>	<u>\$ -</u>	<u>\$ 9,435</u>

See accompanying notes to financial statements.

VILLAGE OF LILLIE, LOUISIANAStatement of Revenues, Expenditures and Changes
in Fund Balance - All Governmental Fund Types
Year Ended June 30, 1996

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Licenses and permits	\$ 3,096	\$ 4,852	\$ 1,756
Intergovernmental	784	836	52
Miscellaneous	<u>1,200</u>	<u>1,618</u>	<u>418</u>
Total revenues	<u>5,080</u>	<u>7,306</u>	<u>2,226</u>
Expenditures:			
Current:			
General government	4,280	3,809	471
Public safety	<u>800</u>	<u>3,674</u>	<u>(2,874)</u>
Total expenditures	<u>5,080</u>	<u>7,483</u>	<u>(2,403)</u>
Excess of expenditures over revenues	-	(177)	(177)
Fund balance at beginning of year	<u>9,612</u>	<u>9,612</u>	<u>-</u>
Fund balance at end of year	<u>\$ 9,612</u>	<u>\$ 9,435</u>	<u>\$ (177)</u>

See accompanying notes to financial statements.

VILLAGE OF LILLIE, LOUISIANA

Notes to Financial Statements
June 30, 1996

Village of Lillie, Louisiana, was incorporated under the provisions of the Lawrason Act. The Village operates under a Mayor/Board of Aldermen form of government.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of Village of Lillie, Louisiana, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units.

The following is a summary of the more significant accounting policies:

Reporting Entity. These financial statements include all funds and account groups over which the Village exercises control, authority, management, influence or accountability. Control by or influence over the Village 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.

Fund Accounting. The accounts of Village of Lillie, Louisiana, are organized on the basis of funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self balancing set of accounts.

Governmental funds are used to account for all or most of a government's general activities, including acquisition or construction of general-fixed assets (capital project funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Basis of Accounting. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

(Continued)

VILLAGE OF LILLIE, LOUISIANA

Notes to Financial Statements
June 30, 1996

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A one year availability period is used for revenue recognition for all governmental fund revenues. Expenditures are recorded when the related fund liability is incurred.

Budgets and Budgetary Accounting. The Village follows these procedures in establishing the budgetary data reflected in these financial statements:

Prior to July 1, the Mayor submits to the Board of Aldermen a proposed budget for the ensuing fiscal year. The operating budget includes proposed expenditures and the means of financing them.

The budget is legally enacted through passage of a resolution.

Budgetary amendments involving the transfer of funds from one program or function to another or amendment involving increases in expenditures require the approval of the Board of Aldermen.

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Budgeted amounts presented in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments.

(Continued)

VILLAGE OF LILLIE, LOUISIANA

Notes to Financial Statements
June 30, 1996

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Property, Plant, and Equipment. The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included in their balance sheets. Their reported fund balance (not current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing uses) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of "available spendable resources" during a period.

Property, plant and equipment used in governmental fund type organizations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are not capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

All property, plant, and equipment are stated at historical cost, or estimated cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair value on the date donated.

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

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

(Continued)

VILLAGE OF LILLIE, LOUISIANA

Notes to Financial Statements
June 30, 1996

2. CAPITAL PROJECT FUND:

The Village was awarded a \$425,000 community development block grant for fire protection on January 19, 1995. Revenue and expenditures under this grant for the year ended June 30, 1996, were \$168,835.

Funds receivable from this grant at June 30, 1996, were \$12,501.

3. GENERAL FIXED ASSETS:

A summary of changes in general fixed assets follows:

	<u>Balance</u> <u>7/1/95</u>	<u>Additions</u>	<u>Balance</u> <u>6/30/96</u>
Buildings	\$ 50,000	\$ -	\$ 50,000
Equipment	1,208	598	1,806
Vehicles	198,721	4,182	202,903
Construction in Progress - Water Tower	56,633	166,453	223,086
Land	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total	<u>\$ 307,562</u>	<u>\$ 171,233</u>	<u>\$ 478,795</u>

VILLAGE OF LILLIE, LOUISIANA

Schedule of Compensation Paid -
Mayor and Village Aldermen
For the Year Ended June 30, 1996

Board of Aldermen

Mary Farrar, Mayor	\$ 550
Gwendolyn Lee	360
David Washam	330
Tim Washam	<u>180</u>
Total	<u>\$ 1,420</u>

Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

The Honorable Mary Farrar, Mayor
and the Members of the Board of Aldermen of
Village of Lillie, Louisiana

I have audited the general purpose financial statements of Village of Lillie, Louisiana, as of and for the year ended June 30, 1996, and have issued my report thereon dated December 29, 1996. These general purpose financial statements are the responsibility of Village of Lillie, 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, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

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

Marsha O. Millican

Certified Public Accountant
December 29, 1996

VILLAGE OF LILLIE, LOUISIANA

Schedule of Federal Financial Assistance

For the Year Ended June 30, 1996

<u>Federal Grantor/ Pass-through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Program Award Amount</u>	<u>Beginning Balance at July 1, 1995</u>	<u>Receipts/ Revenue Recognized</u>	<u>Disbursements/ Expenditures</u>	<u>Ending Balance at June 30, 1996</u>
<u>U.S. Department of HUD</u>						
Community Development Block Grant						
Passed through Louisiana Division of Administration: Fire Protection	14.219	\$ 425,000	-	\$ 168,835	\$ 168,835	-

Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE
BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

The Honorable Mary Farrar, Mayor
and Members of the Board of Aldermen
Village of Lillie, Louisiana

I have audited the general purpose financial statements of Village of Lillie, Louisiana, as of and for the year ended June 30, 1996, and have issued my report thereon dated December 29, 1996.

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

The management of Village of Lillie, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

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

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

Finding	The segregation of duties is inadequate to provide effective internal control.
Cause:	The condition is due to economic and space limitations.
Recommendation:	No action is recommended.
Management's Response:	We concur with the finding.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions, and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, I believe that the reportable condition described is a material weaknesses as described above. These conditions were considered in determining the nature, timing, and extent of the procedures to be performed in my audit of the financial statements of Village of Lillie, Louisiana.

This report is intended for the information of management, the Board of Aldermen, and applicable federal and state cognizant agencies. However, this report is a matter of public record and its distribution is not limited.

Marda D. Milligan

Certified Public Accountant
December 29, 1996

Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED
ON AN AUDIT OF THE GENERAL PURPOSE FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

The Honorable Mary Farrar, Mayor
and Members of the Board of Aldermen
Village of Lillie, Louisiana

I have audited the financial statements of Village of Lillie, Louisiana, as of and for the year ended June 30, 1996, and have issued my report thereon dated December 29, 1996.

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

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

Material instances of noncompliance consist of failures to follow requirements, or violations of prohibitions contained in statutes, regulations, contracts, or grants, that cause me to conclude that the aggregation of the misstatements resulting from those failures or violations is material to the general purpose financial statements. The results of my tests of compliance disclosed the following material instances of noncompliance.

Finding

The Town is in violation of R.S. 42:1101 which states that a elected official and his immediate family is prohibited from entering into a transaction that is under the supervision of the agency of such elected official. The Town purchased an air conditioner from a business owned by a member of the Sheriff's immediate family.

Cause: The Town purchased the air conditioner from the business in closest proximity to the Town and at the least cost to the Town.

Recommendation: I recommend that the Town comply with the provisions of R.S. 42:1101.

Management's Response We will comply with the provisions of R.S. 42:1101 in the future.

I considered this instance of noncompliance in forming my opinion on whether Village of Lillie's 1996 general purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect my report dated December 29, 1996, on those general purpose financial statements.

This report is intended for the information of management, the Board of Aldermen, and applicable federal and state cognizant agencies. However, this report is a matter of public record and its distribution is not limited.

Marcha D. Milliean

Certified Public Accountant
December 29, 1996

Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

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

The Honorable Mary Farrar, Mayor
and Members of the Board of Aldermen
Village of Lillie, Louisiana

I have audited the general purpose financial statements of Village of Lillie, Louisiana, as of and for the year ended June 30, 1996, and have issued my report thereon dated December 29, 1996.

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

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

The management of Village of Lillie, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected.

Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, I have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

Cash Receipts
Cash Disbursements

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

During the year ended June 30, 1996, Village of Lillie, Louisiana, had no major federal financial assistance programs and expended 100% of its total federal financial assistance under its nonmajor federal financial assistance program.

I performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that I considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the aforementioned nonmajor program. My procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, I do not express such an opinion.

I noted a certain matter involving the internal control structure and its operation that I consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgment, could adversely affect the Village of Lillie's ability to administer federal financial assistance programs in accordance with applicable laws and regulations.

Finding:	The segregation of duties is inadequate to provide effective internal control.
Cause:	The condition is due to economic and space limitations.
Recommendation:	No action is recommended.
Response:	We concur with the finding.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

My consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, I believe the reportable condition described above is not a material weakness.

This report is intended for the information of management, the Board of Aldermen, and applicable federal and state cognizant agencies. However, this report is a matter of public record and its distribution is not limited.

Marsha D. McLean

Certified Public Accountant
December 29, 1996

Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS

The Honorable Mary Farrar, Mayor
and Members of the Board of Aldermen
The Village of Lillie, Louisiana

I have audited the general purpose financial statements of Village of Lillie, Louisiana as of and for the year ended June 30, 1996, and have issued my report thereon dated December 26, 1996.

In connection with my audit of the general purpose financial statements of Village of Lillie, and with my consideration of Village of Lillie's internal control structure used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, "Audits of State and Local Governments," I selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended June 30, 1996.

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

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to my attention that caused me to believe that Village of Lillie, Louisiana has not complied, in all material respects, with those requirements.

This report is intended for the information of management, Board of Aldermen, and applicable federal and state cognizant agencies. However, this report is a matter of public record and its distribution is not limited.

Marsha O. Millican

Certified Public Accountant
December 29, 1996

Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE GENERAL REQUIREMENTS APPLICABLE TO FEDERAL FINANCIAL ASSISTANCE PROGRAMS

The Honorable Mary Farrar, Mayor
and Members of the Board of Aldermen
Village of Lillie, Louisiana

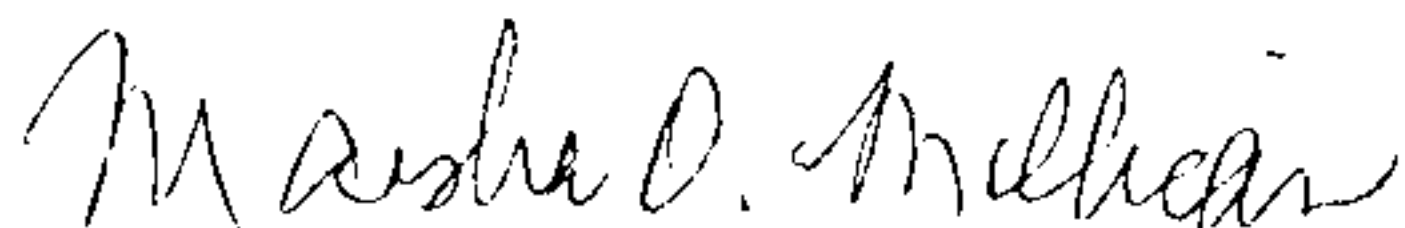
I have audited the general purpose financial statements of Village of Lillie, Louisiana, as of and for the year ended June 30, 1996, and have issued my report thereon dated December 29, 1996.

I have applied procedures to test Village of Lillie, Louisiana's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the schedule of federal financial assistance, for the year ended June 30, 1996: political activity, Davis-Bacon Act, civil rights, cash management, federal financial reports, allowable costs/cost principles, and administrative requirements.

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

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to my attention that caused me to believe that Village of Lillie, Louisiana, had not complied, in all material respects, with those requirements.

This report is intended for the information of management, the Board of Alderman, and applicable federal and state cognizant agencies. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



Certified Public Accountant
December 29, 1996

2399

RECEIVED
1997 JAN 22 11:03

57 JAN 22 11:03

VILLAGE OF LILLIE, LOUISIANA

**OFFICIAL
FILE COPY**
DO NOT SEND OUT
(Xerox necessary
copies from this
copy and **PLACE
BACK in FILE**)

Financial Statements

June 30, 1996

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 26 1997

Marsha O. Millican
Certified Public Accountant
Shreveport, Louisiana

VILLAGE OF LILLIE, LOUISIANA

Table of Contents
June 30, 1996

	<u>Exhibit</u>	<u>Page</u>
Independent Auditor's Report		1-2
Financial Statements:		
Combined Balance Sheet- All Fund Types and Account Group	A	3
Statement of Revenues, Expenditures and Changes in Fund Balance - All Governmental Fund Types	B	4
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - General Fund	C	5
Notes to Financial Statements		6-9
Supplemental Information:		
Schedule of Compensation Paid - Mayor and Village Aldermen		10
Independent Auditor's Report on Schedule of Federal Financial Assistance		11
Schedule of Federal Financial Assistance		12
Independent Auditor's Report on Internal Control Structure Based on an Audit of General Purpose Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>		13-14
Independent Auditor's Report on Compliance Based on an Audit of the General Purpose Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>		15-16
Independent Auditor's Report on the Internal Control Structure Used in Administering Federal Financial Assistance Programs		17-19
Independent Auditor's Report on Compliance with Specific Requirements Applicable to NonMajor Federal Financial Assistance Program Transactions		20

(Continued)

Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

The Honorable Mary Farrar, Mayor
and Members of the Board of Aldermen
Village of Lillie, Louisiana

I have audited the accompanying general purpose financial statements of Village of Lillie, Louisiana, as of June 30, 1996, and for the year then ended. These general purpose financial statements are the responsibility of Village of Lillie, 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, 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 audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

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

In accordance with Government Auditing Standards, I have also issued a report dated December 29, 1996, on my consideration of Village of Lillie's internal control structure and a report dated December 29, 1996, on its compliance with laws and regulations.

My audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying financial information listed as supplemental information in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of Village of Lillie, Louisiana. The information in this schedule has been subjected to the auditing procedures applied in the examination of the general purpose financial statements and, in my opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Marsha D. Melican

Certified Public Accountant
December 29, 1996

EXHIBIT A

VILLAGE OF LILLIE, LOUISIANA

Combined Balance Sheet - All Fund Types and Account Group
June 30, 1996

	<u>Governmental Fund Types</u>		<u>Account Group</u>	<u>Totals</u>
<u>Assets</u>	<u>General</u>	<u>Capital Projects</u>	<u>General Fixed Assets</u>	<u>(Memorandum Only)</u>
Cash	\$ 5,597	\$ 100	\$ -	\$ 5,697
Due from other governments	588	12,501	-	13,089
Due from other funds	3,250	-	-	3,250
General Fixed Assets	-	-	478,795	478,795
 Total Assets	 \$ 9,435	 \$ 12,601	 \$ 478,795	 \$ 500,831
 <u>Liabilities</u>				
Due to other funds	\$ -	\$ 3,250	\$ -	\$ 3,250
Accounts payable	-	9,351	-	9,351
 Total Liabilities	 -	 12,601	 -	 12,601
 <u>Fund Equity</u>				
Investment in General Fixed Assets	-	-	478,795	478,795
Fund Balance - Unreserved	9,435	-	-	9,435
 Total Liabilities and Fund Equity	 \$ 9,435	 \$ 12,601	 \$ 478,795	 \$ 500,831

See accompanying notes to financial statements.