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GENERAL PURPOSE FINANCIAL STATEMENTS
OF THE
TOWN OF LEONVILLE, LOUISIANA
FOR THE YEAR ENDED 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 4-2-97

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

I conducted my audit in accordance with generally accepted auditing standards 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 audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above, present fairly, in all material respects, the financial position of the Town of Leonville, Louisiana, as of June 30, 1996, 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.

In accordance with *Government Auditing Standards*, I have also issued a report dated December 19, 1996 on my consideration of the Town's internal control structure, and a report dated December 19, 1996 on its compliance with laws and regulations.



Opelousas, Louisiana
December 19, 1996

GENERAL PURPOSE FINANCIAL STATEMENTS

TOWN OF LEONVILLE, LOUISIANA
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 1996

	GOVERNMENTAL FUND TYPES		PROPRIETARY FUND TYPE
	GENERAL	CAPITAL PROJECTS	ENTERPRISE
ASSETS			
Cash	\$17,719	\$1	\$243,706
Taxes receivable	5,289		
Accounts receivable, net			60,812
Accrued sales			13,460
Due from other funds			
Due from other governments			
Restricted assets:			
Cash			
Investments			
Utility, plant and depreciable assets, net			1,606,199
Land			
Buildings			
Equipment			
 Total assets	 \$23,008	 \$1	 \$1,924,177
LIABILITIES AND FUND EQUITY			
LIABILITIES			
Accounts payable	\$1,920		\$17,726
Due to other funds			12,855
Payable from restricted assets			
 Total liabilities	 1,920	 0	 30,581
FUND EQUITY			
Contributed capital			1,187,995
Investment in general fixed assets			
Retained earnings			
Unreserved, undesignated			
Fund balance			
Unreserved, undesignated	21,088	1	705,601
 Total fund equity	 21,088	 1	 1,893,596
 Total liabilities and fund equity	 \$23,008	 \$1	 \$1,924,177

See accountants' report and notes to financial statements.

ACCOUNT GROUP	TOTALS (MEMORANDUM ONLY) JUNE 30, 1996
GENERAL FIXED ASSETS	
	\$261,426
	5,289
	60,812
	13,460
	0
	0
	0
	0
	1,606,199
8,912	8,912
86,556	86,556
48,182	48,182
\$143,650	\$2,090,836
	\$19,646
	0
	12,855
0	32,501
	1,187,995
143,650	143,650
	0
	726,690
143,650	2,058,335
\$143,650	\$2,090,836

TOWN OF LEONVILLE, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED JUNE 30, 1996

	GOVERNMENTAL FUND TYPE		TOTALS (MEMORANDUM ONLY)
	GENERAL	CAPITAL PROJECTS	
REVENUES			
Franchise tax	22,798	0	22,798
Licenses	13,141	0	13,141
Intergovernmental	8,668	195,939	204,607
Fines	4,820	0	4,820
Interest income	160	0	160
Miscellaneous	1,017	0	1,017
Total revenue	50,604	195,939	246,543
EXPENDITURES			
Current			
Executive and administrative	23,093	0	23,093
Police department	69,386	0	69,386
Street department	13,329	0	13,329
Capital Outlay	0	195,939	195,939
Total expenditures	105,808	195,939	301,747
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(55,204)	0	(55,204)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	66,000	0	66,000
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	10,796	0	10,796
BEGINNING FUND BALANCE	10,293	1	10,294
ENDING FUND BALANCE	\$21,089	\$1	\$21,090

See accountants' report and notes to financial statements.

TOWN OF LEONVILLE, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET (GAAP BASIS) AND ACTUAL
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 1996

	GENERAL FUND		VARIANCE FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL	
REVENUES			
Franchise tax	22,390	22,798	408
Licenses	12,200	13,141	941
Intergovernmental	8,460	8,668	208
Fines	4,800	4,820	20
Interest income	160	160	0
Miscellaneous	1,010	1,017	7
Total revenue	49,020	50,604	1,584
EXPENDITURES			
Current			
Executive and administrative	23,325	23,093	232
Police department	69,130	69,386	(256)
Street department	13,215	13,329	(114)
Capital Outlay	0	0	0
Total expenditures	105,670	105,808	(138)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(56,650)	(55,204)	1,446
OTHER FINANCING SOURCES (USES)			
Operating transfers in	66,000	66,000	0
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	9,350	10,796	1,446
BEGINNING FUND BALANCE	10,293	10,293	0
ENDING FUND BALANCE	\$19,643	\$21,089	\$1,446

See accountants' report and notes to financial statements.

TOWN OF LEONVILLE, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN FUND BALANCE
 ALL PROPRIETARY FUND TYPES
 FOR THE YEAR ENDED JUNE 30, 1996

OPERATING REVENUES	
Charges for services	\$443,064
Penalty income	9,851
Miscellaneous	2,299
Total revenue	455,214
OPERATING EXPENSES	
Personal service	187,427
Contractual services	47,465
Repairs & maintenance	30,597
Other	85,620
Total operating expenses	351,109
OPERATING INCOME BEFORE DEPRECIATION	104,105
DEPRECIATION	(54,084)
OPERATING INCOME	50,021
NON-OPERATING REVENUES	
Interest income	2,832
Gain (loss) on sale of assets	0
Total non-operating revenues	2,832
INCOME BEFORE OPERATING TRANSFERS	52,853
OPERATING TRANSFERS	
Operating transfers out	(66,000)
NET INCOME (LOSS)	(13,147)
BEGINNING RETAINED EARNINGS	718,747
ENDING RETAINED EARNINGS	\$705,600

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, 1996

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$443,827
Cash payments to suppliers	(163,505)
Cash payments to employees	(187,503)
Net cash provided by operating activities	92,819
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Operating transfers out to other funds	(66,000)
Net cash (used) for non-capital financing activities	(66,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from block grant	220,290
Contribution from customers	13,548
Purchase of depreciable assets	(238,301)
Net cash provided (used) for capital and related financing activities	(4,463)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	2,832
Net cash provided by investing activities	2,832
NET INCREASE IN CASH	25,188
CASH AND CASH EQUIVALENTS, beginning of year	218,518
CASH AND CASH EQUIVALENTS, end of year	\$243,706

See accountants' report and notes to financial statements.

TOWN OF LEONVILLE, LOUISIANA
ENTERPRISE FUNDS
COMBINED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 1996

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

Operating income (loss)	\$50,021
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	54,084
Non-operating revenues (expenses)	
Changes in assets and liabilities:	
Increase in accounts receivable	(4,543)
Increase in accrued water sales	(6,842)
Increase (decrease) in accounts payable	99
Net cash provided (used) by operating activities	\$92,819

TOWN OF LEONVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

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 Notes. 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, 1996.

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 include 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, 1996

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 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, 1996

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.

TOWN OF LEONVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

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, 1996 was \$ 6,185 in the Water Fund and \$ 3,130 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, 1996

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, 1996, the Town has cash and cash equivalents totaling \$ 261,426. 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, 1996, and the related federal insurance and pledged securities:

Bank balances	<u>\$ 241,131</u>
Federal deposit insurance	\$ 100,000
Pledged securities (uncollateralized)	<u>200,000</u>
Total	<u>\$ 300,000</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 individual funds that had actual expenditures in excess of budgeted expenditures for the year ended June 30, 1996 as follows:

	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess</u>
General fund	\$ 105,670	\$ 105,808	\$ (138)

TOWN OF LEONVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

NOTE 4 - DUE FROM/TO OTHER FUNDS

There were no due to/from other funds for the year ended June 30, 1996.

NOTE 5 - COMPENSATION OF BOARD MEMBERS

A detail of the compensation paid to individual board members for the fiscal year ending June 30, 1996 is as follows:

Joel Lanclos, Jr. - Mayor	\$ 600
Weston Deranger	120
J.B. Stelly	120
L.B. Meche	0
Cleveland Auzenne	120
Dorothy Meche	<u>120</u>
 Total	 <u>\$1,080</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, expiring April 3, 1997, and may be 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 ½%) 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, 1996

NOTE 7 - PROPRIETARY FUND - FIXED ASSETS

The following is a summary of proprietary fund fixed assets at June 30, 1996:

	Water	Gas	Total
Utility, plant and other depreciable assets	\$1,703,577	\$550,358	\$2,253,935
Less - accumulated depreciation	(565,960)	(81,777)	(647,737)
Net property, plant and equipment	\$1,137,617	\$468,581	\$1,606,198

	Accumulated Cost	Depreciation	Net
Changes during the year:			
Water Fund:			
Balance, beginning of year	\$1,465,214	\$527,573	\$937,641
Assets purchased	238,363		238,363
Assets sold	0		0
Current depreciation		38,387	(38,387)
Accumulated depreciation on asset sold		0	0
Balance, end of year	\$1,703,577	\$565,960	\$1,137,617
Gas Fund:			
Balance, beginning of year	\$550,358	\$66,080	\$484,278
Assets purchased	0		
Depreciation		15,697	(15,697)
Balance, end of year	\$550,358	\$81,777	\$468,581

NOTE 8 - PROPRIETARY FUND - CONTRIBUTED CAPITAL

	Water Fund	Gas Fund	Total
Contributions from:			
Membership fees	\$96,060	\$0	\$96,060
Customers	166,691	16,705	183,396
Anti-recession fund	3,723	1,850	5,573
Federal revenue sharing	3,269	12,179	15,448
Block grants	320,290	528,689	848,979
Department of transportation	26,540	12,000	38,540
Total contributed capital	\$616,573	\$571,423	\$1,187,996

TOWN OF LEONVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

NOTE 9 - PROPRIETARY FUND - RESTRICTED ASSETS

The proprietary fund has restricted assets of \$12,855 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, 1996, is as follows:

	WATER	GAS	TOTAL
Operating revenue	\$355,941	\$99,273	\$455,214
Depreciation expense	38,387	15,697	54,084
Operating income (loss)	34,268	15,753	50,021
Operating transfers:			
In	0	0	0
Out	42,000	24,000	66,000
Net income (loss)	(6,233)	(6,914)	(13,147)
Total assets	1,329,555	594,622	1,924,177
Bonds and other long-term liabilities	0	0	0
Total fund equity	1,314,061	579,535	1,893,596
Capital contributions from:			
Grants (before amortization)	320,290	528,689	848,979
Others	296,282	42,734	339,016
Property, plant and equipment:			
Additions	238,363	0	238,363
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 6/30/95	Additions	Retirements/ Transfers	Balance 6/30/96
Land	\$8,912	\$0	\$0	\$8,912
Buildings	86,556	0	0	86,556
Equipment	43,345	21,923	17,086	48,182
Totals	\$138,813	\$21,923	\$17,086	\$143,650

TOWN OF LEONVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

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. The payroll covered by these two systems for the year ended June 30, 1996, was comprised of the following:

	<u>Covered Employees</u>	<u>Covered Payroll</u>
Municipal Employees' Retirement System	All employees not covered below	\$131,633
Municipal Police Employees' Retirement System	Policemen	\$ 27,157

The Town's total payroll for the year ended June 30, 1996 was \$158,790. The rates stated below were those in effect at June 30, 1994. The contribution requirements for the year ended June 30, 1996 were as follows:

	<u>Town Contribution</u>		<u>Employee Contribution</u>	
	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>
Municipal Employees' Retirement System	3%	\$3,949	5%	\$6,582
Municipal Police Employees' Retirement System	9%	\$2,725	7.5%	\$2,271

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.

TOWN OF LEONVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

NOTE 12 - RETIREMENT PLANS (cont'd)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 more years of creditable service.
2. Age sixty (60) with a minimum of ten (10) years of creditable service.
3. Under age sixty (60) with ten (10) years of creditable service eligible for disability benefits.
4. 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. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

The pension benefit obligation for the system as a whole, determined through an actuarial valuation performed were as follows:

	<u>Municipal Employees' Retirement System</u>
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$ 26,090,053
Current employees	<u>36,040,433</u>
Total pension benefit obligation	\$ 62,130,486
Net assets available for benefits at amortized cost	<u>56,836,921</u>
Unfunded pension benefit obligation	<u>\$ 5,293,565</u>
Date of last actuarial valuation	June 30, 1994
Actuarial Cost Method	Attained age normal

TOWN OF LEONVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

NOTE 12 - RETIREMENT PLANS (cont'd)

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 1996, 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).

SUPPLEMENTAL INFORMATION

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. The General Fund has a greater number and variety of revenue sources than any other fund and its resources normally finance a wider range of activities. The resources of the General Fund are ordinarily largely expended and replenished on an annual basis.

TOWN OF LEONVILLE, LOUISIANA
GENERAL FUND
BALANCE SHEET
JUNE 30, 1996

ASSETS

Cash	\$17,719
Taxes receivable	5,289
Due from other funds	
Total assets	\$23,008

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$1,920
Due to other funds	0
Total liabilities	1,920

FUND BALANCE

Unreserved, undesignated	21,088
Total liabilities and fund balance	\$23,008

See accountants' report and notes to financial statements.

TOWN OF LEONVILLE, LOUISIANA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 1996

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Franchise tax	22,390	22,798	408
Licenses	12,200	13,141	941
Intergovernmental	8,460	8,668	208
Fines	4,800	4,820	20
Interest income	160	160	0
Miscellaneous	1,010	1,017	7
Total revenue	49,020	50,604	1,584
EXPENDITURES			
Current			
Executive and administrative	23,325	23,093	232
Police department	69,130	69,386	(256)
Street department	13,215	13,329	(114)
Total expenditures	105,670	105,808	(138)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(56,650)	(55,204)	1,446
OTHER FINANCING SOURCES (USES)			
Operating transfers in	66,000	66,000	0
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	9,350	10,796	1,446
BEGINNING FUND BALANCE	10,293	10,293	0
ENDING FUND BALANCE	\$19,643	\$21,089	\$1,446

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, 1996

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
FRANCHISE TAXES			
SLEMCO	7,150	7,219	69
Gulf States Utilities	13,850	14,192	342
Cable TV	1,390	1,387	(3)
Total franchises	22,390	22,798	408
LICENSES			
Occupational licenses	12,200	13,141	941
Total licenses	12,200	13,141	941
INTERGOVERNMENTAL			
State tobacco tax	4,460	4,461	1
State beer tax	2,500	2,707	207
Housing Authority	1,500	1,500	0
Total - intergovernmental	8,460	8,668	208
FINES			
Court fines	4,800	4,820	20
Total fines	4,800	4,820	20
INTEREST INCOME			
Interest earned on investments	160	160	0
Total interest income	160	160	0
MISCELLANEOUS			
Sale of fixed assets	750	751	1
Sundry	260	266	6
Total miscellaneous	1,010	1,017	7
Total revenues	\$49,020	\$50,604	\$1,584

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, 1996

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
EXECUTIVE AND ADMINISTRATIVE			
Salaries	2,970	2,972	(2)
Payroll taxes	145	166	(21)
Retirement	35	39	(4)
Employee benefits	4,500	4,413	87
Accounting	920	920	0
Advertising	160	160	0
Bank charges	0	2	(2)
Dues & subscriptions	480	480	0
Electricity	2,300	2,496	(196)
Insurance	5,000	5,016	(16)
Janitorial	625	798	(173)
Office supplies	1,500	1,343	157
Kitchen supplies	430	438	(8)
Park rent	360	360	0
Telephone	600	592	8
Miscellaneous	3,300	2,900	400
Capital outlay	0	0	0
Total executive and administrative	23,325	23,095	230
POLICE DEPARTMENT			
Salaries	27,200	27,185	15
Payroll taxes	275	274	1
Retirement	2,730	2,727	3
Employee benefits	1,260	1,308	(48)
Automobile expenses	6,400	6,390	10
Repairs	0	0	0
Supplies	500	699	(199)
Uniforms	400	370	30
Insurance	6,265	6,266	(1)
Miscellaneous	2,200	2,245	(45)
Capital outlay	21,900	21,923	(23)
Total police department	69,130	69,387	381
STREET DEPARTMENT			
Salaries	0	441	(441)
Street materials	1,700	1,600	100
Electricity-street lights	10,500	10,476	24
Miscellaneous	1,015	811	204
Total street department	13,215	13,328	11

See accountants' report and notes to financial statements.

CAPITAL PROJECTS FUNDS

The Capital Projects Funds is used to account for all resources for the acquisition of capital facilities by the Town.

TOWN OF LEONVILLE, LOUISIANA
CAPITAL PROJECTS FUND
BALANCE SHEET
JUNE 30, 1996

ASSETS

Cash	\$1
Total assets	\$1

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$0
Total liabilities	0

FUND BALANCE

Unreserved, undesignated	1
Total liabilities and fund balance	\$1

See accountants' report and notes to financial statements.

TOWN OF LEONVILLE, LOUISIANA
 CAPITAL PROJECTS FUND
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED JUNE 30, 1996

REVENUES	
Intergovernmental	195,939
Total revenue	195,939
EXPENDITURES	
Capital Outlay	195,939
Total expenditures	195,939
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	0
OTHER FINANCING SOURCES (USES)	
Operating transfers in	0
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	0
BEGINNING FUND BALANCE	1
ENDING FUND BALANCE	\$1

See accountants' report and notes to financial statements.

ENTERPRISE FUNDS

The Enterprise Funds are used to account for operations that are financed and operated in a manner 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.

TOWN OF LEONVILLE, LOUISIANA
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1996

	WATER FUND	GAS FUND	TOTALS (MEMORANDUM ONLY)
CURRENT ASSETS			
Cash	\$130,127	\$113,579	\$243,706
Accrued water/gas sales	12,169	1,291	13,460
Accounts receivable, net of allowance for uncollectibles	49,641	11,171	60,812
Due from other funds	0	0	0
Total current assets	191,937	126,041	317,978
RESTRICTED ASSETS			
Cash	0	0	0
Total restricted assets	0	0	0
PROPERTY, PLANT AND EQUIPMENT			
Utility plant and depreciable assets, net	1,137,618	468,581	1,606,199
Total property, plant and equipment	1,137,618	468,581	1,606,199
Total assets	\$1,329,555	\$594,622	\$1,924,177

See accountants' report and notes to financial statements.

TOWN OF LEONVILLE, LOUISIANA
 ENTERPRISE FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 1996

	WATER FUND	GAS FUND	TOTALS (MEMORANDUM ONLY)
LIABILITIES AND FUND EQUITY			
CURRENT LIABILITIES			
Accounts payable	\$15,494	\$2,232	\$17,726
Customer deposits	0	12,855	12,855
Due to other funds	0	0	0
Total liabilities	15,494	15,087	30,581
FUND EQUITY			
Contributed capital	616,572	571,423	1,187,995
Unreserved, undesignated	697,489	8,112	705,601
Total fund equity	1,314,061	579,535	1,893,596
Total liabilities and fund equity	\$1,329,555	\$594,622	\$1,924,177

See accountants' report and notes to financial statements.

TOWN OF LEONVILLE, LOUISIANA
 ENTERPRISE FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENSES,
 AND CHANGES IN RETAINED EARNINGS
 FOR THE YEAR ENDED JUNE 30, 1996

	WATER FUND	GAS FUND	TOTALS (MEMRANDUM ONLY)
OPERATING REVENUES			
Charges for services	\$345,246	\$97,818	443,064
Penalty income	9,851	0	9,851
Miscellaneous	844	1,455	2,299
Total operating revenue	355,941	99,273	455,214
OPERATING EXPENSES			
Personal service	178,057	9,370	187,427
Contractual services	0	47,465	47,465
Repairs & maintenance	26,545	4,052	30,597
Other	78,684	6,936	85,620
Total operating expenses	283,286	67,823	351,109
OPERATING INCOME BEFORE DEPRECIATION	72,655	31,450	104,105
DEPRECIATION	(38,387)	(15,697)	(54,084)
OPERATING INCOME	34,268	15,753	50,021
NON-OPERATING REVENUES			
Interest income	1,499	1,333	2,832
Sale of assets	0	0	0
Total non-operating revenues	1,499	1,333	2,832
INCOME BEFORE OPERATING TRANSFERS	35,767	17,086	52,853
OPERATING TRANSFERS			
Operating transfers out	(42,000)	(24,000)	(66,000)
NET INCOME (LOSS)	(6,233)	(6,914)	(13,147)
BEGINNING RETAINED EARNINGS	703,721	15,026	718,747
ENDING RETAINED EARNINGS	697,488	8,112	705,600

See accountants' report and notes to financial statements.

TOWN OF LEONVILLE, LOUISIANA
ENTERPRISE FUNDS
COMBINING SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 1996

	WATER FUND	GAS FUND	TOTALS (MEMORANDUM ONLY)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$348,286	\$95,541	\$443,827
Cash payments to suppliers	(105,812)	(57,693)	(163,505)
Cash payments to employees	(178,140)	(9,363)	(187,503)
Net cash provided by operating activities	64,334	28,485	92,819
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating transfers out to other funds	(42,000)	(24,000)	(66,000)
Net cash (used) for non-capital financing activities	(42,000)	(24,000)	(66,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from block grant	220,290		220,290
Contribution from customers	13,200	348	13,548
Purchase of depreciable assets	(238,301)		(238,301)
Net cash provided (used) for capital and related financing activities	(4,811)	348	(4,463)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	1,499	1,333	2,832
Net cash provided by investing activities	1,499	1,333	2,832
NET INCREASE IN CASH	19,022	6,166	25,188
CASH AND CASH EQUIVALENTS, beginning of year	111,105	107,413	218,518
CASH AND CASH EQUIVALENTS, end of year	\$130,127	\$113,579	\$243,706

See accountants' report and notes to financial statements.

TOWN OF LEONVILLE, LOUISIANA
 ENTERPRISE FUNDS
 COMBINING SCHEDULE OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 1996

	WATER FUND	GAS FUND	TOTALS (MEMORANDUM ONLY)
Reconciliation of operating income to net cash provided (used) for operating activities:			
Operating income (loss)	\$34,268	\$15,753	\$50,021
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	38,387	15,697	54,084
Non-operating revenues (expenses)			
Changes in assets and liabilities:			
(Increase) decrease-accounts receivable	(722)	(3,821)	(4,543)
(Increase) decrease-accrued water sales	(6,932)	90	(6,842)
Increase (decrease) in accounts payable	(667)	766	99
increase (decrease) in customer deposits			
Increase in due to other funds			0
Decrease in due from other funds			0
Net cash provided (used) by operating activities	\$64,334	\$28,485	\$92,819

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, 1996

OPERATING EXPENSES	WATER FUND	GAS FUND	TOTALS (MEMORANDUM ONLY)
Personal service			
Salaries	\$144,503	\$8,428	\$152,931
Payroll taxes	11,559	674	12,233
Retirement	4,748	268	5,016
Employee benefits	17,247	0	17,247
Total personal services	178,057	9,370	187,427
Contractual services			
Gas purchases	0	47,465	47,465
Repairs & maintenance			
Repairs & maintenance	26,545	4,052	30,597
Other			
Accounting	1,788	894	2,682
Advertising	73	0	73
Bad debts	963	74	1,037
Bank charges	2	0	2
Computer expense	1,197	0	1,197
Electricity	29,731	0	29,731
Engineering fees	0	1,938	1,938
Insurance	20,786	918	21,704
Supplies	2,873	872	3,745
Telephone	786	0	786
Truck expense	9,484	0	9,484
Uniforms	2,429	0	2,429
Rent - tank sites	300	0	300
Miscellaneous	8,272	2,240	10,512
Total other	78,684	6,936	85,620
Total operating expenses	\$283,286	\$67,823	\$351,109

See accountants' report and notes to financial statements.

SCHEDULES OF ACCOUNT GROUPS

TOWN OF LEONVILLE, LOUISIANA
SCHEDULE OF GENERAL FIXED ASSETS
JUNE 30, 1996

ASSETS

Land	\$8,912
Buildings	86,556
Equipment	48,182

Total assets	\$143,650

INVESTMENT IN GENERAL FIXED ASSETS

Acquired from:

General fund revenues	\$86,763
Federal grants	48,160
Federal revenue sharing fund revenues	8,727

Total investment in general fixed assets	\$143,650

TOWN OF LEONVILLE, LOUISIANA
 SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
 FOR THE YEAR ENDED JUNE 30, 1996

	LAND	BUILDINGS	EQUIPMENT	TOTALS
GENERAL FIXED ASSETS. Beginning of year	\$8,912	\$86,556	\$43,345	\$138,813
ADDITIONS				
General fund revenues	0	0	4,837	4,837
DEDUCTIONS				
	0	0	0	0
GENERAL FIXED ASSETS. End of year	\$8,912	\$86,556	\$48,182	\$143,650

See accountants' report and notes to financial statements.

RELATED REPORTS

Barbara M. York
CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURE 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 general purpose financial statements of the Town of Leonville, Louisiana, as of and for the year ended June 30, 1996, and have issued my report thereon dated December 19, 1996.

I have 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 component unit financial statements are free of material misstatement.

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

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

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

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

A handwritten signature in cursive script, appearing to read "Barbara York".

Opelousas, Louisiana
December 19, 1996

Barbara M. York
CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
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 general purpose financial statements of the Town of Leonville, Louisiana, as of and for the year ended June 30, 1996, and have issued my report thereon dated December 19, 1996.

I conducted my audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

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 19, 1996

Barbara M. York
CERTIFIED PUBLIC ACCOUNTANT

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

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

I have audited the general purpose financial statements of the Town of Leonville, Louisiana, as of and for the year ended June 30, 1996, and have issued my report thereon dated December 19, 1996.

I conducted my audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the 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 the Town of Leonville, Louisiana, in order to determine my auditing procedures for the purpose of *expressing my opinion on the Town of Leonville, Louisiana's general purpose financial statements and to report on the internal control structure in accordance with OMB Circular A-128*. This report addresses my consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. I have addressed internal control structure policies and procedures relevant to my audit of the general purpose financial statements in a separate report dated December 19, 1996.

The management of the Town of Leonville, 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 the 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 or 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 into the following categories: cash, revenue and expenditures.

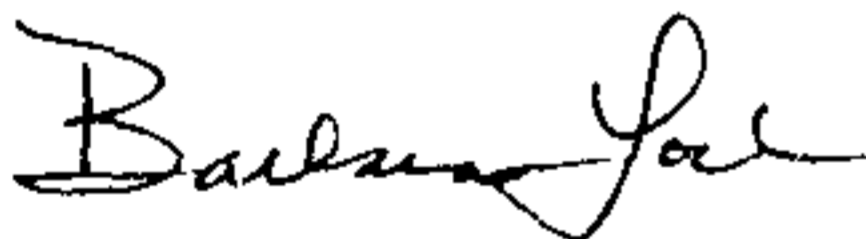
For all of the internal control structure categories listed above, I obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and I assessed control risk.

During the year ended June 30, 1996, the Town of Leonville, Louisiana, had no major federal financial assistance programs and expended 100% of its total federal financial assistance programs: Louisiana Community Development Block Grant.

I performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that I have considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements, and amounts claimed or used for matching that are applicable to the aforementioned nonmajor programs. 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.

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 considered to be material weaknesses. 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 and irregularities in amounts that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control structure and its operation that I consider to be material weaknesses as defined above.

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 19, 1996

Barbara M. York
CERTIFIED PUBLIC ACCOUNTANT

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

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

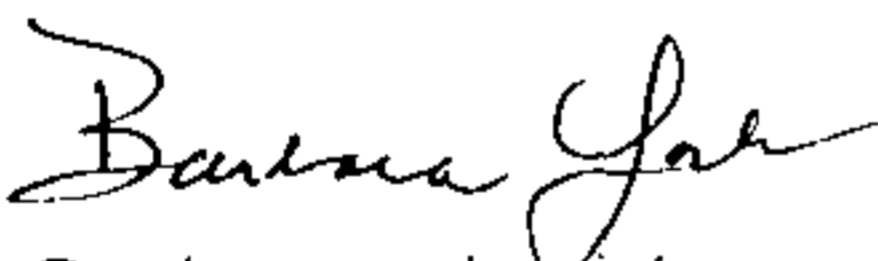
I have audited the general purposed financial statements of the Town of Leonville, Louisiana, as of and for the year ended June 30, 1996, and have issued my report thereon dated December 19, 1996.

I have applied procedures to test the Town of Leonville, 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, Drug-free Workplace Act, 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 the Town of Leonville, 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 the Town of Leonville, Louisiana, had not complied, in all material respects, with those requirements.

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 19, 1996

Barbara M. York
CERTIFIED PUBLIC ACCOUNTANT

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

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

I have audited the general purposed financial statements of the Town of Leonville, Louisiana, as of and for the year ended June 30, 1996, and have issued my report thereon dated December 19, 1996.

In connection with my audit of the general purpose financial statements of the Town of Leonville, Louisiana, and with my consideration of the Town of Leonville, Louisiana's 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; special reporting; and special tests and provisions (compliance requirements) that are applicable to those transactions. My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Town of Leonville, Louisiana'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 the Town of Leonville, Louisiana, had not complied, in all material respects, with those requirements.

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 19, 1996

Barbara M. York
CERTIFIED PUBLIC ACCOUNTANT


INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF
FEDERAL FINANCIAL ASSISTANCE

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

I have audited the general purpose financial statements of the Town of Leonville, Louisiana, as of and for the year ended June 30, 1996, and have issued my report thereon dated December 19, 1996. These general purpose financial statements are the responsibility of the Town of Leonville, Louisiana's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

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

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the Town of Leonville, Louisiana, taken as a whole. The accompanying schedule of Federal Financial Assistance is presented for the purposes of additional analysis and is not a required part of the general purpose financial statement and, in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.


Opelousas, Louisiana
December 19, 1996

TOWN OF LEONVILLE, LOUISIANA
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 1996

Federal Grantor Program Title	Federal CFDA Number	Pass-thru Grantors Number	Total Program Amount	Disbursements FY 6/96
Community Development Block Grant	14.219	101-5004 FY 1994 LCDBG Demonstrated Needs Program	\$224,528	\$195,939