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VILLAGE OF MORSE, LOUISIANA
FINANCIAL REPORT
JUNE 30, 1998

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Release Date 8-21-98

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INDEPENDENT AUDITOR'S REPORT

The Honorable Leon Clardy, Mayor,
 and the Board of Aldermen
 Village of Norco, Louisiana

We have audited the accompanying general purpose financial statements of the Village of Norco, Louisiana as of June 30, 1995 and for the six month period then ended. These general purpose financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our 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-133, "Manual of State and Local Governments." These standards and OMB Circular A-133 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Village of Norco, Louisiana, as of June 30, 1995, and the results of its operations and the cash flows of its proprietary fund type for the six month period then ended, in conformity with generally accepted accounting principles.

The Honorable Lane Clement, Mayor,
and the Board of Aldermen
Village of Norve, Louisiana

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

In accordance with Government Auditing Standards, we have also issued a report dated April 13, 1996 on our consideration of the Village's internal control structure and a report dated April 17, 1996 on its compliance with laws and regulations.

BRUNSON, Pined, Louis i Brunson

Crawley, Louisiana
April 17, 1996

GENERAL PURPOSE FINANCIAL STATEMENTS
(Combined Statements - Overview)

VILLAGE OF MONROE, LOUISIANA
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 June 30, 1993

ASSETS	Governmental Fund Types		
	General	Special Revenue	Capital Projects
Cash and cash equivalents	\$ 4,310	\$ 2,844	\$ 18
Receivables (net of allowances for uncollectibles):			
Accounts	-	-	-
Due from other funds	7,816	-	-
Other	4,001	-	-
Due from other governments	3,177	2,700	-
Restricted assets:			
Cash and cash equivalents	-	-	-
Fixed assets (net of accumulated depreciation)	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-
	<u>\$ 23,012</u>	<u>\$ 5,544</u>	<u>\$ 18</u>

Proprietary Fund Type	Account Groups		Total (Memorandum Only)
	General Fixed Assets	General Long-Term Debt	
Enterprises	\$ -	\$ -	\$ 13,866
	1,000	-	1,000
	-	-	3,866
	-	-	8,000
	-	-	3,000
28,393	-	-	28,393
1,882,416	22,663	-	1,709,083
-	-	1,615	1,615
<u>\$1,710,809</u>	<u>\$ 22,663</u>	<u>\$ 1,615</u>	<u>\$1,735,087</u>

(Continued)

VILLAGE OF MORRE, LOUISIANA

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS (CONTINUED)
June 30, 1995

LIABILITIES AND FUND EQUITY	Governmental Fund Types		
	General	Special Revenues	Capital Projects
LIABILITIES			
Accounts payable	\$ 28,349	\$ -	\$ -
Due to other funds	-	-	-
Accrued liabilities	457	-	-
Other payable	-	-	-
Installation purchases payable	-	-	-
Revenue bonds payable	-	-	-
Payable from restricted assets:			
Revenue bonds	-	-	-
Accrued interest	-	-	-
	<u>\$ 28,806</u>	<u>\$ -</u>	<u>\$ -</u>
FUND EQUITY			
Contributed capital	\$ -	\$ -	\$ -
Investment in general fixed assets	-	-	-
Retained earnings (deficit):			
Reserved for revenue bond retirement	-	-	-
Unreserved	-	-	-
Fund balances:			
Unreserved	<u>1,328</u>	<u>3,085</u>	<u>28</u>
	<u>\$ 1,328</u>	<u>\$ 3,085</u>	<u>\$ 28</u>
	<u>\$ 31,134</u>	<u>\$ 3,085</u>	<u>\$ 28</u>

See Notes to Financial Statements.

Exhibit B
(Continued)

Proprietary Fund Type	Account Groups		Total (Memorandum Only)
	General Fund Assets	General Long-Term Debt	
Enterprises			
\$ 443	\$ -	\$ -	\$ 20,014
7,814	-	-	7,814
838	-	-	1,118
1,512	-	-	1,512
-	-	1,474	1,474
226,823	-	-	226,823
15,324	-	-	15,324
<u>7,683</u>	<u>-</u>	<u>-</u>	<u>7,683</u>
<u>\$ 160,260</u>	<u>\$ -</u>	<u>\$ 1,474</u>	<u>\$ 281,260</u>
\$2,940,359	\$ -	\$ -	\$2,940,359
-	22,683	-	22,683
3,388	-	-	3,388
(136,662)	-	-	(136,662)
-	-	-	6,623
<u>\$1,629,183</u>	<u>\$ 22,683</u>	<u>\$ -</u>	<u>\$1,688,431</u>
<u>\$1,719,643</u>	<u>\$ 22,683</u>	<u>\$ 1,474</u>	<u>\$1,768,931</u>

VILLAGE OF MORSE, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
ALL GOVERNMENTAL FUND TYPES

Six Month Period Ended June 30, 1995

	General	Special Revenues	Capital Expenditures	Total (Memorandum Only)
Revenues:				
Taxes	\$ 9,896	\$ 11,583	\$ -	\$ 21,479
Licenses and permits	17,811	-	-	17,811
Intergovernmental	14,093	-	133,886	147,979
Fines and forfeits	1,043	-	-	1,043
Miscellaneous	2,516	-	-	2,516
	<u>\$ 45,359</u>	<u>\$ 11,583</u>	<u>\$133,886</u>	<u>\$190,828</u>
Expenditures:				
Current:				
General government	\$ 43,415	\$ 32	\$ 372	\$ 44,019
Public safety	605	-	-	605
Public works	4,835	-	-	4,835
Capital outlays	-	-	165,878	165,878
Intergovernmental	7,518	-	-	7,518
	<u>\$ 56,373</u>	<u>\$ 32</u>	<u>\$166,250</u>	<u>\$222,655</u>
Excess (deficiency) of revenues over expenditures	<u>\$123,586</u>	<u>\$ 11,551</u>	<u>\$132,556</u>	<u>\$267,693</u>
Other financing sources (uses):				
Operating transfers in	\$ 4,390	\$ -	\$ 12,354	\$ 16,744
Operating transfers out	<u>(12,813)</u>	<u>(7,553)</u>	<u>-</u>	<u>(20,366)</u>
	<u>\$ (8,423)</u>	<u>\$ (7,553)</u>	<u>\$ 12,354</u>	<u>\$ (3,622)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$115,163</u>	<u>\$ 3,998</u>	<u>\$ -</u>	<u>\$119,161</u>
Fund balances - beginning	<u>28,830</u>	<u>1,143</u>	<u>28</u>	<u>30,001</u>
Fund balances - ending	<u>\$ 1,325</u>	<u>\$ 5,041</u>	<u>\$ 28</u>	<u>\$ 6,404</u>

See Notes to Financial Statements.

VILLAGE OF MOORE, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
ALL GOVERNMENTAL FUND TYPES
Six Month Period Ended June 30, 1995

	General Fund		
	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:			
Taxes	\$ 18,000	\$ 8,894	\$ (9,106)
Licenses and permits	12,000	13,912	1,912
Intergovernmental	5,250	14,092	8,842
Fines and forfeits	700	1,083	383
Miscellaneous	1,380	1,518	138
	<u>\$ 33,330</u>	<u>\$ 40,509</u>	<u>\$ 7,179</u>
Expenditures:			
Current:			
General government	\$ 18,685	\$ 43,415	\$ (24,730)
Public safety	2,025	605	1,420
Public works	2,700	4,815	(2,115)
Intergovernmental	-	1,518	(1,518)
	<u>\$ 33,410</u>	<u>\$ 50,353</u>	<u>\$ (16,943)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (1,080)</u>	<u>\$ (10,844)</u>	<u>\$ (9,764)</u>
Other financing sources (uses):			
Operating transfers in	\$ 10,000	\$ 6,300	\$ (3,700)
Operating transfers out	(3,500)	(12,815)	9,315
	<u>\$ 6,500</u>	<u>\$ (6,515)</u>	<u>\$ (13,015)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ 5,500</u>	<u>\$ (17,359)</u>	<u>\$ (22,859)</u>
Fund balances - beginning	18,818	18,820	-
Fund balances - ending	<u>\$ 24,318</u>	<u>\$ 1,461</u>	<u>\$ (22,857)</u>

See Notes to Financial Statements.

Special Revenue Fund		
Budget	Actual	Variance - Favorable (Unfavorable)
\$ 18,000	\$ 11,500	\$ 6,500
-	-	-
-	-	-
-	-	-
<u>\$ 18,000</u>	<u>\$ 11,500</u>	<u>\$ 6,500</u>
\$ -	\$ 92	\$ (92)
-	-	-
-	-	-
<u>\$ -</u>	<u>\$ 92</u>	<u>\$ (92)</u>
\$ 10,000	\$ 11,631	\$ 1,631
\$ -	\$ -	\$ -
<u>100,000</u>	<u>127,951</u>	<u>2,951</u>
<u>\$100,000</u>	<u>\$ 127,951</u>	<u>\$ 2,951</u>
\$ -	\$ 1,000	\$ 1,000
<u>1,148</u>	<u>1,148</u>	<u>-</u>
<u>\$ 1,148</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>

VILLAGE OF MOBILE, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN RETAINED EARNINGS -
 PROPRIETARY FUND TYPE
 Six Month Period Ended June 30, 1999

Utility Funds

Operating revenues:		
Charges for services		\$ 34,813
Operating expenses:		
Labor	\$ 8,879	
Payroll taxes	758	
Plant supplies	2,166	
Office supplies	114	
Depreciation	70,413	
Heat, light, and power	7,850	
Repairs and maintenance	2,662	
Accounting and auditing	660	
Bad debts	1,561	
Chemicals and testing	2,770	
Miscellaneous	<u>2,888</u>	<u>48,873</u>
Operating loss		\$ (13,060)
Non-operating revenues (expenses):		
Interest revenue	\$ 318	
Interest expense	<u>(18,066)</u>	<u>(17,748)</u>
Net loss before operating transfers		\$ (30,808)
Operating transfers:		
Operating transfers in		<u>1,358</u>
Net loss		\$ (29,450)
Retained earnings (deficit) - beginning		(561,018)
Prior period adjustment		<u>30,138</u>
Retained earnings (deficit) - ending		<u>\$ (559,320)</u>

See Notes to Financial Statements.

VILLAGE OF HERSE, LOUISIANA
ENTERPRISE FUNDS

COMBINED STATEMENT OF CASH FLOWS
Six Month Period Ended June 30, 1995

CASH FLOWS FROM OPERATING ACTIVITIES	
Net loss	\$(78,195)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation	28,458
Change in assets and liabilities:	
Increase in accounts receivable	4,981
Increase in unearned revenue	1,022
Increase in other liabilities	<u>8,488</u>
Net cash provided by operating activities	\$ 12,664
Cash and cash equivalents, beginning	<u>72,368</u>
Cash and cash equivalents, ending	<u>\$ 85,032</u>
NONCASH INVESTING ACTIVITIES	

During the six month period ended June 30, 1995, contributed capital and plant and equipment in the sewer utility fund were increased by capital outlays made in the LORNO Sewer Project Fund of \$145,728 for the rehabilitation of the sewer collection system.

See Notes to Financial Statements.

VILLAGE OF MERCE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The Village of Merce was incorporated March 27, 1906, under the provisions of Section 51 of Louisiana Act No. 138. The Village operates under a Mayor-Aldermen form of government and provides the following services as authorized by its charter: public safety (police), highways and streets, sanitation, health, recreation, public improvements, planning and zoning, and general administrative services.

The accounting policies of the Village of Merce conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

Fund accounting:

The accounts of the Village are organized on the basis of funds and 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. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the financial statements in this report as follows:

Governmental Funds

General fund:

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

Special revenue funds:

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Capital projects funds:

Capital projects funds are used to account for financial resources to be used for acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

NOTES TO FINANCIAL STATEMENTS

Proprietary Funds

Enterprise Funds:

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Account Groups

Fixed assets and long-term liabilities:

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 on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present revenues (charges and other financing sources) and expenses (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in governmental funds. General fixed assets, except for streets, drainage and improvements thereon, are capitalized in the account group. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost.

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

NOTES TO FINANCIAL STATEMENTS

Because of their spreading maintenance factor, expenditures recognized for governmental fund types is limited to include amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the general long-term debt account group.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement basis. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight line method. The estimated useful lives are as follows:

Water wells and tanks	20-30 years
Plants	50 years
Lines	20-30 years
Equipment	10-15 years

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 basis applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

NOTES TO FINANCIAL STATEMENTS

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) accumulated unpaid vacation, sick pay, and other employee amounts which are not accrued; and (2) principal and interest on general long-term debt which is recognized when due.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

Budgets and budgetary accounting:

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

1. The Mayor submits to the Board of Aldermen a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. The budget is then legally enacted through passage of an ordinance. Budget amounts shown in this report are as originally adopted by the Village.
3. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
4. All budget appropriations lapse at year end.

However, the budget for the year ended June 30, 1995 was not adopted until year-end. The budget shown in this report has been adjusted to reflect only the six month period ended June 30, 1995.

For the six month period ended June 30, 1995 the Village's actual expenditures exceeded budgeted expenditures by 35%, 63%, and 41% in the General Fund, the Water Utility Fund, and the Sewer Utility Fund, respectively. Louisiana Revised Statute (LSA-R.S.) 39:1503 requires that a budget be amended if actual expenditures exceed budgeted expenditures by 5 percent or more.

Cash and cash equivalents:

For purposes of reporting cash flows, the Village considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

NOTES TO FINANCIAL STATEMENTS

Bad debts:

Uncollectible amounts due from customers' utility receivables are recognized as bad debts by the use of the allowance method of accounting for bad debts.

Total columns on Combined Statements - Overview:

Total columns on the Combined Statements - Overview are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Whether in such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Note 2. Property Tax

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and are payable by December 31. The Village bills and collects its own property taxes.

The Village currently levies taxes at 3 mills on the dollar of assessed valuation of property for general corporate purposes. For the year ended June 30, 1995, the assessed valuations of property amounted to \$699,609. However, the property tax revenue for the year ended June 30, 1995 was recognized in the six month period ended December 31, 1994.

Note 3. Due from Other Governmental Units

As of June 30, 1995, the amount due from other governments in the General Fund of \$3,377 represents amounts due from the Louisiana State Department of Revenue for bear tax of \$189, tobacco tax of \$1,857, and video poker tax of \$1,531. The amount due from other governments in the Special Revenue Fund - Sales Tax represents sales taxes collected of \$2,385 by the Acadia Parish School Board.

NOTES TO FINANCIAL STATEMENTS

Note 4. Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	Balance, January 1, 1995	Additions	Deletions	Balance, June 30, 1995
Buildings	\$ 601	\$ -	\$ -	\$ 601
Equipment	11,004	-	-	11,004
Improvements other than buildings	32,833	-	-	10,000
	<u>\$ 43,438</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,605</u>

A summary of proprietary fund type property, plant, and equipment at June 30, 1995 follows:

	Water Fund	Sewer Fund	Total
Land	\$ 11,800	\$ 40,100	\$ 51,900
Water wells	85,881	-	85,881
Water	321,270	-	321,270
Sewer treatment plant	-	448,181	448,181
Distribution system	487,880	798,757	1,286,637
Other equipment	6,430	-	6,430
	<u>\$ 933,361</u>	<u>\$1,246,938</u>	<u>\$2,180,299</u>
less accumulated depreciation	<u>(148,084)</u>	<u>(150,000)</u>	<u>(298,084)</u>
	<u>\$ 785,277</u>	<u>\$1,096,938</u>	<u>\$1,882,215</u>

Note 5. Changes in Long-Term Debt

The following is a summary of bond transactions for the Village for the six month period ended June 30, 1995.

Bonds payable at January 1, 1995	\$241,473
Bonds retired	<u> </u>
Bonds payable at June 30, 1995	<u>\$241,473</u>

NOTES TO FINANCIAL STATEMENTS

Bonds payable as June 30, 1995 are comprised of the following individual issues:

\$170,000 Sewer Revenue Bonds issued November 13, 1983,
due in annual installments of \$37,431 through
November 13, 2008; Interest at 3% \$243,147

Installment purchase:

\$5,083 Lease purchase of Belarus tractor purchased
October 30, 1991, due in three annual installments
of \$1,566 with a bargain purchase option of \$389
at the expiration of the lease term; Interest at
13.5% 3,826
\$243,021

The annual requirements to service all debt outstanding as of June 30, 1995,
including interest payments of \$86,379 are as follows:

Year Ending <u>June 30</u>	Revenue	Installment <u>Purchase</u>	Total
1996	\$ 37,431	\$ 1,566	\$ 38,997
1997	37,431	-	37,431
1998	37,431	-	37,431
1999	37,431	-	37,431
2000	37,431	-	37,431
Thereafter	<u>181,829</u>	<u>-</u>	<u>181,829</u>
	<u>\$328,384</u>	<u>\$ 1,566</u>	<u>\$329,950</u>

The following is a schedule of future minimum lease payments under the
capital lease commitment as of June 30, 1995 to be paid from the general fund:

Payment due in 1996	\$ 1,566
Less: Amount representing interest	<u>(122)</u>
Present value of future minimum lease payments	<u>\$ 1,444</u>

Under the terms of various bond indentures on outstanding Sewer Utility
Revenue Bonds, all income and revenues (hereinafter referred to as revenues)
of every nature, earned or derived from the operation of the Utilities System
are pledged and dedicated to the retirement of said bonds and are to be
deposited in funds as indicated below:

All revenues must be deposited into a revenue fund. The revenue fund must
transfer from time to time amounts into the maintenance and operation fund
that are sufficient to pay the cost of maintaining and operating the
utility system.

NOTES TO FINANCIAL STATEMENTS

after transferring the required amounts into the maintenance and operation fund, the revenue fund must transfer monthly to the bond and interest sinking fund an amount equal to one-twelfth of the interest and one-twelfth of the principal falling due on their next respective payment date. Money so accumulated is to pay for currently maturing principal and interest.

After the above requirements are met, the revenue fund must transfer monthly on or before the 20th day of each month of each year as long as the system is revenue producing, a sum equal to 33 of the monthly payments of the Revenue Bond into the Reserve Fund. The payments are to continue until such time as there has been accumulated therein a sum equal to the highest combined principal and interest requirement in any succeeding fiscal year on the outstanding principal of the bond.

After all required payments above have been met, the revenue fund must transfer \$115 into the depreciation and contingencies fund. The first monthly payment is to be made by the 15th day of the first full month following completion of the sewer system and by the 20th day of each month thereafter. The money in the depreciation and contingencies fund shall be used first to pay currently maturing principal and interest for which there is insufficient money in the bond fund or reserve account and secondly for making replacements, improvements or extensions to the system. Any deficiencies in the depreciation and contingencies fund shall be made up from money in the revenue fund wherever such money is not needed for maintenance and operation or payment of current principal, interest and reserve account requirements.

The required and current balances of the above funds as June 30, 1993 are as follows:

	Required	Actual	Excess (Deficiency)
Bond and interest sinking fund	\$ 18,000	\$ 7,701	\$ (10,299)
Bond reserve account	18,514	13,112	2,730
Depreciation and contingencies fund	<u>10,465</u>	<u>8,840</u>	<u>(1,625)</u>
	<u>\$ 46,979</u>	<u>\$ 29,653</u>	<u>\$ 17,326</u>

Note 6. Deficit Retained Earnings

The Water and Sewer Utility Fund have a deficit retained earnings balance as June 30, 1993 of \$28,843 and \$202,150, respectively.

NOTES TO FINANCIAL STATEMENTS

Note 7. Dedication of Sales Tax Proceeds

Proceeds of the 1% sales and use tax are dedicated to the following purposes:

1. Construction, acquiring, extending, improving, and/or maintaining drainage facilities, streets, and sidewalks.
2. Collection and disposal of refuse.
3. Purchasing and acquiring equipment and furnishings for the aforesaid public works.
4. Improvements and facilities, title to which improvements shall be in the public.
5. For any one or more of said purposes.

Note 8. Enterprise Fund Operations

The operations of the individual funds which comprise the total combined enterprise fund operations are summarized as follows:

	Water THOUSAND DOLLARS	Sewer THOUSAND DOLLARS
Operating revenues	\$ 10,993	\$ 23,823
Operating expenses	<u>21,768</u>	<u>27,513</u>
Operating loss	\$(11,775)	\$ 4,690
Nonoperating items:		
Revenues (expenses)	26	(5,713)
Transfers in	<u>1,326</u>	<u>-</u>
Net loss	<u><u>\$(10,383)</u></u>	<u><u>\$ 4,887</u></u>

Note 9. Allowance for Uncollectibles

The receivable recorded in the enterprise fund is net of allowance for uncollectibles of \$628 in the Water Utility and \$1,368 in the Sewer Utility.

NOTES TO FINANCIAL STATEMENTS

Note 10. Cash

For reporting purposes, cash includes cash and savings deposits. The deposits at June 30, 1985 were insured as follows:

	Bank Balances	FDIC Insurance	Balance Uninsured
Cash	<u>\$ 58,558</u>	<u>\$ 58,558</u>	<u>\$ -</u>

Note 11. Interfund Receivables, Payables

	Interfund Receivables	Interfund Payables
General Fund	\$ 3,804	\$ -
Enterprise Fund - Water Utility	-	3,841
Sewer Utility	-	3,673
	<u>\$ 3,804</u>	<u>\$ 7,514</u>

Note 12. Retirement Commitments

Substantially all employees of the Village of Monro, except for the police chief, are members of the Federal Social Security System. The police chief is a member of the Municipal Police Employees' Retirement System.

The Municipal Police Employees' Retirement System (the System) is a cost-sharing multiple-employer public employee retirement system (PERS).

Membership is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, expressed to make arrest, providing they do not have to pay social security and providing they meet the statutory criteria. Employees who retire at or after age 50 with at least 20 years of credited service, or at or after age 55 with at least 27 years of credited service are entitled to a retirement benefit payable monthly for life, equal to 5-1/3 percent of their average final compensation multiplied by the employee's years of credited service. Final compensation is the employee's monthly earnings during the 30 consecutive or joined months that produce the highest average. The System also provides death and disability benefits. Benefits are established by state statute.

NOTES TO FINANCIAL STATEMENTS

Contributions to the System are based on a percentage of gross compensation. State statute requires employees covered by the System to contribute 7.5 percent of their salaries to the System; the Village must contribute 9.0 percent of the salary of each employee covered by the System as an employer match.

Although contributions are determined by state statute rather than actuarial calculations, actuarially required contributions are determined for the System. The following provides certain disclosures for the Village of the retirement system that are required by GASB Codification Section 208.127:

Village payroll:	
Total eligible payroll	\$ 3,900
Covered payroll	\$ 3,900
Actuarially required contribution for the entire System:	
Dollar amount	\$ 21,793,958
Percent of payroll	55.7%
Actuarially required contribution for Village:	
Dollar amount	\$ 414
Percent of total actuarially required contribution	.0019%
Actuarially required contribution for Village:	
Employees	\$ 172
Employees	<u>263</u>
Total	\$ 435
Actual contribution for Village:	
Employees	\$ 172
Employees	<u>263</u>
Total	\$ 435
Pension benefit obligation	\$719,983,346
Assets	<u>784,343,130</u>
Assets in excess of pension benefit obligations	<u>\$ 64,359,784</u>

The pension benefit obligation is a standardized measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rated 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 System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERA and employers. The system does not make separate measurements of assets and pension benefit obligations for individual employees.

NOTES TO FINANCIAL STATEMENTS

Historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's June 30, 1995 actuarial valuation report. The Village does not guarantee the benefits granted by the System.

Note 13. Compensated Absences

The Village has no policy on compensated absences and only a few regular employees. The compensated absences are not material to the financial statements as a whole and therefore not accrued.

Note 14. Contributed Capital

During the six month period ended June 30, 1995, contributed capital in the sewer utility fund was increased by capital outlays made in the 10888 Capital Projects Fund - Sewer Project of \$145,988 for the rehabilitation of the sewer collection system.

Note 15. Prior Period Adjustment

The financial statements of the Sewer Utility Fund have been adjusted by \$20,128 for the reversal of an old claim resulting from a contract retainer payable.

FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS

GENERAL FUND

General Fund -

To account for resources traditionally associated with governments which are not required to be accounted for in any other funds.

VILLAGE OF HORSE, LOUISIANA
GENERAL FUND

BALANCE SHEET
June 30, 1995

ASSETS	
Cash	\$ 4,310
Due from other funds	7,818
Due from other governmental units	3,177
Other receivable	<u>6,323</u>
	<u>\$ 21,628</u>
LIABILITIES AND FUND BALANCE	
LIABILITIES:	
Accounts payable	\$ 10,369
Accrued payroll taxes	<u>887</u>
	\$ 11,256
FUND BALANCE:	
Unreserved	<u>1,372</u>
	<u>\$ 21,628</u>

VILLAGE OF MORSE, LOUISIANA
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Six Month Period Ended June 30, 1995

	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:			
Taxes:			
Franchise tax	\$ 10,000	\$ 9,884	\$ (116)
Licenses and permits	12,000	17,911	5,911
Intergovernmental revenues:			
Beer tax	650	534	(116)
Tobacco tax	2,300	2,134	(166)
Video poker tax	2,500	3,982	1,482
Rural development grants	-	7,500	7,500
Fines and forfeits	750	3,045	2,295
Miscellaneous:			
Oil lease	1,800	1,481	(319)
Other	-	733	733
	<u>\$ 32,500</u>	<u>\$ 45,368</u>	<u>\$ 12,868</u>
Expenditures:			
Current:			
General government	\$ 38,485	\$ 43,415	\$ (5,930)
Public safety	2,005	605	1,400
Public works	2,780	4,835	(2,055)
Intergovernmental	-	7,518	(7,518)
	<u>\$ 43,270</u>	<u>\$ 56,383</u>	<u>\$ (13,113)</u>
Deficiency of revenues over expenditures	<u>\$ (10,770)</u>	<u>\$ (10,015)</u>	<u>\$ 755</u>
Other financing sources (uses):			
Opening transfers in	\$ 18,000	\$ 4,300	\$ (13,700)
Opening transfers out	(12,500)	(13,815)	(1,315)
	<u>\$ 5,500</u>	<u>\$ (9,515)</u>	<u>\$ (15,015)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ 3,400	\$ (17,304)	\$ (20,704)
Fund balance - beginning	18,838	18,838	-
Fund balance - ending	<u>\$ 22,238</u>	<u>\$ 1,534</u>	<u>\$ (20,704)</u>

VILLAGE OF MORRE, LOUISIANA
GENERAL FUND

STATEMENT OF EXPENDITURES, COMPARED TO BUDGET (GAAP BASIS)
Six Months Period Ended June 30, 1999

	Budget	Actual	Variance- Favorable (Unfavorable)
Current:			
General government:			
Salaries and contract labor	\$ 8,400	\$ 9,181	\$ 781
Payroll taxes	1,900	285	1,615
Office supplies	750	1,351	(501)
Utilities	5,825	5,668	157
Per diem paid to mayor and aldermen	360	360	-
Legal and accounting	2,800	16,080	(14,280)
Court reporting	180	214	(34)
Repairs and maintenance	2,700	4,929	(2,229)
Insurance	6,375	8,088	(1,713)
Rent	180	-	180
Publications	325	-	325
Miscellaneous	688	732	(44)
Total general government	\$ 38,683	\$ 63,613	\$ 24,930
Public safety:			
Police department:			
Salary	\$ 150	\$ 190	\$ 40
Retirement	175	315	140
Supplies	1,628	-	1,628
Total public safety	\$ 1,953	\$ 505	\$ 1,448
Public works:			
Streets and drainage:			
Fuel	\$ 1,900	\$ 2,002	\$ 102
Supplies	1,900	3,823	1,923
Total public works	\$ 2,380	\$ 5,825	\$ 3,445
Intergovernmental:			
Appropriation to Acadia Fire Protection District No. 5	\$ -	\$ 1,318	\$ 1,318
Total expenditures	\$ 43,043	\$ 71,261	\$ 28,218

SPECIAL REVENUE FUND

Sales Tax Fund -

In account for the collection and disbursement of the Village's one percent sales tax.

VILLAGE OF MORRE, LOUISIANA
SALES TAX FUNDBALANCE SHEET
June 30, 1995

ASSETS

Cash	\$ 3,844
Sales tax receivable	<u>1,200</u>
	<u>\$ 5,044</u>
FUND BALANCE	
Fund balance - unreserved	<u>\$ 5,044</u>

VILLAGE OF MORSE, LOUISIANA
 SALES TAX FUND

STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGE IN FUND BALANCE
 Six Month Period Ended June 30, 1995

Revenues:	
Taxes	\$ 11,453
Expenditures:	
Current:	
General government:	
Bank charges	32
Excess of revenues over expenditures	\$ 11,421
Other financing uses:	
Operating transfers out	7,504
Excess of revenues over expenditures and other financing uses	\$ 3,917
Fund balance - beginning	1,148
Fund balance - ending	<u>\$ 5,065</u>

VILLAGE OF MONROE, LOUISIANA
SALES TAX FUND

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Six Month Period Ended June 30, 1999

	Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:			
Taxes:			
Sales tax	\$ 10,000	\$ 11,500	\$ 1,500
Expenditures:			
CURRENT:			
General government:			
Bank charges	_____	_____50	_____50
Excess of revenues over expenditures	\$ 10,000	\$ 11,450	\$ 1,450
Other financing uses:			
Operating transfers out	<u>10,000</u>	<u>1,500</u>	<u>1,500</u>
Excess of revenues over expenditures and other financing uses	\$ -	\$ 1,950	\$ 1,950
Fund balance - beginning	<u>1,168</u>	<u>1,168</u>	_____
Fund balance - ending	<u>\$ 1,168</u>	<u>\$ 3,118</u>	<u>\$ 1,950</u>

CAPITAL PROJECTS FUND

LCDBG Sewer Project Fund -

To account for the collection and disbursement of grant funds from other governmental units used to rehabilitate the sewer collection system.

VILLAGE OF MORRE, LOUISIANA
LEON BEAR PROJECT FUNDBALANCE SHEET
June 30, 1995

ASSETS

Cash	<u> 28</u>
FUND BALANCE	
Fund balance - unreserved	<u> 28</u>

VILLAGE OF NIBBE, LOUISIANA
LEBO BEAKS PROJECT FUND

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCES
Six Month Period Ended June 30, 1995

Revenues:		
Grant		\$133,986
Expenditures:		
Current:		
General government:		
Salary	\$ 338	
Other	34	
Capital outlays	<u>145,928</u>	146,266
Deficiency of revenues over expenditures		\$(12,280)
Other financing sources:		
Operating transfer in		<u>12,280</u>
Deficiency of revenues and other financing sources over expenditures		\$ -
Fund balance - beginning		<u> 28</u>
Fund balance - ending		<u>\$ 28</u>

ENTERPRISE FUNDS

Water Utility Fund :

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

Sewer Utility Fund :

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

VILLAGE OF MORSE, LOUISIANA
ENTERPRISE FUNDS

COMBINING BALANCE SHEET
June 30, 1999

ASSETS	Water Utility	Sewer Utility	Total
CURRENT ASSETS			
Cash and cash equivalents	\$ 3,148	\$ 3,536	\$ 6,684
Accounts receivable, net of allowance for uncollectible accounts of \$1,896	<u>826</u>	<u>1,268</u>	<u>1,932</u>
Total current assets	<u>\$ 3,722</u>	<u>\$ 4,804</u>	<u>\$ 8,526</u>
RESTRICTED ASSETS			
Cash and cash equivalents	\$ -	\$ 26,253	\$ 26,253
PLANT AND EQUIPMENT			
Plant and equipment, at cost	\$ 793,737	\$1,188,768	\$2,880,505
Accumulated depreciation	<u>(148,085)</u>	<u>(229,895)</u>	<u>(377,980)</u>
	<u>\$ 645,652</u>	<u>\$ 958,873</u>	<u>\$1,604,525</u>
	<u>\$ 649,402</u>	<u>\$1,048,098</u>	<u>\$2,177,621</u>

LIABILITIES AND FUND EQUITY	Water DOLLARS	Sewer DOLLARS	Total
CURRENT LIABILITIES (payable from current assets)			
Accounts payable	\$ 645	\$ 380	\$ 1,025
Due to other funds	2,343	9,473	7,814
Unearned revenue	506	3,088	3,594
Accrued payroll taxes	302	327	629
	<u>\$ 3,814</u>	<u>\$ 3,038</u>	<u>\$ 6,852</u>
CURRENT LIABILITIES (payable from restricted assets)			
Revenue bonds	\$ -	\$ 15,324	\$ 15,324
Accrued interest	-	2,463	2,463
	<u>\$ -</u>	<u>\$ 17,787</u>	<u>\$ 17,787</u>
Total current liabilities	<u>\$ 3,814</u>	<u>\$ 19,825</u>	<u>\$ 23,639</u>
OTHER LIABILITIES			
Revenue bonds payable	\$ -	\$ 216,823	\$ 216,823
FUND EQUITY			
Contributed capital	\$ 634,354	\$ 815,506	\$1,449,860
Retained earnings (deficit):			
Reserved for revenue bond retirement	-	3,366	3,366
Unreserved	<u>128,891</u>	<u>123,723</u>	<u>252,614</u>
	<u>\$ 663,245</u>	<u>\$ 818,872</u>	<u>\$1,482,117</u>
	<u>\$ 648,429</u>	<u>\$1,649,698</u>	<u>\$1,718,127</u>

VILLAGE OF MOORE, LOUISIANA
ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
Six Month Period Ended June 30, 1995

	<u>Water Utility</u>		Variances - Favorable/ (Unfavorable)
	Budget	Actual	
Operating revenues:			
Charges for services	\$ 12,000	\$ 10,592	\$ (1,408)
Operating expenses:			
Labor	\$ 4,327	\$ 4,087	\$ (240)
Payroll taxes	150	188	(18)
Plant supplies	1,000	428	572
Office supplies	50	84	(34)
Depreciation	3,343	9,783	(6,440)
Heat, light and power	2,500	2,578	(78)
Repairs and maintenance	2,400	158	1,242
Accounting and auditing	-	443	(443)
Bad debts	-	438	(438)
Chemicals and testing	-	1,572	(1,572)
Miscellaneous	622	1,800	(1,178)
	<u>\$ 15,800</u>	<u>\$ 22,356</u>	<u>\$ 28,856</u>
Operating income (loss)	<u>\$ (1,808)</u>	<u>\$ (11,764)</u>	<u>\$ (12,572)</u>
Non-operating revenues (expenses):			
Interest revenue	\$ 308	\$ 26	\$ (274)
Interest expense	-	-	-
	<u>\$ 308</u>	<u>\$ 26</u>	<u>\$ (274)</u>
Loss before operating transfers	\$ (1,500)	\$ (11,738)	\$ (12,238)
Operating transfers:			
Operating transfers in	<u>1,500</u>	<u>1,356</u>	<u>(144)</u>
Net loss	\$ -	\$ (10,382)	\$ (10,382)
Retained earnings (deficit) - beginning	(18,549)	(18,549)	-
Prior period adjustment	-	-	-
Retained earnings (deficit) - ending	<u>\$ (18,549)</u>	<u>\$ (18,931)</u>	<u>\$ (10,382)</u>

Budget	Sewer Writing		Total		
	Actual	Variance- Favorable (Defavorable)	Budget	Actual	Variance- Favorable (Defavorable)
\$ 25,250	\$ 23,021	\$ (2,229)	\$ 27,250	\$ 26,813	\$ (4,437)
\$ 1,800	\$ 4,823	\$ (3,023)	\$ 4,313	\$ 9,879	\$ (5,566)
338	388	(250)	488	756	(268)
750	737	13	1,750	1,366	384
50	39	11	100	106	(6)
10,715	18,627	(7,912)	14,878	20,422	(15,544)
4,800	5,231	(431)	4,900	7,850	(2,950)
847	3,363	(2,516)	2,467	9,887	(7,420)
-	308	(308)	-	883	(883)
-	1,100	(1,100)	-	1,341	(1,341)
390	1,158	(768)	300	2,170	(1,870)
580	464	116	1,325	2,280	(1,955)
<u>\$ 25,250</u>	<u>\$ 27,113</u>	<u>\$ (1,863)</u>	<u>\$ 33,880</u>	<u>\$ 48,822</u>	<u>\$ (14,942)</u>
\$ 6,000	\$ (8,000)	\$ (14,000)	\$ 6,250	\$ (15,884)	\$ (22,134)
\$ 450	\$ 290	\$ (160)	\$ 350	\$ 309	\$ (40)
(8,550)	(8,000)	550	(8,200)	(8,084)	116
<u>\$ 26,900</u>	<u>\$ (7,710)</u>	<u>\$ (340)</u>	<u>\$ 22,200</u>	<u>\$ (19,859)</u>	<u>\$ (4,059)</u>
\$ -	\$ (9,800)	\$ (9,800)	\$ (1,400)	\$ (3,304)	\$ (2,904)
-	-	-	1,380	1,326	(54)
\$ -	\$ (9,800)	\$ (9,800)	\$ -	\$ (20,194)	\$ (20,194)
(122,488)	(222,490)	-	(141,038)	(141,038)	-
38,138	30,138	-	38,138	30,138	-
<u>\$ (84,350)</u>	<u>\$ (192,352)</u>	<u>\$ (108,002)</u>	<u>\$ (102,900)</u>	<u>\$ (110,900)</u>	<u>\$ (78,000)</u>

VILLAGE OF MONROE, LOUISIANA
SEWERAGE FUND

COMBINING STATEMENT OF CASH FLOWS
Six Month Period Ended June 30, 1985

	Water DOLLARS	Sewer DOLLARS	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss	\$(18,382)	\$ 18,800	\$(20,190)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation	9,785	10,420	20,613
Change in assets and liabilities:			
Decrease in accounts receivable	1,532	3,379	4,911
Increase in unearned revenue	382	770	1,852
Increase in other liabilities	<u>396</u>	<u>4,313</u>	<u>5,579</u>
Net cash provided by operating activities	\$ 1,883	\$ 31,889	\$ 33,449
Cash and cash equivalents, beginning	<u>1,365</u>	<u>29,823</u>	<u>32,388</u>
Cash and cash equivalents, ending	<u>\$ 3,248</u>	<u>\$ 31,889</u>	<u>\$ 35,013</u>

NONCASH INVESTING ACTIVITY

Contributed capital and plant and equipment were increased in the sewer utility fund by capital outlays made in the LCDC Sewer Project Fund of \$143,938 for rehabilitation of the sewer collection system.

VILLAGE OF MERIE, LOUISIANA
ENTERPRISE FUNDS

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - RESTRICTED ACCOUNTS
REQUIRED BY REVENUE BOND ORDINANCE
Six Month Period Ended June 30, 1995

	Revenue Utility			
	Bond and Interest Sinking Fund	Bond Reserve Account	Depreciation and Contingencies	Total
Cash and cash equivalents at January 1, 1995	\$ 36	\$ 12,642	\$ 7,619	\$ 20,637
Cash receipts:				
Transfer from operating account	3,200	640	511	4,351
Interest received	-	182	110	292
Total cash available	\$ 3,236	\$ 13,464	\$ 8,240	\$ 14,940
Cash Disbursements:				
Principal payment	\$ -	\$ -	\$ -	\$ -
Interest and fiscal charges	-	-	-	-
Transfer to operating account	33	-	-	33
	\$ 33	\$ -	\$ -	\$ 33
Cash and cash equivalents at June 30, 1995	\$ 3,203	\$ 13,464	\$ 8,240	\$ 14,907

GENERAL FIXED ASSET ACCOUNT GROUP

To account for fixed assets not used in proprietary fund operations.

VILLAGE OF MERRE, LOUISIANA
 GENERAL FIXED ASSETS BY ACCOUNT GROUP
 STATEMENT OF CHANGES IN GENERAL FIXED ASSETS
 Six Month Period Ended June 30, 1995

	Balance January 1, 1995	Additions	Deletions	Balance June 30, 1995
General fixed assets - at cost:				
Buildings	\$ 601	\$ -	\$ -	\$ 601
Equipment	12,064	-	-	12,064
Improvements	<u>10,800</u>	<u>-</u>	<u>-</u>	<u>10,800</u>
Total general fixed assets	<u>\$ 23,465</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,465</u>
Investment in general fixed assets:				
Chattel mortgage	\$ 2,300	\$ -	\$ -	\$ 2,300
General fund	9,472	-	-	9,472
Sales tax	943	-	-	943
Capital projects fund	<u>18,880</u>	<u>-</u>	<u>-</u>	<u>18,880</u>
	<u>\$ 23,595</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,595</u>

OTHER SUPPLEMENTARY DATA

VILLAGE OF NORSE, LOUISIANA

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

Six Month Period Ended June 30, 1993

<u>Source of Federal Assistance/ Pass-Through Statist</u>	<u>Federal Fund</u>	<u>CYDA Number</u>
U.S. Department of HUD		
Passed-Through State Department's Division of Administration	Community Development Block Grant	16.259

Award Number	Award Period	Award Type	Amount	Expenditures
101-4027	07/01/93 - 01/13/96	Retained award	<u>1133,986</u>	<u>813,586</u>

VILLAGE OF NERVE, LOUISIANA

SCHEDULE OF PER DIEM FEES TO ELECTED OFFICIALS
Six Month Period Ended June 30, 1999

Leon Clement, Mayor	4	90
Dorlean Gailly		90
Allen Hargrove		90
Raymond Loger		90
	<u>4</u>	<u>360</u>

The Honorable Leon Clement, Mayor,
and the Board of Aldermen
Village of Norve, Louisiana

This report is intended for the information of management and the Legislative Auditor's office. However, this report is a matter of public record and its distribution is not limited.

Brownlee, Reed, Lewis & Baker

Crowley, Louisiana
April 17, 1996

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

The Honorable Leon Clément, Mayor,
and the Board of Aldermen
Village of Norve, Louisiana

We have audited the general purpose financial statements of the Village of Norve, Louisiana, as of and for the six month period ended June 30, 1995, and have issued our report thereon dated April 17, 1996.

We conducted our 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 we 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 our audits for the six month period ended June 30, 1995, we considered the Village's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the Village's general purpose financial statements and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control policies and procedures relevant to our audits of the general purpose financial statements in a separate report dated April 17, 1996.

The Honorable Leon Clement, Mayor,
and the Board of Aldermen
Village of Morris, Louisiana

The management of the Village of Morris, 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, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

Accounting Controls	General Requirements	Specific Requirements
<ul style="list-style-type: none">- Treasury or financing- Receipts/Receipts- Purchases/Disbursements- External financial reporting	<ul style="list-style-type: none">- Political activity- Davis-Bacon Act- Civil rights- Cash management- Federal financial reports- Allowable costs/cost principles- Drug-Free Workplace Act- Administrative requirements	<ul style="list-style-type: none">- Types of services allowed or unallowed- Special costs and provisions

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

During the six month period ended June 30, 1985, Village of Morris, Louisiana, had no major federal financial assistance programs and expended 180% of its total federal financial assistance under its major federal financial assistance program.

We 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 we have considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing states for advances and reimbursements and amounts claimed or used for matching that are applicable to the Village's major federal financial assistance program, which is identified in the accompanying schedule of federal financial

The Honorable Leon Givens, Mayor,
and the Board of Aldermen
Village of Moore, Louisiana

assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

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

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.

Our 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, we believe the following reportable condition to be a material weakness.

Finding: There is a lack of segregation of duties in all areas in the financial cycle.

Cause: Due to the small number of employees and the lack of resources, the Village is unable to implement a segregated system of internal control.

Suggestion: The mayor and aldermen are aware of this problem, and we are in agreement with them that it would not be cost beneficial or possible with the limited resources available to create a segregated accounting environment.

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

Browning, Reed, Lewis & Brewer

Crawley, Louisiana
April 17, 1984

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

The Honorable Leon Clement, Mayor,
and the Board of Aldermen
Village of Morse, Louisiana

We have audited the general purpose financial statements of Village of Morse, Louisiana, as of and for the six month period ended June 30, 1995, and have issued our report thereon dated April 17, 1996.

We conducted our 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 (OMB) Circular A-133, "Audits of State and Local Governments." These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

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

The Honorable Leon Clement, Mayor,
and the Board of Aldermen,
Village of Moore, Louisiana

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

Reserve Requirements - Sewer Utility Fund

Finding: The reserve requirements for the depreciation and contingency account and the sinking fund account were underfunded by \$2,425 and \$8,831, respectively.

Cause: The monthly reserves were not met for the accounts mentioned above during the current fiscal period.

Recommendation: As funds become available, appropriate transfers should be made to correct the underfunding as well as closer monitoring in the future to avoid any recurrences.

Response: As soon as the necessary funding is available, appropriate transfers will be made.

Budget Violations

Finding: For the six month period ended June 30, 1995, the Village's actual expenditures exceeded budgeted expenditures by 592, 452, and 412 in the General Fund, the Water Utility Fund, and the Sewer Utility Fund, respectively. Louisiana Revised Statute (LSA-R.S.) 39:1310 requires that a budget be amended if actual expenditures exceed budgeted expenditures by 5 percent or more. In addition, the budget for the year ended June 30, 1995 was not adopted near year-end.

Cause: The Village did not comply with LSA-R.S. 39:1310, therefore, budgeting control over expenditures was reduced.

Recommendation: We recommend that the Village adopt the budget before the beginning of the year and amend the budget if actual expenditures exceed budgeted expenditures by 5 percent or more.

Response: The Village will obtain better budgeting control over expenditures in the future by adopting budgets on time and amending budgets when actual expenditures exceed budgeted expenditures by 5 percent or more.

Annual Filing

Finding and cause: The financial report for the year ended June 30, 1995, was not filed with the legislative auditor's office within six months after the close of the fiscal year as required by law because auditors were not engaged in time.

The Honorable Leon Clement, Mayor,
and the Board of Aldermen
Village of Moore, Louisiana

Recommendation: We recommend that information be complete and available in a more timely manner.

Response: The Village agrees and will engage auditors earlier on future engagements.

We considered these material instances of noncompliance in forming our opinion on whether the general purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our report dated April 17, 1998 on these general purpose financial statements.

Except as described above, the results of our tests of compliance did not disclose any instances of noncompliance that are required to be reported under **SIXTHSOME** **Accounting Standards**.

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

Broussard, Poind, Lewis & Breaux

Crowley, Louisiana
April 17, 1998

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

The Honorable Leon Clement, Mayor,
and the Board of Aldermen
Village of Morse, Louisiana

We have audited the general purpose financial statements of Village of Morse, Louisiana, as of and for the six month period ended June 30, 1995, and have issued our report thereon dated April 17, 1996.

We have applied procedures to test the Village of Morse, 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 six month period ended June 30, 1995:

General Requirements

- Federal activity
- Davis-Bacon Act
- Civil rights
- Cash management
- Federal financial reports
- Allowable costs/unit principles
- Drug-Free Workplace Act
- Administrative requirements

Our 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." Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Village of Morse, Louisiana's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

The Honorable Leon Clement, Mayor,
and the Board of Aldermen
Village of Morne, Louisiana

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

Cash Management

Finding: The Village did not disburse funds within three days of receipt of deposit.

Cause: Vouchers were prepared in anticipation of timely disbursements but delays caused the disbursements to be delayed for a longer period of time.

Recommendation: We recommend that the Village not request funds until all matters necessary to complete the disbursements have been resolved.

Response: In the future, the Village will not draw funds until payments are ready to be disbursed.

We considered this material instance of noncompliance in forming our opinion on whether the Village of Morne, Louisiana's financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our report dated April 17, 1996, on those financial statements.

Except as described above, the results of our tests of compliance did not disclose any instances of noncompliance that are required to be reported under Government Auditing Standards.

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

BRUCE A. PIERCE, SENIOR & SENIOR

Crowley, Louisiana
April 17, 1996

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

The Honorable Leon Claxton, Mayor,
and the Board of Aldermen
Village of Norco, Louisiana

We have audited the general purpose financial statements of Village of Norco, Louisiana, as of and for the six month period ended June 30, 1995, and have issued our report thereon dated April 17, 1996.

In connection with our audit of the general purpose financial statements of Village of Norco, Louisiana, and with our consideration of the Village'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," we selected certain transactions applicable to the nonmajor federal financial assistance programs for the six month period ended June 30, 1995. As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed and special taxes and provisions that are applicable to these transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Village's compliance with these requirements. Accordingly, we do not express such an opinion.

The Honorable Leon Clement, Mayor,
and the Board of Aldermen
Village of Norco, Louisiana

With respect to the items tested, the results of those procedures did not disclose any instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Village of Norco had not complied, in all material respects, with those requirements.

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

BRENDAN, PAUL, LEWIS & BAKER

Crowley, Louisiana
April 27, 1998