

TOWN OF TULLES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 1996

NOTE 12- GENERAL LONG-TERM DEBT

| Description | June 30, 1995 | Issued | Retired | June 30, 1996 |
|---|------------------|---------|---------|------------------|
| General Obligation Bonds \$ 120,000 Originally issued, Interest rate 5.15% | \$ - | 120,000 | - | \$ 120,000 |

NOTE 13- GENERAL LONG TERM DEBT (CONTINUED)

Following is a summary of bond principal maturities and interest requirements:

| Year Ending June 30 | General Obligation Bonds |
|------------------------|--------------------------------|
| 1997 | \$ 14,450 |
| 1998 | 15,717 |
| 1999 | 15,264 |
| 2000 | 15,688 |
| 2001 | 16,128 |
| 2002-2006 | 28,867 |
| Total | \$ 156,056 |
| Less Interest | (26,056) |
| Principal Balance | \$ 130,000 |

The bonds were issued for the purpose of purchasing a fire truck and are to be paid from general receipts of the Town of Tulles, Louisiana.

TOWN OF TULLOCH, LOUISIANA
 STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND
 BALANCES
 ALL GOVERNMENTAL FUND TYPES
 YEAR ENDED JUNE 30, 1996

| | General Fund |
|---|-----------------|
| REVENUE | |
| Ad Valorem Taxes | \$ 10,369 |
| Occupational Licenses | 12,973 |
| Franchise Fees | 9,873 |
| Tobacco Taxes | 2,941 |
| Beer Taxes | 2,517 |
| Court Fees | 14,203 |
| Video Poker | 28,141 |
| Fire Assessment | 13,807 |
| Contributions | 435 |
| Miscellaneous | 3,789 |
| Grant Funds | 7,500 |
| Interest | <u>814</u> |
| Total Revenue | 97,864 |
| EXPENDITURES | |
| General Government | 38,234 |
| Public Safety: | |
| Police | 20,700 |
| Fire | <u>7,568</u> |
| Total Expenses | <u>66,502</u> |
| EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES | 31,361 |
| TRANSFER TO GENERAL FIXED ASSET ACCOUNT GROUP (11,580) | |
| FUND BALANCES, BEGINNING | <u>38,972</u> |
| FUND BALANCES, ENDING | 568,674 |

TOWN OF TULAC, LOUISIANA
GENERAL FUND
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 1996

| | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u> |
|---|---------------------|---------------|---|
| REVENUE | | | |
| Ad Valorem Taxes | \$ 10,500 | \$ 10,300 | \$ (191) |
| Occupational Licenses | 80,000 | 82,673 | 2,673 |
| Franchise Fees | 7,500 | 9,786 | 2,286 |
| Tobacco Taxes | 2,300 | 2,841 | (559) |
| Beer Taxes | 1,250 | 2,517 | 1,267 |
| Court Fees | 20,000 | 80,300 | (8,300) |
| Video Poker | 20,000 | 20,141 | 141 |
| Fire Assessment | 8,000 | 17,607 | 9,607 |
| Contributions | | 435 | 435 |
| Miscellaneous | 3,000 | 3,369 | 369 |
| Grants-Funds | | 7,500 | 7,500 |
| Interest | 2,000 | 514 | (1,180) |
| Total Revenue | <u>84,650</u> | <u>97,884</u> | <u>24,303</u> |
| EXPENDITURES | | | |
| General Government | 52,000 | 38,234 | 13,766 |
| Public Safety | | | |
| Police | 18,000 | 20,780 | (2,780) |
| Fire | 8,000 | 7,500 | 400 |
| Total Expenditures | <u>78,000</u> | <u>66,514</u> | <u>11,487</u> |
| EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES | (4,650) | 31,369 | 24,651 |
| FUND BALANCE, BEGINNING | ___38,272 | ___38,272 | _____ |
| FUND BALANCE, ENDING | <u>\$ ___65,622</u> | <u>28,644</u> | <u>\$ 6,538</u> |

TOWN OF TULLOS
 CAPITAL PROJECTS FUND
 STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
 YEAR ENDED JUNE 30, 1996

| | | |
|---|----|------------|
| Revenue | \$ | 127 |
| Expenditures | | -0- |
| | | 127 |
| Excess of revenue over (under) expenditures | | 127 |
| Other financing sources | | |
| Proceeds of bonds sale | | 120,000 |
| Transfer to Debt Service Fund | (| 127) |
| | | 119,873 |
| Total other financing sources | | 119,873 |
| Excess of revenues and other sources over (under) expenditures and other uses | | 120,000 |
| Increase in reserve for purchases | | (120,000) |
| Net change in unreserved fund balance for year | | -0- |
| FUND BALANCE - UNRESERVED JULY 1, 1995 | | -0- |
| | | -0- |
| FUND BALANCE - UNRESERVED JUNE 30, 1996 | | -0- |

TOWN OF THIBOD, LOUISIANA
 COMBINED STATEMENT OF REVENUE,
 EXPENSES, AND CHANGES IN RETAINED EARNINGS
 PROPRIETARY FUND TYPES
 YEAR ENDED JUNE 30, 1996

| | Utility Enterprise Fund |
|---|-------------------------------|
| OPERATING REVENUE | |
| Water Sales | \$ 90,308 |
| Sewer Charges | 25,916 |
| Miscellaneous | <u>3,893</u> |
| Total Operating Revenue | 120,117 |
| OPERATING EXPENSES | |
| Salaries and Wages | 28,608 |
| Materials, Supplies, and Maintenance | 25,508 |
| Payroll Taxes | 4,498 |
| Equipment Expenses | 9,957 |
| Sewer Treatment Expenses | 14,941 |
| Miscellaneous | 9,161 |
| Utilities and Telephone | 11,133 |
| Depreciation | <u>35,736</u> |
| Total Operating Expenses | 139,548 |
| INCOME (LOSS) FROM OPERATIONS | (19,431) |
| NON-OPERATING REVENUE (EXPENSE) | |
| Interest Income | 4,229 |
| Grants | <u>15,000</u> |
| Net Non-Operating Revenue (Expense) | 19,229 |
| NET INCOME | 818 |
| RETAINED EARNINGS, (DEFICIT) BEGINNING | 183,643 |
| RETAINED EARNINGS, (DEFICIT) ENDING | \$ 184,461 |

TOWN OF TULLOS, LOUISIANA
COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPES
YEAR ENDED JUNE 30, 1986
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

| | |
|--|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | |
| Less From Operations | \$ (108,510) |
| ADJUSTMENTS TO RECONCILE NET INCOME TO | |
| NET CASH PROVIDED BY OPERATING ACTIVITIES: | |
| Depreciation | 35,736 |
| (Increase) Decrease in Accounts Receivable | (575) |
| Increase (Decrease) in Accounts Payable - Operations | 1,408 |
| Increase (Decrease) in Water Deposits | (1,627) |
| Net Adjustments | 34,932 |
| Net Cash Provided by Operating Activities | 16,328 |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES: | |
| Increase (Decrease) in Due to General Fund | 2,397 |
| Net Cash Provided by Non-Capital Financing Activities | 2,397 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | |
| Cash Proceeds From Grants | 188,244 |
| Cash Payments For Property and Equipment | (176,862) |
| Net cash Used For Capital and Related Financing Activities | (3,782) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | |
| Interest Receipts | 4,229 |
| Net Cash Provided by Investing Activities | 4,229 |
| Net Decrease in Cash and Equivalents | (36,843) |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | <u>303,089</u> |
| CASH AND CASH EQUIVALENTS, END OF YEAR | <u>\$ 266,246</u> |

Schedule of Non-Cash Investing, Capital and Financing Activities

There were no non-cash, investing, capital and financing activities for the year ended June 30, 1986.

| | |
|--------------------------|-------|
| Cash expended - Interest | - 0 - |
| Cash expended - Taxes | 3,653 |

**TOWN OF TULLES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1996**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND BASIS OF PRESENTATION

The Town of Tulles was incorporated under the provisions of the Louisiana Act and operates under a Mayor-Board of Aldermen form of government.

The accompanying policies of the Town of Tulles, Louisiana, conform to generally accepted accounting principles as applicable to governmental units, except as noted below. The following is a summary of the more significant policies.

Financial Reporting Entity

In evaluating how to define the Town for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB. The basic -- but not the only -- criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of the governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the Town is able to exercise oversight responsibility. Based upon the application of these criteria, there were no potential component units and all of the Town's activities were included in the primary government reporting entity.

Fund Accounting

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. The various funds are summarized by type in the financial statements. The following fund types and account groups are used by the Town:

GOVERNMENTAL FUND TYPE

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

TOWN OF TULLO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
GOVERNMENTAL FUND TYPE

Capital Projects Fund - Capital Projects Funds are used to account for the receipt and disbursement of resources from the purpose of building or buying major capital assets.

Debt Service Fund - Debt Service Funds are used to account for resources accumulated for the purpose of paying principal and interest on long term general obligation debt, other than those payable from the

PROPRIETARY FUND TYPE

Enterprise Fund - The Enterprise Fund is used to account for operations 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. The enterprise fund of the Town of Tullos operates a combined water and sewer system viewed for reporting purposes as a single entity. Operating results by division are not determinable.

ACCOUNT GROUPS

General Fixed Assets Account Group - This group of accounts is used to account for fixed assets of the Town other than those accounted for in the proprietary fund. For the year ended June 30, 1996, the Town has not maintained details of the various properties and equipment that should be included in this account group. Accordingly, the General Fixed Asset group has not been included in the accompanying financial statements.

General Long-Term Debt Account Group - This group of accounts is used to account for long-term debt of the Town not accounted for in the proprietary fund for the year ended June 30, 1996. There was no activity in this account group and accordingly the accompanying financial statements do not include such an account group.

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.

TOWN OF TULLOCH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

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 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.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on long-term debt, which is recognized when due.

In both governmental and proprietary funds, inventories of supplies are considered immaterial and are not recorded.

The proprietary (not a plant) fund is accounted for using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. Utility revenues are billed on a cycle basis and are recognized in the month billed. Unbilled service receivables resulting from utility services rendered between cycle billing and the end of the month have been recognized in the accompanying financial statements.

Budget Practices

The Town Clerk prepares and annual budget for the Town's general fund. This budget is submitted to the Town Council and an approved budget is adopted before the beginning of each fiscal year.

The general fund budget presents revenue and expenditures on a basis which is consistent with generally accepted accounting principles. No annual budget is adopted for the Town's Utility Fund.

Property and Equipment - Proprietary Fund

Property and equipment are recorded at cost or estimated historical cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Prior to July 1, 1988 there were five accords supporting the cost of the sewer and water

TOWN OF TULLOCH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS(CONTINUED)
FOR THE YEAR ENDED JUNE 30, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(CONTINUED)

Property and Equipment - Proprietary Fund (continued)
distribution system. The cost of these systems have been estimated using the bond issues proceeds through the year.

Cash and Cash Equivalents

Amounts reported as cash and cash equivalents (restricted and unrestricted) include all cash on hand, cash in bank accounts, certificates of deposit and highly liquid investments.

Contributed Capital

Grants received by the Town that are restricted for the acquisition or construction of fixed assets are recorded as contributed capital. Depreciation on assets acquired with contributed capital is recorded as an operation expense. Contributed capital accounts and net income are not adjusted for the effects of related depreciation.

Total Columns on Combined Statements

Total columns on the combined statements are captioned "Memorandum" 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. Neither is such data comparable to a consolidation. Identified eliminations have not been made in the aggregation of this data.

Statement of Cash Flows

For the purpose of reporting cash flows, cash and cash equivalents includes all cash on hand, cash in banks and certificates of deposit.

TOWN OF TULLOCH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 1996

NOTE 2 - ACCOUNTS RECEIVABLE AND DUE FROM OTHER GOVERNMENTAL UNITS

At June 30, 1995, amounts to be collected by the Town are as follows:

| | General Fund | Utility Fund | Memorandum Total |
|----------------------------|-----------------|-----------------|---------------------|
| ACCOUNTS RECEIVABLE | | | |
| Due For Utility Sales | \$ | \$13,393 | \$ 13,393 |
| Franchise Taxes Receivable | 1,945 | _____ | 1,945 |
| Total | \$ 1,945 | \$13,393 | \$ 15,338 |

**DUE FROM OTHER GOVERNMENTAL
UNITS (STATE OF LOUISIANA)**

| | | | |
|-------------------|----------|-------|----------|
| Tobacco Tax | \$ 309 | \$ | \$ 309 |
| Beer Tax | 865 | _____ | 865 |
| Video Poker Funds | 5,123 | _____ | 5,123 |
| Total | \$ 6,300 | _____ | \$ 6,300 |

At June 30, 1996 there were no material amounts of uncollectible receivables and there was no provision recorded on the books.

NOTE 3 - CASH AND CASH EQUIVALENTS

At June 30, 1995 the Town's cash balance totaled \$143,549 (book balance) and \$143,855 (bank balance). The composition of these accounts is as follows:

| | General Fund | Utility Fund | Total Book Balance | Bank Balance |
|---------------------------------------|-----------------|-----------------|--------------------------|-----------------|
| Demand Deposits, Non-Interest Bearing | \$ 21,427 | \$ 21,425 | \$ 42,852 | \$ 45,158 |
| Savings and Time Deposits | 18,013 | 80,664 | 98,677 | 98,697 |
| Total Cash and Cash Equivalents | \$ 40,440 | \$ 102,089 | \$ 143,549 | \$ 143,855 |

TOWN OF TULLOCH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS(CONTINUED)
FOR THE YEAR ENDED JUNE 30, 1990

NOTE 2 - CASH AND CASH EQUIVALENTS(CONTINUED)

Under state law, deposits with financial institutions must be secured by Federal Deposit Insurance or by the pledge of securities owned by the Bank. At June 30, 1990 all deposits with financial institutions were fully covered by Federal Deposit Insurance and pledged securities. A detail of the coverage amounts at June 30, 1990 is as follows:

| | |
|--|------------|
| Total cash at June 30, 1990 (bank balance) | \$ 293,120 |
| Less FDIC coverage | ___153,000 |
| Subtotal | 150,120 |
| | |
| Less amount secured by securities pledged to the Town, but held in the name of the financial institution (proceeds realized)- Market Value | ___153,120 |
| | |
| Excess of FDIC Insurance and pledged securities | \$ -0- |

NOTE 3 - AD VALOREM TAXES

The Town bills and collects its own property taxes using the assessed values determined by the Tax Assessor of LaSalle Parish. For the year ended June 30, 1990, the Town levied a 8.34 mills for general corporate purposes.

Ad valorem taxes are assessed on a calendar year basis and are due on or before December 31 in the year the tax is levied. Revenues from ad valorem taxes are recognized as revenue in the year billed. There were no material amounts of collectible ad valorem taxes at June 30, 1990.

NOTE 6 - PROPERTY AND EQUIPMENT

General Fund

A summary of the general fixed asset account group consists of the following:

| | Balance 6/30/89 | Additions | Disposals | Balance 6/30/90 |
|-----------|--------------------|-----------|-----------|--------------------|
| Equipment | \$ -0- | \$ 2,856 | \$ - | \$ 2,856 |
| Vehicle | -0- | 2,903 | - | 2,903 |
| | | | | |
| Total | \$ -0- | \$ 11,589 | - | \$ 11,589 |

WILLIAM D. EDWARDS

Certified Public Accountant, CPA
A Professional Accounting Corporation
Member: AICPA, IAFFA, IIA, ICFR, IIA, IIA, IIA

Mayor and Board of Aldermen
Town of Tulles
Tulles, Louisiana

December 23, 1996

Mayor and Board:

I have completed the audit of the Town of Tulles, Louisiana, for the year ended June 30, 1996, and for the operations for the year then ended.

As part of my audit I have issued a report titled Independent Auditors' Report on The Internal Control Structure Used in Administering Federal Financial Assistance Programs. In this report I referred to immaterial instances of non-compliance. These instances are minor and I did not feel a need to further expand my audit because of it. These instances are listed below.

1. There was an instance of a check with only one signature.
2. A police vehicle was purchased either without being competitively bid or no documentation of the price comparison.

If you have any questions of these minor findings, please do not hesitate to contact me.

Sincerely,



William D. Edwards, CPA APAC

WE:cm

TOWN OF TULLOCH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 1996

NOTE 9 - FEDERAL FINANCIAL ASSISTANCE

The Town of Tulloch, Louisiana has been awarded a Community Development Block Grant in the amount of approximately \$595,925. Grant funds were used to improve the Town's Water Distribution System and all transactions associated with the grant were recorded in the proprietary fund. The following expenditures were incurred in connection with the project:

| | |
|--------------------------------|-----------------------|
| Acquisition of Land | \$ 8,649 |
| Construction | |
| Administration | 35,000 |
| Public Works | <u>544,875</u> |
| Total Grant Funds Expended | \$ <u>588,524</u> |

All of the expenditures presented above are eligible for reimbursement under the grant. As of June 30, 1996, all eligible fund (\$588,524) had been received. The project has been successfully completed and the asset added to the depreciation schedule for the year ended June 30, 1996.

NOTE 10 - CONTRIBUTED CAPITAL

An analysis of the Town's contributed capital account is presented as follows:

| | |
|-----------------------------------|---------------------|
| Beginning Balance | \$ 1,112,606 |
| Current Additions - LTRHC Program | 129,700 |
| Ending Balance | \$ <u>1,242,306</u> |

NOTE 11 - RISK MANAGEMENT

The Town is exposed to various risk of loss related to torts; theft, damage or destruction of assets; errors and omissions; injuries to employees; and natural disasters. Insurance for these risk is provided by participation in a public entity risk pool that operates as a common insurance program for various municipalities. Settled claims resulting from these risk have not exceeded available coverage in any of the past three (3) years.

ACCOUNT GROUPS

| <u>Proprietary Fund</u> | <u>General Long Term Debt</u> | <u>Fixed Asset Group</u> | <u>Total (Items Only)</u> |
|-----------------------------|-----------------------------------|------------------------------|-------------------------------|
| \$ 120,000 | \$ | \$ | \$ 290,990 |
| 15,960 | | | 15,338 |
| | | | 3,944 |
| | | | 0,300 |
| | | | 4,120 |
| 1,703,442 | | 11,589 | 1,334,031 |
| | 120,000 | | 120,000 |
| <u>\$ 1,465,766</u> | <u>\$ 120,000</u> | <u>\$ 11,589</u> | <u>\$ 1,779,728</u> |

See accompanying notes and accountants' report.

WILLIAM D. EDWARDS

Certified Public Accountant
A Professional Accounting Corporation
Member: AICPA / Society of CPAs

Independent Auditors' Report on the Internal Control Structure Based on an Audit of General Purpose and Combining Financial Statements Performed in Accordance with Government Auditing Standards

The Mayor and Board of Aldermen
Town of Tallon
Tallon, Louisiana

I have audited the general purpose and combining financial statements of the Town of Tallon, Louisiana, as of and for the year ended June 30, 1996, and have issued my report thereon dated December 23, 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 general purpose and combining financial statements are free of material misstatement.

The management of the Town of Tallon, 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 recorded in accordance with management's authorization and recorded properly to permit the preparation of general purpose and combining 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 our audit of the general purpose and combining financial statements of the Town of Tallon, 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

we assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose and combining financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

I 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 coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgement, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose and combining financial statements.

My study of the authority's internal control structure disclosed a reportable condition in internal controls relating to segregation of duties. Due to its limited size, the entity does not have the personnel to adequately separate the internal accounting control duties. The segregation of duties is a decision that must be made by management on a cost - benefit basis. Management must determine if the costs of implementing an adequate internal control system will outweigh the benefits derived from such a system. This reportable condition is inherent in all small entities, and should not be construed as a failure in proper management. It concurs with management's opinion that the costs incurred to implement an adequate internal control system would exceed the benefits derived from such a system.

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

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, I believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of the Mayor, Board of Aldermen and management of the Town of Tallis, Louisiana. However, this report is a matter of public record and its distribution is not limited.



December 23, 1996
Ruston, Louisiana

WILLIAM D. EDWARDS

Chartered Public Accountant
A Professional Accounting Corporation
Member: AICPA, University of Louisiana

**Independent Auditors' Report on Compliance Based on an Audit of Financial
Statements Performed in Accordance with Government Auditing Standards**

Mayor and Board of Aldermen
Town of Tulles
Tulles, Louisiana

I have audited the general purpose and combining financial statements of the Town of Tulles, Louisiana, as of and for the year ended June 30, 1996, and have issued my report thereon dated December 23, 1996.

I conducted our 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 general purpose and combining financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Town of Tulles, Louisiana is the responsibility of the town's management. As part of obtaining reasonable assurance about whether the general purpose and combining financial statements are free of material misstatement, I performed tests of the town's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of my audit of the general purpose and combining 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 material instances of noncompliance that are required to be reported under Government Auditing Standards. However, two immaterial instances of noncompliance are noted in a separate letter to the town's board.

This report is intended for the information of the Mayor, Board of Aldermen and management of the Town of Tulles, Louisiana and the Legislative Auditor's Office. However, this report is a matter of public record, and its distribution is not limited.



December 23, 1996
Baton Rouge, Louisiana

TOWN OF TULLOCH, LOUISIANA
FEDERAL FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 1996

WILLIAM D. EDWARDS

Certified Public Accountant

A Professional Accounting Corporation

Member: AICPA / Society of CPAs

**INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE**

To the Mayor and Board of
Aldermen
Town of Tullos
Tullos, Louisiana

I have audited the general purpose financial statements of the Town of Tullos, Louisiana as of and for the year ended June 30, 1995, and have issued our report thereon dated December 23, 1995. These general-purpose financial statements are the responsibility of the Town'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. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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. I believe that my audit provides a reasonable basis for my opinion.

My audit was made for the purpose of forming an opinion on the general-purpose financial statements of the Town of Tullos, Louisiana, taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the general-purpose financial statements taken as a whole.



December 23, 1995
Nuston, Louisiana

TOWN OF TULLOIS, LOUISIANA
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
June 30, 1995

| <u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE</u> | <u>FEDERAL CFDA NUMBER</u> | <u>EXPENDITURES</u> |
|--|------------------------------------|---------------------|
| U. S. Department of Housing and Urban Development | | |
| Pass-through the State of Louisiana Division of Administration | 14.208 | \$ 200,700 |

WILLIAM B. EDWARDS

Certified Public Accountant
A Professional Accounting Corporation
Member: AICPA, Society of CPAs

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

To the Mayor and Board of Aldermen
Town of Tullos
Tullos, Louisiana

I have audited the general purpose financial statements of Town of Tullos, Louisiana, as of and for the year ended June 30, 1996, and have issued my report thereon dated December 23, 1996.

I have applied procedures to test the Town of Tullos, 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, civil rights, federal financial reports, allowable cost/allowable 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 are substantially less in scope than an audit, the objective of which is the expression of an opinion on organization'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 these 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 us to believe that Town of Tullos, Louisiana, had not complied, in all material respects, with these requirements.

This report is intended for the information of Mayor and Board of Aldermen, its cognizant audit agency, other agencies granting funds to the organization and the Legislative Auditor for the State of Louisiana. However, this report is a matter of public record.

William B. Edwards

Baton Rouge, Louisiana
December 23, 1996

WILLIAM D. EDWARDS

Certified Public Accountant
A Professional Accounting Corporation
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INDEPENDENT AUDITOR'S SINGLE AUDIT REPORT ON THE INTERNAL CONTROL STRUCTURE USED IN ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS

To the Mayor and Board of Aldermen of
Town of Tullos, Louisiana

I have audited the general purpose financial statements of Town of Tullos, Louisiana, as of and for the year ended June 30, 1995, and have issued my report thereon dated December 23, 1995.

I conducted my audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Circular A-128, Audit of State and Local Governments. These standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and whether Town of Tullos, Louisiana, complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing my audits for the year ended June 30, 1995, I considered the internal control structure of People Unlimited, Inc., in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements of Town of Tullos, Louisiana, and on the compliance of Town of Tullos, Louisiana, with requirements applicable to major programs 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.

The management of Town of Tullos, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, criteria 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 recorded 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 my evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

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

| General Requirements | Specific Requirements |
|--------------------------------|--|
| Political Activity | Types of services allowed or not allowed |
| Civil Rights | Reporting |
| Federal Financial Reports | Claims for advances and reimbursements |
| Allowable cost/vote principles | Amounts claimed or used for matching. |
| Drug-free Workplace Act | |
| Administrative requirements | |

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

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

I performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that I considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to Town of Tullos, Louisiana's nonmajor federal financial assistance program, which is identified in the accompanying Schedule of Federal and State Financial Assistance. 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 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 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. 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 the Mayor and Board of Aldermen of Town of Tullos, Louisiana, its cognate state agency, other agencies granting funds to the organization and the Legislative Auditor for the State of Louisiana. However, this report is a matter of public record.

William H. G. Foster
Houston, Louisiana
December 23, 1996

WILLIAM D. EDWARDS

Certified Public Accountant
A Professional Accounting Corporation
Member: AICPA / Society of CPAs

SINGLE AUDIT REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS

The Mayor and Board of Aldermen
Town of Tullos
Tullos, Louisiana

I have audited the general purpose financial statements of the Town of Tullos, Louisiana, primary government as of and for the year ended June 30, 1986, and have issued a qualified opinion thereon date December 23, 1986.

I have also tested the Town's compliance with the requirements governing types of services allowed or unallowed, and special test and provisions that are applicable to its major federal financial assistance programs, which is identified in the accompanying schedule of federal financial assistance, for the year ended June 30, 1986. The management of the Town of Tullos, Louisiana, is responsible for the Town's compliance with these requirements. My responsibility is to express an opinion on compliance with these requirements based on my audit.

I conducted my audit of compliance with these requirements in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-128, Audit of State and Local Governments. Those standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Town of Tullos, Louisiana's compliance with these requirements. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the Town of Tullos, Louisiana, complied, in all material respects, with the requirements governing types of service allowed or unallowed, and special test and provisions that are applicable to its major federal financial assistance programs for the year ended June 30, 1986.

This report is intended for the information of the Mayor, Board of Aldermen and the management of the Town of Tullos, Louisiana. However, this report is a matter of public record and its distribution is not limited.


William D. Edwards
Ruston, Louisiana
December 23, 1986

TOWN OF TULLOIS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS(CONTINUED)
FOR THE YEAR ENDED JUNE 30, 1994

NOTE 6 - PROPERTY AND EQUIPMENT(CONTINUED)

Proprietary Fund

A summary of the property and equipment in the Utility Fund at June 30, 1994 consists of the following:

| | Balance 6/30/93 | Additions | Disposals | Balance 6/30/94 |
|-----------------------------------|--------------------|------------------|-----------------|--------------------|
| Water Distribution System | \$ 904,661 | \$ 579,035 | \$ | \$1,483,736 |
| Equipment | \$ 16,636 | \$ 3,730 | \$ | \$ 20,366 |
| Land & Buildings | \$ 18,669 | \$ 7,488 | \$ | \$ 26,157 |
| Construction in Progress | \$ 449,376 | \$ 127,699 | \$79,875 | \$ 497,199 |
| Storm Collection System | \$ 218,800 | \$ | \$ | \$ 218,800 |
| Total | \$1,608,142 | 717,952 | 79,875 | 2,246,219 |
| Less Accumulated Depreciation | (384,572) | (35,730) | | (420,302) |
| Net Property and Equipment | \$1,223,570 | \$682,222 | \$79,875 | \$1,825,917 |

NOTE 7 - BOARD MEMBERS PER DIEM

| NAME | POSITION | AMOUNT |
|----------------|----------|---------|
| Fred Booth | Mayor | \$2,400 |
| Billy Dier Lee | Alderman | 300 |
| Barbara Pily | Alderman | 300 |
| Kim Maxwell | Alderman | 300 |
| Jim Arbogast | Alderman | 300 |
| Melba King | Alderman | 300 |

NOTE 8 - OPERATING LEASES

On June 30, 1994, the Town entered into an agreement to lease a tractor and related implements for a period of four (4) years. Minimum lease payments require an initial payment of \$2,785 and three annual installments of \$2,783 beginning in the fiscal year ended June 30, 1995. There is one more payment to be made. The terms of the lease also include a non-appropriation clause which allows the Town to return the tractor with no further obligation if funds are not available to meet future lease payments.

| | <u>Proprietary Fund</u> | <u>General Long Term Debt</u> | <u>Fixed Asset Group</u> | <u>Total (Money Only)</u> |
|----|-----------------------------|-----------------------------------|------------------------------|-------------------------------|
| \$ | 5,256 | \$ | \$ | \$ 7,189 |
| | 9,780 | | | 1,542 |
| | 3,993 | | | 9,780 |
| | | 120,000 | | 4,120 |
| | | | | 120,000 |
| | | | | 130,900 |
| | <u>18,999</u> | <u>120,000</u> | <u>0</u> | <u>260,901</u> |
| | 1,262,366 | | 11,589 | 1,273,895 |
| | 184,461 | | | 184,461 |
| | | | | 58,684 |
| | | | | 123 |
| | <u>1,446,767</u> | <u>0</u> | <u>11,589</u> | <u>1,517,149</u> |
| \$ | <u>1,465,766</u> | \$ <u>120,000</u> | \$ <u>11,589</u> | \$ <u>1,779,758</u> |

See accompanying notes and accountants' report.

TOWN OF TULLES, LOUISIANA

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 1996

GOVERNMENTAL FUND TYPES

| | <u>General</u> | <u>Debt Service</u> | <u>Capital Projects</u> |
|---|------------------|---------------------|-----------------------------|
| Cash and Cash Equivalents | \$ 43,500 | \$ | \$ 120,123 |
| Receivables | 1,945 | | |
| Prepaid Expenses | 5,944 | | |
| Due from Other - Governmental Units | 6,701 | | |
| Inventories Receivables | 3,993 | 127 | |
| Property & Equipment (Net Accumulated Depreciation) | | | |
| Amounts to be Provided for Retirement of General Long-Term Debt | | | |
| TOTAL | <u>\$ 62,119</u> | <u>\$ 127</u> | <u>\$ 120,123</u> |

See accompanying notes and accountants' report.

WILLIAM D. EDWARDS

Certified Public Accountant
A Professional Accounting Certification
Member: AICPA / Society of CPAs

INDEPENDENT AUDITORS' REPORT

To the Mayor and Board of Aldermen
Town of Tulles, Louisiana

I have audited the accompanying general purpose financial statements of the Town of Tulles, Louisiana as of June 30, 1996 and for the year then ended. These general purpose financial statements are the responsibility of the Town'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. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit 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.

The general purpose financial statements referred to above do not include the activities and balances of the General Fixed Asset Group of Accounts proper to July 1, 1985. As described in Note 1, the records of the General Fixed Asset Group of Accounts were incomplete as to the details concerning the various properties and equipment and the amount that should be recorded in the accompanying financial statements is not known prior to July 1, 1985.

In my opinion, except for the effect on the financial statements of the omission described in the preceding paragraph, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Tulles, Louisiana, as of June 30, 1996, and the results of its operations and cash flows of its proprietary fund type 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 23, 1996, on our consideration of the Town's internal control structure and a report dated December 23, 1996, on its compliance with laws and regulations.


William D. Edwards
Baton Rouge, Louisiana
December 23, 1996

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TOWN OF TULLES, LOUISIANA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 1966

1966
JUN 30 1966
TULLES, LA
1966

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 APR 15 1967

TOWN OF TULLOS, LOUISIANA

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
June 30, 1996

GOVERNMENTAL FUND TYPES

| | General | Debt Service | Capital Projects |
|--------------------------------------|-----------|--------------|---------------------|
| Accounts Payable | \$ 1,893 | \$ | \$ |
| Payroll Tax Liability | 1,540 | | |
| Motor Deposits | | | |
| Interfund Payables | | | 127 |
| General Long Term Debt | | | |
| Proceeds from Insurance of Bonds | | | 128,800 |
| Total Liabilities | 3,433 | | 128,927 |
| Fund Equity | | | |
| Contributed Capital | | | |
| Retained Earnings | | | |
| Fund Balance - Unreserved | 38,684 | | |
| Fund Balance - Reserved | | 127 | 0 |
| Total Equity | 38,684 | 127 | 0 |
| TOTAL LIABILITIES AND FUND EQUITY | \$ 62,119 | \$ 127 | \$ 128,927 |

See accompanying notes and accountants' report.