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GENERAL PURPOSE FINANCIAL STATEMENTS  
OF THE  
TOWN OF LEONVILLE, LOUISIANA  
FOR THE YEAR ENDED JUNE 30, 1998

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 MAY 03 1998

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*Barbara M. York*  
CERTIFIED PUBLIC ACCOUNTANT

## INDEPENDENT AUDITOR'S REPORT

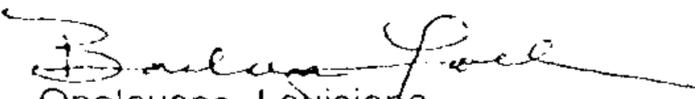
To the Honorable Mayor  
and Members of the Board of Aldermen  
Town of Leonville, Louisiana

I have audited the accompanying general purpose financial statements of the Town of Leonville, Louisiana, as of and for the year ended June 30, 1998. These general purpose financial statements are the responsibility of the Town of Leonville, Louisiana, management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

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

In my opinion, the general purpose financial statements, referred to above, present fairly, in all material respects, the financial position of the Town of Leonville, Louisiana, as of June 30, 1998, and the results of its operations and cash flows of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles.

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

  
Opelousas, Louisiana  
December 30, 1998



ACCOUNT GROUP	TOTALS (MEMORANDUM ONLY) June 30, 1998
GENERAL FIXED ASSETS	
	\$217,537
	4,959
	16,451
	63,614
	54
	1,679,060
8,912	8,912
86,556	86,556
36,111	36,111
<u>\$131,579</u>	<u>\$2,113,254</u>
	38,286
	12,005
<u>0</u>	<u>50,291</u>
	1,319,499
131,579	131,579
	586,275
	25,610
<u>131,579</u>	<u>2,062,963</u>
<u>\$131,579</u>	<u>\$2,113,254</u>

TOWN OF LEONVILLE, LOUISIANA  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE  
 ALL GOVERNMENTAL FUND TYPES  
 FOR THE YEAR ENDED JUNE 30, 1998

	GOVERNMENTAL FUND TYPE		TOTALS (MEMORANDUM ONLY)
	GENERAL	SPECIAL REVENUE	
<b>REVENUES</b>			
Franchise tax	23,506		23,506
Licenses	13,375		13,375
Intergovernmental	7,460	103,897	111,357
Fines	4,259		4,259
Interest income	408		408
Sales of fixed assets	15,517		15,517
Miscellaneous	0	745	120
Total revenue	64,525	104,642	168,542
<b>EXPENDITURES</b>			
Current			
Executive and administrative	25,838		25,838
Police department	51,246		51,246
Street department	72,612		72,612
Capital Outlay	0	104,643	104,643
Total expenditures	149,696	104,643	254,339
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(85,171)	(1)	(85,172)
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	78,000	0	78,000
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	(7,171)	(1)	(7,172)
<b>BEGINNING FUND BALANCE</b>	32,781	1	32,782
<b>ENDING FUND BALANCE</b>	\$25,610	\$0	\$25,610

See accountants' report and notes to financial statements.

TOWN OF LEONVILLE, LOUISIANA  
 GENERAL FUND  
 STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 1998

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Franchise tax	22,555	23,506	951
Licenses	12,660	13,375	715
Intergovernmental	7,130	7,460	330
Fines	4,475	4,259	(216)
Interest income	400	408	8
Sales of fixed assets	15,500	15,517	17
Miscellaneous	0	0	0
Total revenue	62,720	64,525	1,805
EXPENDITURES			
Current			
Executive and administrative	24,750	25,838	(1,088)
Police department	49,680	51,246	(1,566)
Street department	72,270	72,612	(342)
Total expenditures	146,700	149,696	(2,996)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(83,980)	(85,171)	(1,191)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	78,000	78,000	0
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(5,980)	(7,171)	(1,191)
BEGINNING FUND BALANCE	32,781	32,781	0
ENDING FUND BALANCE	\$26,801	\$25,610	(\$1,191)

See accountants' report and notes to financial statements.

TOWN OF LEONVILLE, LOUISIANA  
 COMBINING STATEMENT OF REVENUES, EXPENSES,  
 AND CHANGES IN FUND BALANCE  
 ALL PROPRIETARY FUND TYPES  
 FOR THE YEAR ENDED JUNE 30, 1998

OPERATING REVENUES	
Charges for services	457,171
Penalty income	9,560
Miscellaneous	5,594
Total revenue	472,325
OPERATING EXPENSES	
Personal service	197,917
Contractual services	39,587
Repairs & maintenance	38,403
Other	87,035
Total operating expenses	362,942
OPERATING INCOME BEFORE DEPRECIATION	109,383
DEPRECIATION	(59,595)
OPERATING INCOME	49,788
NONOPERATING REVENUES	
Interest income	2,539
Gain on sale of assets	0
Total nonoperating revenues	2,539
INCOME BEFORE OPERATING TRANSFERS	52,327
OPERATING TRANSFERS	
Operating transfers out	(78,000)
NET INCOME (LOSS)	(25,673)
BEGINNING RETAINED EARNINGS	614,948
ENDING RETAINED EARNINGS	589,275

See accountants' report and notes to financial statements.

TOWN OF LEONVILLE, LOUISIANA  
 COMBINED STATEMENT OF CASH FLOWS  
 ALL PROPRIETARY FUND TYPES  
 FOR THE YEAR ENDED JUNE 30, 1998

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$468,173
Cash payments to suppliers	(216,321)
Cash payments to employees	(197,917)
Net cash provided by operating activities	53,935
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Operating transfers out to other funds	(78,000)
Net cash (used) for non-capital financing activities	(78,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from grants	103,897
Contribution from customers	10,201
Purchase of depreciable assets	(153,090)
Net cash provided (used) for capital and related financing activities	(38,992)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	2,539
Net cash provided by investing activities	2,539
NET INCREASE IN CASH	(60,518)
CASH AND CASH EQUIVALENTS, beginning of year	253,895
CASH AND CASH EQUIVALENTS, end of year	\$193,377

See accountants' report and notes to financial statements.

TOWN OF LEONVILLE, LOUISIANA  
 ENTERPRISE FUNDS  
 COMBINING STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 1998

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

Operating income (loss)	\$49,788
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	59,595
Non-operating revenues (expenses)	
Changes in assets and liabilities:	
Increase in accounts receivable	(1,701)
Other increases ( decreases)	(2,023)
Increase in accrued water sales	(51,296)
Increase (decrease ) in accounts payable	54
Other increases (decreases)	(482)
Net cash provided (used) by operating activities	<u>\$53,935</u>

See accountants' report and notes to financial statements.

TOWN OF LEONVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. INTRODUCTION

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

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

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

B. FINANCIAL REPORTING ENTITY - BASIS OF PRESENTATION

THE REPORTING ENTITY

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

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

TOWN OF LEONVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1998

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

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

FUNDS AND ACCOUNT GROUPS

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

*Governmental Fund Types*

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

*Proprietary Fund Types*

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

*Account Groups*

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

TOTAL COLUMNS (MEMORANDUM ONLY)

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

C. BASIS OF ACCOUNTING

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

ACCRUAL BASIS OF ACCOUNTING

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

TOWN OF LEONVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1998

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

C. BASIS OF ACCOUNTING (cont'd)

MODIFIED ACCRUAL BASIS OF ACCOUNTING

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

TRANSFERS BETWEEN FUNDS

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

D. FIXED ASSETS

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

E. BUDGETS AND BUDGETARY ACCOUNTING

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

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

TOWN OF LEONVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1998

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

F. CASH AND INVESTMENTS

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

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

G. COMPENSATED ABSENCES

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

H. STATEMENT OF CASH FLOWS

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

I. BAD DEBTS

Uncollectible amounts due for customers' utility receivables are recognized as bad debts through the adjustment of an allowance account to the balance of individual's accounts who are no longer customers and are over ninety (90) days old at the end of each fiscal year. The allowance at June 30, 1998 was \$ 8,127 in the Water Fund and \$ 4,116 in the Gas Fund.

K. INVENTORIES

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

TOWN OF LEONVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1998

NOTE 2 - CASH AND CASH EQUIVALENTS

Under state law, the Town may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 1998, the Town has cash and cash equivalents totaling \$ 217,537. The amounts on deposit are all demand deposits.

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

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

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

NOTE 3 - EXPENDITURES - ACTUAL AND BUDGET

There were individual funds that had actual expenditures in excess of budgeted expenditures for the year ended June 30, 1998 as follows:

	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess</u>
General fund	\$ 146,700	\$ 149,696	\$ (2,996)

NOTE 4 - DUE FROM/TO OTHER FUNDS

At June 30, 1998, the Water Fund owed the General Fund \$54.

TOWN OF LEONVILLE, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 1998

NOTE 5 - COMPENSATION OF BOARD MEMBERS

A detail of the compensation paid to individual board members for the fiscal year ending June 30, 1998 is as follows:

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

NOTE 6 - ENTERPRISE FUND - FRANCHISE AGREEMENT

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

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

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

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

TOWN OF LEONVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1998

## NOTE 7 - PROPRIETARY FUND - FIXED ASSETS

The following is a summary of proprietary fund fixed assets at June 30, 1998:

	Water	Gas	Total
Utility, plant and other depreciable assets	\$1,880,260	\$550,358	\$2,430,618
Less - accumulated depreciation	(639,155)	(112,403)	(751,558)
Net property, plant and equipment	<u>\$1,241,105</u>	<u>\$437,955</u>	<u>\$1,679,060</u>

	Accumulated Cost	Depreciation	Net
Changes during the year:			
Water Fund:			
Balance, beginning of year	\$1,727,170	\$594,873	\$1,132,297
Assets purchased	153,090		153,090
Assets sold			0
Current depreciation		44,282	(44,282)
Accumulated depreciation on asset sold			0
Balance, end of year	<u>\$1,880,260</u>	<u>\$639,155</u>	<u>\$1,241,105</u>

Gas Fund:			
Balance, beginning of year	\$550,358	\$97,090	\$453,268
Assets purchased			
Depreciation		15,313	(15,313)
Balance, end of year	<u>\$550,358</u>	<u>\$112,403</u>	<u>\$437,955</u>

## NOTE 8 - PROPRIETARY FUND - CONTRIBUTED CAPITAL

	Water Fund	Gas Fund	Total
Contributions from:			
Membership fees	\$102,510	\$0	\$102,510
Customers	186,340	16,705	203,045
Anti-recession fund	3,723	1,850	5,573
Federal revenue sharing	3,269	12,179	15,448
Block grants	321,797	528,689	850,486
Department of transportation	<u>130,437</u>	<u>12,000</u>	<u>142,437</u>
Total contributed capital	<u>\$748,076</u>	<u>\$571,423</u>	<u>\$1,319,499</u>

TOWN OF LEONVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1998

## NOTE 9 - PROPRIETARY FUND - RESTRICTED ASSETS

The proprietary fund has restricted assets of \$12,005 for customer deposits in the Gas Fund.

## NOTE 10 SEGMENT INFORMATION - ENTERPRISE FUND

Segment information for the Enterprise Fund for the fiscal year ended June 30, 1998, is as follows:

	WATER	GAS	TOTAL
Operating revenue	\$384,097	\$88,228	\$472,325
Depreciation expense	44,282	15,313	59,595
Operating income (loss)	35,439	17,207	52,646
Operating transfers:			
In	0	0	0
Out	24,000	54,000	78,000
Net income (loss)	9,797	(35,470)	(25,673)
Net cash flows	(38,313)	(22,205)	(60,518)
Total assets	1,407,904	536,900	1,944,804
Bonds and other long-term liabilities	0	0	0
Total fund equity	1,382,637	523,137	1,905,774
Capital contributions from:			
Grants (before amortization)	321,797	528,689	850,486
Others	426,279	42,734	469,013
Property, plant and equipment:			
Additions	153,090	0	153,090
Deletions	0	0	0

## NOTE 11 ACCOUNT GROUPS - GENERAL FIXED ASSETS

## CHANGES IN GENERAL FIXED ASSETS

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

	Balance 6/30/96	Additions	Retirements/ Transfers	Balance 6/30/97
Land	\$8,912			\$8,912
Buildings	86,556		12,071	74,485
Equipment	48,182			48,182
Totals	\$143,650	\$0	\$12,071	\$131,579

TOWN OF LEONVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1998

NOTE 12 - RETIREMENT PLANS

GENERAL INFORMATION

The Town of Leonville, Louisiana, participates in funding two retirement plans. These plans are statewide funded plans which cover substantially all full-time employees. The payroll covered by these two systems for the year ended June 30, 1995, was comprised of the following:

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

The Town's total payroll for the year ended June 30, 1995 was \$158,790. The rates stated below were those in effect at June 30, 1994. The contribution requirements for the year ended June 30, 1995 were as follows:

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

PENSION BENEFIT OBLIGATION

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

TOWN OF LEONVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1998

NOTE 12 - RETIREMENT PLANSMUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

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

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

Generally, the monthly amount of the retirement allowance for any member shall consist of an amount equal to 2% of the member's final compensation multiplied by his years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified

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

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

TOWN OF LEONVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1998

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM

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

TOWN OF LEONVILLE, LOUISIANA  
GENERAL FUND  
BALANCE SHEET  
JUNE 30, 1998

## ASSETS

Cash	\$24,160
Taxes receivable	4,959
Returned checks	0
Due from other funds	0
Total assets	\$29,119

## LIABILITIES AND FUND BALANCE

## LIABILITIES

Accounts payable	\$3,509
Due to other funds	0
Total liabilities	3,509

## FUND BALANCE

Unreserved, undesignated	25,610
Total liabilities and fund balance	\$29,119

See accountants' report and notes to financial statements.

TOWN OF LEONVILLE, LOUISIANA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 1998

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Franchise tax	22,555	23,506	951
Licenses	12,660	13,375	715
Intergovernmental	7,130	7,460	330
Fines	4,475	4,259	(216)
Interest income	400	408	8
Sales of fixed assets	15,500	15,517	17
Miscellaneous	0	0	0
Total revenue	62,720	64,525	1,805
EXPENDITURES			
Current			
Executive and administrative	24,750	25,838	(1,088)
Police department	49,680	51,246	(1,566)
Street department	72,270	72,612	(342)
Total expenditures	146,700	149,696	(2,996)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(83,980)	(85,171)	(1,191)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	78,000	78,000	0
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(5,980)	(7,171)	(1,191)
BEGINNING FUND BALANCE	32,781	32,781	0
ENDING FUND BALANCE	\$26,801	\$25,610	(\$1,191)

See accountants' report and notes to financial statements.

TOWN OF LEONVILLE, LOUISIANA  
GENERAL FUND  
DETAILED SCHEDULE OF REVENUES  
BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 1998

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>FRANCHISE TAXES</b>			
SLEMCO	7,280	7,439	159
Entergy	14,100	14,291	191
Cable TV	1,175	1,776	601
Total franchises	22,555	23,506	951
<b>LICENSES</b>			
Occupational licenses	12,660	13,375	715
Total licenses	12,660	13,375	715
<b>INTERGOVERNMENTAL</b>			
State tobacco tax	4,460	4,461	1
State beer tax	1,130	1,460	330
Housing Authority	1,540	1,539	(1)
Total - intergovernmental	7,130	7,460	330
<b>FINES</b>			
Court fines	4,475	4,259	(216)
Total fines	4,475	4,259	(216)
<b>INTEREST INCOME</b>			
Interest earned on investments	400	408	8
Total interest income	400	408	8
<b>MISCELLANEOUS</b>			
Sundry	15,500	15,517	17
Total miscellaneous	15,500	15,517	17
<b>SALE OF FIXED ASSETS</b>			
Sale of fixed assets	0	0	0
Total sale of fixed assets	550	0	0
Total revenues	\$63,270	\$64,525	\$1,805

See accountants' report and notes to financial statements.

TOWN OF LEONVILLE, LOUISIANA  
GENERAL FUND  
DETAILED SCHEDULE OF EXPENDITURES  
BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 1998

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>EXECUTIVE AND ADMINISTRATIVE</b>			
Salaries	3,450	3,559	(109)
Payroll taxes	125	135	(10)
Retirement	35	28	7
Employee benefits	3,850	3,849	1
Accounting	1,050	1,050	0
Advertising	60	86	(26)
Attorney fees	800	800	
Bank charges	40	36	4
Dues & subscriptions	350	351	(1)
Electricity	2,870	2,924	(54)
Insurance	5,140	5,156	(16)
Janitorial	660	752	(92)
Office supplies	1,440	1,731	(291)
Kitchen supplies	420	432	(12)
Park rent	360	360	0
Telephone	1,100	1,066	34
Miscellaneous	3,000	3,523	(523)
Total executive and administrative	24,750	25,838	(1,088)
<b>POLICE DEPARTMENT</b>			
Salaries	28,900	28,900	0
Payroll taxes	280	291	(11)
Retirement	2,890	2,923	(33)
Employee benefits	2,230	2,290	(60)
Automobile expenses	6,300	6,874	(574)
Supplies	900	892	8
Uniforms	560	986	(426)
Insurance	5,320	5,536	(216)
Miscellaneous	2,300	2,554	(254)
Total police department	49,680	51,246	(3,143)
<b>STREET DEPARTMENT</b>			
Street materials	59,200	59,540	(340)
Electricity-street lights	10,360	10,368	(8)
Miscellaneous	2,710	2,704	6
Total street department	72,270	72,612	(342)

See accountants' report and notes to financial statements.

TOWN OF LEONVILLE, LOUISIANA  
SPECIAL REVENUE FUND  
BALANCE SHEET  
JUNE 30, 1998

## ASSETS

Cash	\$0
Accounts receivable	7,698
Due from water fund	<u>54</u>
Total assets	<u><u>\$7,752</u></u>

## LIABILITIES AND FUND BALANCE

## LIABILITIES

Contracts payable	<u>\$7,752</u>
Total liabilities	<u>7,752</u>

## FUND BALANCE

Unreserved, undesignated	<u>0</u>
Total liabilities and fund balance	<u><u>\$7,752</u></u>

See accountants' report and notes to financial statements.

TOWN OF LEONVILLE, LOUISIANA  
SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 1998

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Water fund	0	745	745
Creswell extension grant	0	103,897	(103,897)
Total revenue	0	104,642	745
EXPENDITURES			
Capital Outlay	0	104,643	(104,643)
Total expenditures	0	104,643	(104,643)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	0	(1)	(1)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	0	0	0
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	0	(1)	(1)
BEGINNING FUND BALANCE	1	1	0
ENDING FUND BALANCE	\$1	\$0	(\$1)

See accountants' report and notes to financial statements.

TOWN OF LEONVILLE, LOUISIANA  
 ENTERPRISE FUNDS  
 COMBINING BALANCE SHEET  
 JUNE 30, 1998

	WATER FUND	GAS FUND	TOTALS (MEMORANDUM ONLY)
<b>CURRENT ASSETS</b>			
Cash	\$102,251	\$91,126	\$193,377
Accrued water sales	15,258	1,193	16,451
Accounts receivable, net of allowance for uncollectibles	49,290	6,626	55,916
Due from other funds	0	0	0
<u>Total current assets</u>	<u>166,799</u>	<u>98,945</u>	<u>265,744</u>
<b>RESTRICTED ASSETS</b>			
Cash	0	0	0
<u>Total restricted assets</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>PROPERTY, PLANT AND EQUIPMENT</b>			
Utility plant and depreciable assets, net	1,241,105	437,955	1,679,060
<u>Total property, plant and equipment</u>	<u>1,241,105</u>	<u>437,955</u>	<u>1,679,060</u>
<u>Total assets</u>	<u>\$1,407,904</u>	<u>\$536,900</u>	<u>\$1,944,804</u>

See accountants' report and notes to financial statements.

TOWN OF LEONVILLE, LOUISIANA  
ENTERPRISE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 1998

	WATER FUND	GAS FUND	TOTALS (MEMRANDUM ONLY)
LIABILITIES AND FUND EQUITY			
CURRENT LIABILITIES			
Accounts payable	\$25,267	\$1,758	\$27,025
Customer deposits		12,005	12,005
Due to other funds	0		0
<u>Total liabilities</u>	<u>25,267</u>	<u>13,763</u>	<u>39,030</u>
FUND EQUITY			
Contributed capital	748,076	571,423	1,319,499
Unreserved, undesignated	634,561	(48,286)	586,275
<u>Total fund equity</u>	<u>1,382,637</u>	<u>523,137</u>	<u>1,905,774</u>
<u>Total liabilities and fund equity</u>	<u>\$1,407,904</u>	<u>\$536,900</u>	<u>\$1,944,804</u>

See accountants' report and notes to financial statements.

TOWN OF LEONVILLE, LOUISIANA  
 ENTERPRISE FUNDS  
 COMBINING STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 1998

	WATER FUND	GAS FUND	TOTALS (MEMORANDUM ONLY)
Reconciliation of operating income to net cash provided (used) for operating activities:			
Operating income (loss)	\$32,581	\$17,207	\$49,788
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	44,282	15,313	59,595
Non-operating revenues (expenses)			
Changes in assets and liabilities:			
(Increase) decrease accounts receivable	(1,740)	39	(1,701)
(Increase) decrease accrued water sales	(3,154)	1,131	(2,023)
Increase (decrease) in accounts payable	(51,904)	608	(51,296)
Increase (decrease) due to other funds	54	0	54
Other increases (decreases)	3,344	(3,826)	(482)
Net cash provided (used) by operating activities	<u>\$23,463</u>	<u>\$30,472</u>	<u>\$53,935</u>

See accountants' report and notes to financial statements.

TOWN OF LEONVILLE, LOUISIANA  
 ENTERPRISE FUNDS  
 COMBINING SCHEDULE OF OPERATING EXPENSES  
 FOR THE YEAR ENDED JUNE 30, 1998

	WATER FUND	GAS FUND	TOTALS (MEMORANDUM ONLY)
<b>OPERATING EXPENSES</b>			
Personal service			
Salaries	\$154,869	\$8,428	\$163,297
Payroll taxes	12,058	659	12,717
Retirement	3,657	196	3,853
Employee benefits	18,050	0	18,050
<u>Total personal services</u>	<u>188,634</u>	<u>9,283</u>	<u>197,917</u>
Contractual services			
Gas purchases	0	39,587	39,587
Repairs & maintenance			
Repairs & maintenance	36,462	1,941	38,403
Other			
Advertising	30		30
Attorney fees	121		
Accounting	2,100	1,050	
Bad debts	996	171	1,167
Computer expense	1,000		1,000
Electricity	31,281		31,281
Engineering fees	361	343	704
Insurance	22,487	717	23,204
Supplies	1,483	434	1,917
Telephone	783		783
Truck expense	6,664		6,664
Uniforms	2,455		2,455
Rent - tank sites	300		300
Miscellaneous	12,077	2,182	14,259
<u>Total other</u>	<u>82,138</u>	<u>4,897</u>	<u>87,035</u>
<u>Total operating expenses</u>	<u>\$307,234</u>	<u>\$55,708</u>	<u>\$362,942</u>

See accountants' report and notes to financial statements.

TOWN OF LEONVILLE, LOUISIANA  
STATEMENT OF CHANGES IN GENERAL FIXED ASSETS  
FOR THE YEAR ENDED JUNE 30, 1998

	LAND	BUILDINGS	EQUIPMENT	TOTALS
GENERAL FIXED ASSETS. Beginning of year	\$8,912	\$86,556	\$36,111	\$131,579
ADDITIONS				
General fund revenues	0	0	0	0
DEDUCTIONS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
GENERAL FIXED ASSETS. End of year	<u>\$8,912</u>	<u>\$86,556</u>	<u>\$36,111</u>	<u>\$131,579</u>

See accountants' report and notes to financial statements.

*Barbara M. York*

CERTIFIED PUBLIC ACCOUNTANT

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

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

I have audited the financial statements of the Town of Leonville, Louisiana, as of and for the year ended June 30, 1998, and have issued my report thereon dated December 30, 1998. I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the grant revenues and allowable expenses are free of material misstatements.

### Compliance

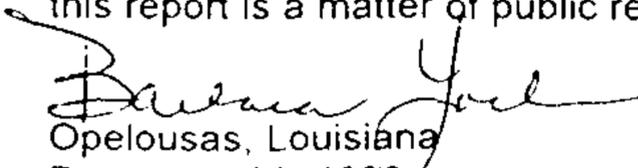
As part of obtaining reasonable assurance about whether the Town of Leonville's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

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

### Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Town of Leonville, Louisiana's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

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

  
Opelousas, Louisiana  
December 30, 1998