

Town of Natchitoches, Louisiana

Schedule of Findings and Questioned Costs

June 30, 1997

- 1) **Findings:** Due to the small number of employees, the Town did not have an adequate segregation of functions within the accounting system.
- Recommendation:** Based upon the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.
- Response:** No Response is considered necessary.
- 2) **Findings:** The state bid law requires Towns to obtain bids for purchases of \$1,000 or more for materials and supplies. The Town had two instances of non-compliance with this law.
- Recommendation:** We recommend that the Town obtain bids on materials and supplies as required under the public bid law.
- Response:** The Town will comply with the public bid law.
- 3) **Findings:** The police received \$4000 from the Evangeline Parish District Attorney's Office. They opened a BANK account where the Chief and Assistant Chief sign on the account. The Mayor and Aldermen had no oversight responsibility for these funds.
- Recommendation:** We recommend that these funds be transferred to a Town of Natchitoches account where expenditures will be authorized by the Mayor and Aldermen and checks will be issued by the Town Treasurer.
- Response:** The Town will insist that the Chief of Police turn these funds over to the Town treasurer whereby expenditures can be routed thru the proper channels of the Towns accounting system.

Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable conditions described above are material weaknesses.

This report is intended for the information of the management. However, this report is a matter of public record and its distribution is NOT LIMITED.

Walter V. Jr. & T. J. Jr.

Wolfe, T. Jr. & T. J. Jr.
September 23, 1997

VERLON, VICK & THASIN
A CORPORATION OF GEORGIA-PUBLIC ACCOUNTANTS

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MEMBER FIRM OF AICPA
MEMBER FIRM OF CPAA

STATE OF MISSISSIPPI
REGISTERED PUBLIC ACCOUNTANTS
No. 111
ISSUED 11/14/87

Report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards

The honorable John Q. Davis, Mayor,
and Members of the Board of Aldermen,
Town of Basile, Louisiana

We have audited the financial statements of The Town of Basile as of and for the year ended June 30, 1987 and have issued our report thereon dated September 23, 1987. We conducted our audit in accordance with generally accepted auditing standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether The Town of Basile's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which would 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 our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards which are described in the accompanying schedule of findings and questioned costs.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered The Town of Basile's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect The Town of Basile's ability to record, process, summarize and report financial data consistently with the requirements of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs, as items (1) and (2).

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.

1997		1996		1995		1994		General and Administrative	
1997	1996	1997	1996	1997	1996	1997	1996	1997	1996
\$ 276,212	\$209,750	\$ 80,462	\$ 74,067	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,277	928	321	366	-	-	-	-	-	-
4,289	2,893	1,791	1,933	-	-	-	-	-	-
4,289	2,893	17,723	17,728	-	-	-	-	-	-
<u>208,859</u>	<u>200,766</u>	<u>103,283</u>	<u>106,134</u>	-	-	-	-	-	-
36,880	27,894	32,247	32,732	-	-	-	-	-	-
7,780	2,588	1,324	1,627	12,797	16,420	-	-	-	-
2,744	2,799	25,927	28,071	2,585	4,229	-	-	-	-
67,747	78,812	-	-	-	-	-	-	-	-
62,557	62,624	32,994	34,762	4,672	2,442	-	-	-	-
-	-	-	-	2,277	2,893	-	-	-	-
2,832	2,219	12,244	11,923	-	-	-	-	-	-
-	-	-	-	2,186	2,442	-	-	-	-
-	-	-	-	662	622	-	-	-	-
-	-	-	-	2,896	2,442	-	-	-	-
-	-	-	-	2,896	2,442	-	-	-	-
456	456	-	-	2,642	2,442	-	-	-	-
34,922	32,428	6,127	7,833	<u>206,282</u>	<u>207,526</u>	-	-	-	-
<u>208,859</u>	<u>200,766</u>	<u>103,283</u>	<u>106,134</u>	-	-	-	-	-	-
\$ 21,238	\$ 20,232	\$ 11,024	\$ 12,222	\$ -	\$ -	-	-	-	-

STATE OF MICHIGAN, 1997 FISCAL
Operating Fund
Utility Fund

Comparative Departmental Analysis of Operating Revenues and Expenses
Years Ended June 30, 1997 and 1996

	Totals		Dollars	
	1997	1996	1997	1996
Operating revenues:				
Customer service charges	\$56,270	\$ 405,884	\$ 210,583	\$ 1,141,422
Concession charges	5,750	2,447	2,275	1,737
Relinquish charges	11,218	10,584	4,293	4,265
Miscellaneous	34,225	10,162	4,262	1,200
Total operating revenues	107,463	429,077	221,413	1,148,624
Operating expenses:				
Salaries	87,500	88,168	24,281	23,425
Payroll taxes and retirement	8,724	10,990	2,548	4,252
Insurance	17,747	17,433	-	-
Utilities, maintenance and capital	47,438	44,477	11,286	1,758
Tax and water purchased	162,216	171,486	55,755	66,875
Depreciation	102,484	100,581	46,827	51,898
Office expense	5,277	2,761	-	-
Telephone and utilities	10,488	14,113	1,212	1,268
Auto expense and travel	3,188	2,418	-	-
Fuel	581	581	-	-
Professional fees	2,499	2,441	-	-
Bad debts	2,000	2,411	-	-
Miscellaneous	5,421	2,566	2,207	1,656
Allocation of general and administrative expenses (based on services)	-	-	11,588	21,892
Total operating expenses	526,348	497,222	165,462	186,717
Net operating income	548,115	931,855	55,951	961,907
Nonoperating revenues (expenses):				
Interest income	1,700	1,662	-	-
Interest expense	(55,134)	(41,287)	-	-
Grant	-	46,787	-	-
Loss on disposition of assets	(2,200)	-	-	-
Total nonoperating expenses	(55,634)	(33,838)	-	-
Income (loss) before operating transfers	492,481	898,017	55,951	961,907
Operating transfers in (out):				
Operating transfers in	88,144	34,200	-	-
Operating transfers out	(251,264)	(100,266)	-	-
Total operating transfers	(163,120)	(66,066)	-	-
Net income (loss)	329,361	831,951	55,951	961,907
Add: Depreciation on fixed assets acquired by Federal and grantee revenues (exclusive of restricted for capital acquisitions and reported on that Federal contributed capital)	10,436	48,628	-	-
Revised earnings, beginning	339,797	880,579	55,951	961,907
Revised earnings, ending	\$450,233	\$929,207	\$55,951	\$961,907

BOON OF BATTLE, LOUISIANA
Electric Power
Utility Fund

Schedule of Number of Utility Customers
(Unaudited)
June 30, 1997

Records maintained by the Town indicated the following number of customers were being served during the month of June, 1997 and 1998:

<u>Department</u>	<u>1997</u>	<u>1998</u>
Gas	409	408
Water	641	645
Sewerage	1,607	1,603

OTHER SUPPLEMENTARY INFORMATION

TOWN OF BACILE, LOUISIANA
Special Revenue Fund

Comparative Statements of Revenues and Expenditures
 Years Ended June 30, 1957 and 1956

	<u>1957</u>	<u>1956</u>
Revenues:		
Taxes	\$131,320	\$ 96,878
Expenditures:		
General -		
General government:		
Miscellaneous	-	-
Excess of revenues over expenditures	131,320	96,878
Other financing uses:		
Operating indebtedness net	(131,488)	(131,820)
Excess (deficiency) of revenues over expenditures and other uses	\$131,320	\$ 96,878

SPECIAL REVENUE FUND

Sales Tax Fund - To account for the receipts of proceeds of the town's 3% sales and use tax. These taxes are dedicated to general maintenance, street repairs and maintenance, and supplementing salaries. Proceeds of the sales and use tax have been pledged and dedicated to the retirement of the Revenue Bonds.

BOON OF BASILE, LOUISIANA

Statement of Changes in General Fixed Assets
Year Ended June 30, 1987

	<u>Local</u>	<u>Parishian</u>	<u>Diocesan</u>	<u>Total</u>
General fixed assets, beginning of year	\$17,780	\$ 529,160	\$ 192,812	\$749,754
Additions:				
General Fund revenues	-	28,393	27,234	55,727
State Grants	-	15,500	15,500	31,000
General fixed assets, end of year	<u>\$17,780</u>	<u>\$ 573,053</u>	<u>\$ 235,546</u>	<u>\$826,382</u>

WOMEN OF GREAT BRITAIN, LONDON

Comparative Statements of General Fixed Assets
June 30, 1997 and 1998

	<u>1997</u>	<u>1998</u>
General fixed assets:		
Land	\$ 15,780	\$ 15,780
Buildings	578,875	578,382
Equipment	<u>218,883</u>	<u>182,222</u>
Total general fixed assets	<u>\$ 813,538</u>	<u>\$ 776,384</u>
Investment in general fixed assets:		
Property acquired from -		
General obligation bonds	\$ 8,432	\$ 8,432
Federal grants	510,798	510,798
General fund revenues	227,938	178,287
Gifts	12,971	12,971
State grants	<u>43,789</u>	<u>18,432</u>
Total investment in general fixed assets	<u>\$ 813,538</u>	<u>\$ 776,384</u>

GENERAL FUND ASSETS ACCOUNT GROUP

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

TOWN OF BASKIN, LOUISIANA
General Fund

Comparative Statements of Expenditures
Years Ended June 30, 1987 and 1986

	<u>1987</u>	<u>1986</u>
General government:		
Advertising and legal services	\$ 1,213	\$ 1,464
Fees and subscriptions	793	973
Education and travel	3,333	3,323
Group insurance	50,548	4,834
Insurance	33,527	32,765
Miscellaneous	6,418	3,394
Office expenses	4,263	3,847
Payroll taxes and retirement	6,840	6,396
Professional fees	6,898	7,861
Salaries	54,334	54,871
Supplies and materials - mayor and council	2,400	2,400
Utilities and telephone	8,238	8,048
Total general government	<u>186,532</u>	<u>176,412</u>
Public safety:		
Police department -		
Education and travel	3,844	1,741
Gas, oil and maintenance	7,525	31,943
Group insurance	3,821	3,820
Miscellaneous		
Payroll taxes	12,425	31,396
Repairs and maintenance	7,362	4,429
Salaries	142,921	127,433
Uniforms	3,493	1,594
Utilities and telephone	6,731	6,728
Total police department	<u>187,822</u>	<u>187,684</u>
Fire department -		
General operations	8,745	8,171
Gas, oil and maintenance	828	848
Total fire department	<u>9,573</u>	<u>9,019</u>
Total public safety	<u>197,395</u>	<u>196,703</u>
Streets and drainage:		
Gas, oil and maintenance		
Salaries	8,447	12,321
Supplies	48,061	38,087
Repairs and maintenance	12,381	6,766
Payroll taxes and retirement	18,726	7,047
Street lighting	4,088	4,020
Utilities and telephone	18,766	18,728
Total streets and drainage	<u>116,216</u>	<u>107,000</u>
Capital outlays:		
Equipment & Buildings	64,766	13,000
Total expenditures	<u>2,811,252</u>	<u>2,603,624</u>

TOWN OF BRILL, LOUISIANA
General Fund

Comparative Statements of Revenue
Years Ended June 30, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Taxes:		
Ad valorem	\$ 39,013	\$ 39,487
Franchise	<u>22,892</u>	<u>22,721</u>
Total taxes	<u>61,905</u>	<u>62,208</u>
License and permit - occupational	<u>29,808</u>	<u>28,071</u>
Intergovernmental:		
State of Louisiana -		
Grant Revenue	31,238	3,300
Tobacco tax	3,231	3,828
Beer tax	4,863	5,542
Video poker	<u>3,500</u>	<u>3,213</u>
Total intergovernmental	<u>42,832</u>	<u>20,883</u>
Fines and forfeits	<u>22,884</u>	<u>22,242</u>
Miscellaneous:		
Collection fees	2,980	2,708
Special license	2,990	3,880
Other	<u>3,282</u>	<u>3,282</u>
Total miscellaneous	<u>9,252</u>	<u>10,270</u>
Total revenue	<u>\$133,833</u>	<u>\$136,802</u>

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS
AND ACCOUNT STATE

Town of Basile, Louisiana

Notes to Financial Statements (Continued)

124) Contributed Capital

Amounts contributed to the enterprise fund for acquisition or construction of fixed assets are recognized as contributed capital. Contributed capital generated through grants externally restricted for capital acquisitions is amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such grants. This amortization is shown to the appropriate contributed capital account and is reflected as an adjustment to net income on the Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings.

The sources of contributed capital used to acquire and construct facilities for the Enterprise fund are as follows:

	<u>Municipality</u> <u>and Grants</u>
Total contributed capital	\$ 2,917,248
Less: Accumulated amortization	(1,086,322)
Net contributed capital	<u>\$ 1,830,926</u>

125) General Information for the Enterprise Fund

The Town of Basile maintains one Enterprise Fund with three departments which provide gas, water, and sewer services. Segment information for the year ended June 30, 1997, was as follows:

	<u>Gas</u> <u>Department</u>	<u>Water</u> <u>Department</u>	<u>Sewer</u> <u>Department</u>	<u>Total</u> <u>Enterprise</u> <u>Fund</u>
Operating revenues	\$ 282,812	\$ 214,781	\$ 209,274	\$ 706,867
Operating expenses	<u>189,322</u>	<u>118,262</u>	<u>212,712</u>	<u>519,296</u>
Operating income (loss)	<u>93,490</u>	<u>96,519</u>	<u>(3,438)</u>	<u>186,571</u>

126) Compensation of Town Officials

A detail of compensation paid to the Mayor and Board of Aldermen for the year ended June 30, 1997, follows:

John G. Davis, Mayor	\$ 9,400
<u>Aldermen:</u>	
Frank Connor	400
Ronald Demotte	400
James P. Fuglechin	400
Wyllan Boone	400
William Reed	400
	<u>1,600</u>
	<u>\$ 11,000</u>

TEAM OF BASILE, LOUISIANA.

NOTES TO FINANCIAL STATEMENTS (Continued)

Basile, Louisiana by the System for the year ended June 30, 1977, was \$281,013. The Team's total payroll was \$238,794.

All permanent employees working at least 20 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan B, employees who retire at or after age 60 with at least 10 years of creditable service or at or after age 55 with at least 15 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average monthly salary for each year of creditable service. Furthermore, employees with at least 10 years of creditable service, but less than 15 years, may take early retirement benefits commencing at or after age 55, with the basic benefit reduced 3 percent for each year retirement precedes age 60, unless he has at least 20 years of creditable service. In any case, monthly retirement benefits paid under Plan B cannot exceed 100 percent of final-average salary. Final-average salary is the employee's average salary over the 24 consecutive or pooled months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7007 Delta Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (504) 924-8218.

Funding Policy. Under Plan B, members are required by state statute to contribute 1.0 percent of their annual covered salary and the Team of Basile is required to contribute at an actuarially determined rate. The current rate is 3.25 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Team of Basile are established and may be amended by state statute, as provided by Louisiana Revised Statute 11:323. The employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Team of Basile's contributions to the System under Plan B for the years ending December 31, 1977 and 1978 were \$1,941 and \$6,117, respectively, equal to the required contributions for each year.

(13) Natural Gas Contract

The Team of Basile, under contract is required to purchase its natural gas from Transco Energy Corporation unless or until terminated either by either of them upon twelve months prior written notice. The Team purchased natural gas for the year ended June 30, 1977 in the amount of \$26,353 of which \$1,455 was used for purchases for the month of June, 1977.

TOWN OF BEAILE, LOUISIANA

Notes to Financial Statements (Continued)

payment of the reasonable and necessary expenses of operating and maintaining the system.

Each month, there will be set aside into a fund called the Water Reserve Bond and Interest Sinking Fund, an amount constituting 1/12 of the next maturing installment of principal and interest on the outstanding bonds. Such installments shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due, and may be used only for such payments.

There shall be also set aside into a Bond Reserve Fund, an amount of \$125 per month until there shall have been accumulated in the Reserve Account an amount equal to the maximum principal and interest requirements in any one maturity year. Such amounts may be used only for the payments of maturing bonds and interest coupons for which sufficient funds are not on deposit in the Bond and Interest Sinking Fund and as to which there would otherwise be default.

Funds will also be set aside into a Depreciation and Contingency Fund at the rate of \$450 per month. Money in this fund may be used for the making of extensions, additions, improvements, renewals, and replacements to the system which are necessary to keep the system in operating condition and for which money is not available as a maintenance and operating expense. Money in this fund may also be used to pay principal or interest on the bonds falling due at any time there is not sufficient money for payment in the other bond funds.

All of the revenues received in any fiscal year and not required to be paid in such fiscal year into any of the above noted funds shall be regarded as surplus and may be used for any lawful corporate purpose.

The Town of Beale was in compliance with all significant limitations and restrictions in this bond indenture at June 30, 1997.

(iii) Utility Customer Deposits

The accounts of the Town include a liability for utility customer deposits of \$26,105. As of June 30, 1997, the Town has a separate bank account with a balance of \$5,082 and a certificate of deposit with a balance of \$21,023 specifically set aside for customer water deposits.

(iv) Employee Retirement

All employees of the Town of Beale belong to the Social Security Retirement System. The Town and its employees contribute a percentage of each employee's salary to the System (7.65% contributed by the Town, 7.65% by the employee). The Town's contribution during the year ended June 30, 1997, amounted to \$27,062.

Municipal Employee's Retirement System

Substantially all full-time employees except police of the Town of Beale are eligible to be covered under the Municipal Employee's Retirement System of Louisiana (Plan B), a multiple-employer, Public Employee Retirement System (PERS), controlled and administered by a separate Board of Trustees. The payroll for employees of the Town of

TOWN OF EARLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

or areas outside of the corporate limits of the municipality, but within the Parish of Evangeline, industrial plant buildings and other necessary property, apparatuses or equipment, therefor, or for any one or more of said purposes; and such tax to be subject to funding into bonds.

1201 Time of Funds: Maturations of Deb. - Utility Revenue

Water Utility Bonds:

Under the terms of the bond indenture on outstanding Water and Sewer Utility Bonds, dated June 1, 1938, all income and revenues (hereinafter referred to as revenues) of every nature, earned or derived from operation of the Utility System are pledged and dedicated to the retirement of said bonds, and to be set aside into the following special funds:

Out of the revenues there shall be set aside from time to time into an Operation and Maintenance Fund, amounts sufficient to provide for the payment of the reasonable and necessary expenses of operating and maintaining the system.

Each month, there will be set aside into a fund called the Bond and Interest Redemption (Sinking) Fund, an amount constituting 1/12 of the next maturing installment of principal and 1/8 of the next maturing installment of interest on the outstanding bonds. Such payments shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due, and may be used only for such payments.

There shall be also set aside into a Bond Reserve Fund, an amount of \$500 per month until there shall have been accumulated in the Reserve Account an amount equal to the minimum principal and interest requirements in any one maturity year. Such amounts may be used only for the payments of maturing bonds and interest coupons for which sufficient funds are not on deposit in the Bond and Interest Redemption Fund and as to which there would otherwise be default.

Funds will also be set aside into a Contingency Fund at the rate of 1% of the gross sewer revenue collected monthly. Money in this fund may be used for the making of extraordinary repairs or replacements to the system which are necessary to keep the system in operating condition and for which money is not available as a maintenance and operating expense. Money in this fund may also be used to pay principal or interest on the bonds falling due at any time there is not sufficient money for payment in the other bond funds.

Water Utility Bonds:

Under the terms of the bond indenture on outstanding Water Utility Bonds, dated March 27, 1938, all income and revenues (hereinafter referred to as revenues) of every nature, earned or derived from operation of the Utility System are pledged and dedicated to the retirement of said bonds, and are to be set aside into the following special funds:

Out of the revenues there shall be set aside from time to time into an Operation and Maintenance Fund, amounts sufficient to provide for the

TECH OF HANILE, LOUISIANA

Notes to Financial Statements (CONTINUED)

2078,480 Water Revenue Bonds dated 5/27/85; due in monthly installments of \$1,204.00, which include interest through March 31, 2015; interest at 4 1/2% per annum	<u>\$21,025</u>
	<u>\$22,424</u>

The annual requirements to amortize all debt outstanding as of June 30, 1987, including interest payments of \$1,811,034, are as follows:

Year Ending <u>June 30</u>	<u>Payments</u>
1988	\$ 46,138
1989	44,373
1990	51,589
2001	51,589
2002	51,589
2003-2015	<u>1,586,138</u>
	<u>\$1,971,426</u>

(7) Dedication of Proceeds and Flow of Funds

A. Appropriation of Proceeds and Flow of Funds - 1% Sales and Use Tax Bond 2,007,000

Proceeds of this 1% sales and use tax levied by the Town of Hanile (1986-1987 collections - \$28,008) are dedicated for any lawful corporate expenditures, including the funding debt bonds.

B. Appropriation of Proceeds and Flow of Funds - 1% Sales and Use Tax Bond 4,127,720

Proceeds of this 1% sales and use tax levied by the Town of Hanile (1986-1987 collections \$28,814) are dedicated to the following purposes:

Constructing, acquiring, extending, improving, and/or maintaining drainage facilities, streets, street lighting facilities, bridges, sidewalks, waterways, levees and storage disposal works, recreational facilities, public parks, public buildings and fire department stations and equipment, including fire engines and payment of salaries for fire department personnel; and maintaining and operating the municipal police department and garbage collection and disposal facilities, including the purchase of equipment therefor; acquiring industrial plant sites and purchasing or constructing within the municipality or adjoining areas

STATE OF MISSISSIPPI, LOUISIANA

Notes to Financial Statements (Continued)

(7) Fixed Assets

A summary of changes in general fixed assets follows:

	Balance 12/31/86	Additions	Deletions	Balance 6/30/87
Land	\$ 37,700	\$ -	\$ -	\$ 37,700
Buildings	126,283	48,893	-	175,176
Equipment	192,218	42,872	-	235,090
Total general fixed assets	<u>\$ 356,201</u>	<u>\$ 91,765</u>	<u>\$ -</u>	<u>\$ 447,966</u>

A summary of proprietary fund type, property, plant and equipment at June 30, 1987, follows:

Land	\$ 12,000
Water System	2,809,457
Gas System	836,213
Furniture and equipment	56,011
Recreation system	1,406,182
Total	4,919,863
Less: Accumulated depreciation	(1,861,261)
Net proprietary fund type, property, plant and equipment	<u>\$ 3,058,602</u>

(8) Changes in Long-Term Debt

The following is a summary of debt transactions of the State of Louisiana for the year ended June 30, 1987:

	Payable at July 1, 1986	Additions	Retirements	Payable at June 30, 1987
Revenue bonds	<u>\$ 282,242</u>	<u>\$ -</u>	<u>\$ 28,281</u>	<u>\$ 253,961</u>

Bonds payable at June 30, 1987, is comprised of the following individual issues:

Revenue bonds:

\$148,000 Sewer Revenue Bonds dated 5/1/74; due in annual installments of \$5,000 - \$14,000 through June 1, 1989; interest at 8% and \$ 3/16 per annum \$ 28,000

\$69,961 Water Revenue bonds dated 2/27/79; due in monthly installments of \$1,044.42, which includes interest through March 17, 2010; interest at 8 3/16 per annum \$42,942

TOWN OF NATCHITOCHULA, LOUISIANA

Notes to Financial Statements (continued)

(2) **Deposits with Financial Institutions**

Cash includes amounts in United Deposits and Time Deposits. Cash equivalents include accounts in time deposits and those investments with a maturity of 90 days or less. The bank balances of cash are covered by Federal Depositary Insurance or by collateral held by the Town's fiscal agent in the Town's name.

(3) **Ad Valorem Taxes**

Ad Valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Town in September or October and are actually billed to the taxpayer in November or December. Billed taxes become delinquent on January 1, of the following year. Revenue from ad valorem taxes are budgeted in the year billed. The Town bills and collects its own property taxes using the assessed values determined by the tax assessor of Evangeline Parish.

For the year ended June 30, 1997, taxes of 14.58 mills were levied on property with assessed valuations totaling \$2,422,083 and were dedicated to general corporate purposes.

Real taxes levied were \$28,211. Taxes receivable at June 30, 1997, were \$284.

(4) **Interfund Reimbursements - Fundable**

	Interfund Reimbursements	Interfund Reimburses
General Fund	24,803	\$ -
Special Revenue Fund		
Water Tax Fund	-	4,883
	<u>24,803</u>	<u>4,883</u>

(5) **Due from Other Governmental Units**

Amounts due from other governmental units consisted of the following:

Video Poker Taxes due from the State of Louisiana	\$ 908
Tobacco Taxes due from the State of Louisiana	<u>2-283</u>
	<u>\$1,191</u>

(6) **Restricted Assets - Proprietary Fund Type**

Restricted Assets were applicable to the following at June 30:

	1997	1996
Detention Center - cash	\$ 0	\$ 20,000
Utility Deposits - Time Certificate of Deposit	28,000	28,000
Revenue Bond Sinking Fund - cash	1,218	1,218
Revenue Bond Reserve Account - Time Certificate of Deposit	18,000	28,000
Revenue Bond Contingency Account - cash	20,227	28,218
Customers' Deposits - cash	4,000	4,000
Water Reserve Fund	2,472	2,877
Water Reparatation & Contingency	<u>10,218</u>	<u>4,000</u>
Total restricted assets	<u>\$73,125</u>	<u>\$100,303</u>

TOWN OF HAILE, LOUISIANA

NOTES TO FINANCIAL STATEMENT (Continued)

6. Interest-bearing Deposits

Interest-bearing deposits are stated at cost, which approximates market.

7. Statement of Cash Flows

For purposes of the statement of cash flows, the Enterprise Fund considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

8. Vacation and Sick Leave

Vacation and sick leave are recorded as expenditures of the period in which paid. Vacation must be taken in the year accrued and cannot be carried over. A maximum of three weeks of sick leave may be carried over for one year and is payable at termination of employment. Any liability the Town might have in this regard at June 30, 1997, is considered immaterial; therefore, no liability has been recorded in the accounts.

9. Capitalization of Interest Expense

It is the policy of the Town of Haile to capitalize material amounts of interest resulting from borrowing in the course of the construction of fixed assets. At June 30, 1997 the amount of interest capitalized for construction of assets in the Utility Fund totaled zero.

10. Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Town's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

11. Total Columns on Combined Statements - Services

Total columns on the Combined Statements - Services are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns neither present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

TOWN OF BASILE, LOUISIANA

Notes to Financial Statement (CONTINUED)

recognized when incurred, and debts are written off when accounts become worthless.

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses). These transactions are recorded when the transfers occur.

E. Budgets and Budgetary Accounting

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

1. The Town Clerk prepares a proposed budget and submits same to Mayor and Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of a resolution prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended from time to time by the Board of Aldermen.

F. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Town as an extension of formal budgetary integration in the funds.

STATE OF MARYLAND, LOUISIANA.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

All fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair value on the date donated. Estimated amounts are immaterial in relation to total fixed assets.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus, and all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets.

Depreciation of all depreciable fixed assets used by the proprietary fund is charged as an expense against its operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Utility system and improvements	25 - 35 years
Equipment	5 - 10 years

D. 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 measurement made, regardless of the measurement focus 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. Sales taxes are considered "measurable" when collected by the collection agency and are recognized as revenues at that time. Ad valorem taxes are recognized as revenues in the year in which they are billed. Fees and service revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred.

Those revenues susceptible to accrual are property taxes, grant revenues and interest revenues.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred except that accumulated unpaid vacation and sick pay are not accrued and principal and interest on general long-term debt are recognized when due. Purchases of various operating supplies are regarded as expenditures at the time purchased.

The proprietary fund is accounted for using the accrual basis of accounting whereby revenues are recognized when they are earned and expenses are

TECH OF BASILE, LOUISIANA

Notes to Financial Statements (Continued)

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

Debt Service Funds

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Proprietary Fund -

Enterprise Fund

The Enterprise Fund is 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 the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The Town of Basile's enterprise fund is the utility fund. It accounts for the provision of water, gas, and sewer services to residents of the Town.

④. 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 fund type operations are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. The Town has elected not to capitalize public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings, including roads, bridges, sidewalks, and drainage improvements. No depreciation has been provided on general fixed assets.

TOWN OF BASILE, LOUISIANA
Notes to Financial Statements

12) Summary of Significant Accounting Policies

The Town of Basile, located in southwest Louisiana, was incorporated on March 10, 1991, under the provisions of the Louisiana Act. The Town operates under a Mayor-Board of Aldermen form of government which was elected by the citizens and are compensated for their services. The town has a population of approximately 2000 and has 28 employees.

The accounting and reporting practices of the Town of Basile conform to generally accepted accounting principles (GAAP) as applicable to governmental entities. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes (RS) and to the industry audit guide, GAO's OF STATE AND LOCAL GOVERNMENTAL ENTITY, published by the American Institute of Certified Public Accountants.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

This report includes all funds and the account group which are controlled by or dependent on the town executive and legislative branches (the Mayor and Board of Aldermen). Control by or dependence on the Town was determined on the basis of financial accountability, budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

B. Fund Accounting

The accounts of the Town of Basile 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, as expenses as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which spending activities are conducted. The various funds are grouped in the financial statements in this report, into four general fund types and two broad fund categories as follows:

Governmental Funds -

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.

VINCI OF BATON, LOUISIANA

Comparative Statements of Cash Flows
 Enterprise Fund
 Utility Fund
 Years Ended June 30, 1997 and 1996
 (Continued)

	<u>1997</u>	<u>1996</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the Balance sheet:		
Cash and cash equivalents, beginning of period -		
Cash - unrestricted	\$ 38,388	\$ 17,800
Cash - restricted	63,571	50,221
Interest-bearing deposits, restricted	28,000	28,000
TOTAL Cash and Cash equivalents	<u>129,959</u>	<u>96,021</u>
Cash and cash equivalents, end of period -		
Cash - unrestricted	36,431	25,214
Cash - restricted	63,549	63,772
Interest-bearing deposits, restricted	28,000	28,000
TOTAL Cash and Cash equivalents	<u>128,180</u>	<u>117,026</u>
Net Increase (Decrease)	<u>\$ (1,779)</u>	<u>\$ 21,005</u>

The accompanying notes are an integral part of this statement.

STATE OF MISSISSIPPI

Comparative Statements of Cash Flows
Metropolitan
Building Fund
Years Ended June 30, 1997 and 1996

	1997	1996
Cash flows from operating activities:		
Net operating income	\$ 183,308	\$ 148,211
Adjustments to reconcile net operating income to net cash provided by operating activities -		
Amortization of bond issuance costs	436	436
Depreciation	187,634	169,760
Proceeds on Sale of Asset	1,800	-
Changes in assets and liabilities:		
(Increase) decrease in Accrued Interest	155	-
(Increase) decrease in accounts receivable	1,878	286
(Increase) in sales tax refund receivable	4,518	14,177
Increase (decrease) in retainage payable	-	175,277
Increase (decrease) in accounts payable	(1,823)	138,880
Increase (decrease) in accrued liabilities	(2,323)	2,390
Total adjustments	389,876	533,250
Net cash provided by operating activities	573,184	681,461
Cash flows from noncapital financing activities:		
Contributed capital	-	304,487
Operating transfers in from other funds	121,884	84,580
Operating transfers out to other funds	(283,884)	(223,564)
Net cash used by noncapital financing activities	(162,000)	165,503
Cash flows from capital and related financing activities:		
Principal paid on revenue bonds	(20,283)	12,253
Interest paid on revenue bonds	(4,434)	(45,287)
Acquisition of property, plant and equipment	(27,843)	189,240
Net proceeds from customer deposits	(2,812)	4,221
Net cash used by capital and related financing activities	(55,372)	(69,673)
Cash flows from investing activities:		
Interest received on interest-bearing deposits	2,800	2,582
Net increase (decrease) in cash and cash equivalents	(2,444)	14,381
Cash and cash equivalents, beginning of period	129,828	168,228
Cash and cash equivalents, end of period	\$ 127,384	\$ 182,609

TOWN OF ORAILE, LOUISIANA.

Comparative Statement of Revenues, Expenses, and
Changes in Retained Earnings
Motorcycle Fund
Utility Fund
Years Ended June 30, 1957 and 1956

	<u>1957</u>	<u>1956</u>
Operating revenues:		
Charges for services -		
Gas sales	\$ 200,182	\$ 200,027
Water sales	214,248	279,706
Sewer service charges	89,899	91,067
Connection charges	3,120	2,848
Delinquency charges	11,018	10,363
Miscellaneous revenues	20,288	12,012
Total operating revenues	<u>538,655</u>	<u>626,963</u>
Operating expenses:		
Gas department	151,595	157,260
Water department	94,824	209,188
Sewer department	87,748	79,863
General and administrative	51,972	61,684
Depreciation	23,218	20,750
Total operating expenses	<u>429,357</u>	<u>628,745</u>
Operating income	<u>109,298</u>	<u>98,218</u>
Nonoperating revenues (expenses):		
Interest income	3,000	3,000
Interest expense	(49,824)	(49,207)
Grant	-	10,297
Gain (loss) on disposition of assets	3,000	-
Total nonoperating expenses	<u>(46,824)</u>	<u>(38,910)</u>
Income (loss) before operating transfers	<u>62,474</u>	<u>59,308</u>
Operating transfers in (out):		
Operating transfers in	205,404	64,000
Operating transfers out	(205,404)	(220,364)
Total operating transfers	<u>(0)</u>	<u>(156,364)</u>
Net loss	(62,474)	(97,056)
Add: Depreciation of fixed assets acquired by Federal and parish grant revenues externally restricted for capital acquisition and construction that revenue contributed capital changes in retained earnings	<u>72,224</u> <u>(50,000)</u>	<u>92,228</u> <u>(9,872)</u>
Retained earnings, beginning	<u>120,510</u>	<u>120,510</u>
Retained earnings, ending	<u>\$123,250</u>	<u>\$120,632</u>

The accompanying notes are an integral part of this statement.

STATE OF MARYLAND, 1967

Condensed Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget (1967) Actual and Actual -
M.I. Environmental Fund Types
Fiscal Year Ended June 30, 1967

	General Fund			Special Revenue Fund		
	Budget	Actual	Variance - Favorable (Disadvantage)	Budget	Actual	Variance - Favorable (Disadvantage)
Revenues:						
Taxes	\$ 75,000	\$ 87,154	\$ 12,154	\$ 180,000	\$ 187,000	\$ 7,000
License and permits	20,000	20,000	0	-	-	-
Other non-property	10,000	54,795	44,795	-	-	-
Fines and forfeits	10,000	11,284	1,284	-	-	-
Grants income	0	10,821	10,821	-	-	-
Total revenues	<u>115,000</u>	<u>184,054</u>	<u>69,054</u>	<u>180,000</u>	<u>187,000</u>	<u>7,000</u>
Expenditures:						
Salaries	-	-	-	-	-	-
Contracted equipment	100,000	101,783	1,783	-	-	-
Fuel in motor	-	-	-	-	-	-
Office	100,000	100,000	0	-	-	-
Tire	1,000	1,000	0	-	-	-
Street and drainage	0	0	0	-	-	-
Capital outlay	0	0	0	-	-	-
Total expenditures	<u>201,000</u>	<u>202,783</u>	<u>1,783</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-86,000</u>	<u>-18,729</u>	<u>67,271</u>	<u>-180,000</u>	<u>-187,000</u>	<u>7,000</u>
Other financing sources (source) operating transfers in operating transfers out total other financing sources (uses)	<u>0</u>	<u>117,000</u>	<u>117,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues and other sources (uses) expendi- tures and other uses	<u>-86,000</u>	<u>-1,729</u>	<u>84,271</u>	<u>-180,000</u>	<u>-187,000</u>	<u>7,000</u>
Fund balances, beginning	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances, ending	<u>\$ -86,000</u>	<u>\$ -1,729</u>	<u>\$ 84,271</u>	<u>\$ -180,000</u>	<u>\$ -187,000</u>	<u>\$ 7,000</u>

The accompanying notes are an integral part of this statement.

TRUST OF SALEM, OREGON

Continued Balance Sheet - All Fund Types and Account Group
June 30, 1987

	Governmental		Proprietary	Fund Types	Special	General	Totals
	Total Funds	Special					
	GENERAL	SPECIAL	GOVERNMENTAL				GOVERNMENTAL
ASSETS							
Cash	\$ 15,426	\$ 10,355	\$ 50,654	\$ -	\$ -	\$ -	\$ 76,435
Investments:							
Bonds	10,899	-	-	-	-	-	10,899
Mutual Funds	1,000	-	-	-	-	-	1,000
Common Stocks	1,000	-	50,654	-	-	-	52,654
Real Estate	4,528	-	-	-	-	-	4,528
Municipal Bonds	-	-	-	-	-	-	-
Municipal Bonds	-	-	88	-	-	-	88
Non-Fund Other Governmental Assets	2,150	-	-	-	-	-	2,150
Other	171	10,355	-	-	-	-	10,526
Invested Assets							
Cash & Deposits	2,171	-	50,566	-	-	-	52,737
Interest Bearing Deposits, on cash	-	-	50,000	-	-	-	50,000
Land	-	-	-	12,700	-	-	12,700
Buildings	-	-	-	176,875	-	-	176,875
Equipment	-	-	-	228,000	-	-	228,000
Utility Depreciable Plant and Equipment	-	-	4,400,000	-	-	-	4,400,000
Accumulated Depreciation	-	-	11,700,000	-	-	-	11,700,000
Other Assets	-	-	10,000	-	-	-	10,000
Total Assets	<u>\$ 31,121</u>	<u>\$ 20,710</u>	<u>\$ 61,614</u>	<u>\$ 1,804,875</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,137,320</u>
LIABILITIES AND FUND EQUITY							
Liabilities:							
Accounts payable	\$ 10,145	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ 20,145
Due to other funds	-	4,000	-	-	-	-	4,000
Deferred liabilities	2,518	-	4,376	-	-	-	6,894
Deferred Income	-	-	-	-	-	-	-
Payable to non-fund types -							
Income taxes	-	-	21,000	-	-	-	21,000
Accounts payable	-	-	54,750	-	-	-	54,750
Long term debt:							
Income bonds payable	-	-	228,000	-	-	-	228,000
Total Liabilities	<u>\$ 12,663</u>	<u>\$ 4,000</u>	<u>\$ 217,076</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 233,739</u>
Fund Equity:							
Contributed Capital	-	-	1,733,000	-	-	-	1,733,000
Retained in General Fund Assets	-	-	-	600,000	-	-	600,000
Retained earnings -							
Governmental	-	-	111,000	-	-	-	111,000
Total retained earnings	-	-	111,000	-	-	-	111,000
Fund Balances							
Non-revol, unobligated	21,000	10,710	-	-	-	-	31,710
Total fund equity	21,000	10,710	1,844,000	600,000	-	-	2,465,710
Total Liabilities and Fund Equity	<u>\$ 34,663</u>	<u>\$ 14,710</u>	<u>\$ 2,034,076</u>	<u>\$ 1,804,875</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,133,661</u>

The accompanying notes are an integral part of this statement.

**GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - CONSOLIDATED)**

WELLES, VIGG & TULLAGUE

A CORPORATION OF THE STATE OF LOUISIANA

210 BAYOU DRIVE

P. O. BOX 1000

MONROE, LOUISIANA 70001

CHARLEY HALL, JR. CPA,
TREASURER, TULAGUE, P. A.

REPORT ON
GENERAL PURPOSE
FINANCIAL STATEMENTS
FOR THE YEAR
ENDED JUNE 30, 1997

Independent Auditors' Report

The Honorable John Q. Davis, Mayor,
and Members of the Board of Aldermen
Town of Basile, Louisiana

We have audited the accompanying general-purpose financial statements of the Town of Basile, Louisiana, as of and for the year ended June 30, 1997, as listed in the table of contents. These general purpose financial statements are the responsibility of the Town of Basile, Louisiana'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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. 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 Town of Basile, Louisiana, as of June 30, 1997, and the results of its operations and the 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, we have also issued our report dated September 22, 1997 on our consideration of the Town of Basile, Louisiana's internal control over financial reporting and our basis of compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the Town of Basile, Louisiana taken as a whole. The combining, 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 Basile, Louisiana. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Welles, Vigg & Tullague

Welles, Vigg & Tullague
September 22, 1997

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TOWN OF BASILE, LOUISIANA

Financial Report

Year Ended June 30, 1997

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewed, orally 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 JAN 21 1998