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TOWN OF CLAYTON, LOUISIANA

GENERAL FUNDING FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITORS' REPORT
AS OF AND FOR THE YEAR ENDED JUNE 30, 1991
WITH SUPPLEMENTAL INFORMATION REFERENCED

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 after 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 13 1992

TOWN OF CLAYTON, LOUISIANA
 YEAR ENDED JUNE 30, 1997
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YEAR ENDED JUNE 30, 1997
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SECTION 1 - GENERAL PURPOSE FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' REPORT

Honorable Millard Washington, Mayor
and Members of the Board of Aldermen
Town of Slayton, Louisiana

We have audited the accompanying general purpose financial statements of the Town of Slayton, Louisiana as of June 30, 1993, and for the year then ended as listed in the table of contents. These general purpose financial statements are the responsibility of the Town'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 Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget circular A-133, Auditing of State and Local Governments. 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 general purpose 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 in the first paragraph present fairly, in all material respects, the financial position of the Town of Slayton, Louisiana as of June 30, 1993 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.

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

In accordance with Government Auditing Standards, we have also issued reports dated September 30, 1993 on our consideration of the Town of Slayton's internal control structure and on its compliance with laws and regulations.

Ferrydale, Louisiana
September 30, 1993

Switzer, Hopkins & Mange

STATE OF CALIFORNIA, LIABILITIES

COMBINED BALANCE SHEET AS OF 12/31/1997 AND ACCOUNT BOOKS
FOR 1997 AND 1998

	Assets		Liabilities		Equity	
	1997	1998	1997	1998	1997	1998
ASSETS						
Cash	\$ 4,349	\$ 17,178			\$ 4,349	\$ 17,178
Receivables	-	-			-	-
INVESTED (NOT REVALUATED)	1,484	30,000			1,484	30,000
Retained Earnings	-	100			-	100
Unrealized gains (LOSS) 01	-	48,000			-	48,000
Contributions in progress	-	-			-	-
Prepaid items and deposits	-	-			-	-
Net of accumulated depreciation	-	-			-	-
Other (111)	-	-			-	-
Invest and table in other entities held	-	91,176		104,000	-	91,176
1997 1998	<u>5,833</u>	<u>86,354</u>	<u>5,833</u>	<u>104,000</u>	<u>5,833</u>	<u>86,354</u>
LIABILITIES AND EQUITY						
(12/31/1997)						
Accounts payable	50	-	11,000	-	-	-
State account expense	1,091	-	1,000	-	-	-
Payable from restricted assets	-	-	-	-	-	-
Revenue bonds (State 1)	-	-	70,000	-	-	-
Customer deposits	-	-	11,000	-	-	-
Bank deposits	1,000	-	-	-	-	-
Books payable (State 1)	-	-	-	-	20,000	-
Total Liabilities	<u>2,591</u>	<u>11,000</u>	<u>93,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>
Net equity	-	-	61,000	-	61,000	61,000
Investment in general fund assets	-	-	-	104,000	-	104,000
Unrealized savings	-	-	-	-	-	-
Revenue	-	-	24,000	-	-	-
Invested	-	-	31,000	-	-	-
100% funded	-	-	-	-	-	-
Revenue for user services	1,478	-	-	-	-	-
Unrealized	1,484	-	-	-	-	-
Total fund equity	<u>2,962</u>	<u>16,000</u>	<u>82,000</u>	<u>104,000</u>	<u>1,110</u>	<u>161,000</u>
LIABILITIES AND NET EQUITY	<u>5,495</u>	<u>102,354</u>	<u>102,000</u>	<u>104,000</u>	<u>1,110</u>	<u>161,000</u>

STATE OF MICHIGAN, DEPARTMENT OF TREASURY, BUDGETARY AND FINANCIAL SERVICES DIVISION
GENERAL FUND - CAPITAL BUDGETING - 2000-2001
YEAR ENDING JUNE 30, 2001

Department	General Fund		2000 Services, 2000 Total		2001 Services, 2001 Total		Capital Expenditures, Budget		Capital Expenditures, Actual	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Transit	\$ 42,000	\$ 42,000	\$ 3,275	\$ 3,275	-	-	-	-	-	-
Utilities and services	1,000	1,000	65	65	-	-	-	-	-	-
Information systems	1,000	1,000	-	-	-	-	-	-	-	-
Insurance	700	700	-	-	-	-	-	-	-	-
Supplies for services	100	100	-	-	-	-	-	-	-	-
Travel	100	100	0,100	0,100	-	-	-	-	-	-
Travel services	100	100	1,000	1,000	-	-	-	-	-	-
Printing	50	50	1,000	1,000	-	-	-	-	-	-
Telephone	50	50	1,000	1,000	-	-	-	-	-	-
1000 - Services	<u>10,000</u>	<u>10,000</u>	<u>3,330</u>	<u>3,330</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
Construction										
Energy										
General government	6,100	6,100	1,000	1,000	-	-	-	-	-	-
Public safety										
Police	6,000	6,000	1,000	1,000	-	-	-	-	-	-
Fire	6,000	6,000	60,000	60,000	-	-	-	-	-	-
Emergency services	4,000	4,000	60,000	60,000	-	-	-	-	-	-
Capital outlay	1,000	1,000	1,000	1,000	-	-	-	-	-	-
2000 - Services	<u>17,100</u>	<u>17,100</u>	<u>63,000</u>	<u>63,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
Principal retirement										
Interest and fiscal charges										
1000 - Expenditures	<u>17,100</u>	<u>17,100</u>	<u>63,000</u>	<u>63,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
Source of revenues for 2000's expenditures	18,700	18,600	600	600	1,000	1,000	-	-	-	-
Other financing sources (2000)										
Special Interest Fund	4,000	4,000	-	-	-	-	600	600	-	-
Special transfers to	1,000	1,000	-	-	-	-	600	600	-	-
Source of revenues and other sources over control report	1,000	1,000	6,000	6,000	1,000	1,000	600	600	-	-
2001 and other add	4,000	4,000	-	-	-	-	10,000	10,000	-	-
Fund balances, beginning	-	-	-	-	-	-	-	-	1,000	1,000
Expenditures reported (and fund assets transferred to other funds)	-	-	-	-	-	-	-	-	10,000	10,000
Fund balances, ending	<u>4,000</u>	<u>4,000</u>	<u>6,000</u>	<u>6,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

The accompanying notes are an integral part of these statements.

YORK OF CLAYTON, LOUISIANA

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND EQUITY-ADMINISTRATIVE FUND
FOR THE YEARS ENDED JUNE 30, 1997 AND 1996

	1997	(Reclassification only) 1996
Operating revenues:		
Charges for services (Note 2)	<u>\$ 203,214</u>	<u>\$ 185,377</u>
Operating expenses:		
Gas purchases	24,448	21,313
Salaries	26,408	26,832
Material and supplies	18,556	28,174
Depreciation	23,912	42,786
Repairs to systems	13,578	2,324
Miscellaneous	14,738	12,884
Truck and tractor repairs	3,880	3,439
Utilities and telephone	13,465	24,719
Office supplies	3,782	2,851
Payroll taxes	3,120	3,324
Insurance	18,514	14,489
Legal and accounting	2,200	2,200
Bad debt expense	<u>3,122</u>	<u>-</u>
Total operating expenses	<u>232,133</u>	<u>228,819</u>
Operating income (loss)	(28,919)	(43,442)
Nonoperating revenues (expenses):		
Interest income	1,870	1,696
Other income	1,000	1,000
Interest expense	<u>(2,621)</u>	<u>(2,090)</u>
Total nonoperating revenues (expenses)	<u>127</u>	<u>(90)</u>
Income (loss) before operating transfers	(48,182)	(50,889)
Operating transfers to general fund	<u>15,082</u>	<u>15,155</u>
Net income (loss)	(33,100)	(35,734)
Contributed capital	235,481	-
Fund equity, beginning	<u>791,927</u>	<u>811,664</u>
Fund equity, ending	<u>\$ 488,804</u>	<u>\$ 791,927</u>

The accompanying notes are an integral part of these statements.

BOON OF CLAYTON, LOUISIANA

COMPARATIVE STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 1997 AND 1998

	1997	(Memorandum Only) 1998
Cash flows from operating activities:		
Cash received from customers	\$ 188,210	\$ 188,768
Cash payments to suppliers for goods and services	(139,540)	(140,800)
Cash payments to employees for services	(28,808)	(28,012)
Net cash provided (used) by operating activities	<u>19,862</u>	<u>9,956</u>
Cash flows from non-capital financing activities:		
Payments of fixed assets	(2,500)	-
Other income	1,888	1,880
Operating transfers to other funds	(3,000)	(3,100)
Increase (decrease) in customer deposits	(85)	(140)
Net cash provided by non-capital financing activities	<u>(4,697)</u>	<u>(4,360)</u>
Cash flows from capital and related activities:		
Interest paid on notes	(4,094)	(3,587)
Principal paid on notes	(4,000)	(4,000)
	<u>(8,094)</u>	<u>(7,587)</u>
Cash flows from investing activities:		
Investment income	2,778	2,408
Net increase (decrease) in cash and cash equivalents	(2)	1,876
Cash and cash equivalents at July 1, 1998	<u>62,756</u>	<u>64,880</u>
Cash and cash equivalents at June 30, 1997	<u>\$ 62,758</u>	<u>\$ 63,004</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (86,218)	\$(28,187)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	61,613	61,788
Changes in assets and liabilities:		
Increase; decrease in accounts receivable	2,006	(18,007)
Increase (decrease) in accounts payable	2,118	2,318
Net cash provided (used) by operating activities	<u>\$ 19,862</u>	<u>\$ 9,956</u>

The accompanying notes are an integral part of these statements.

TOON OF CLAYTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1987

NOTE 4 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Toon of Clayton, Louisiana was incorporated under the provisions for the Louisiana Act. The Toon operates under a Mayor-Board of Aldermen form of government.

The accounting and reporting policies of the Toon of Clayton, Louisiana conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes Title 2417 and to the guides set forth in the Louisiana Municipal Budget and Accounting Guide, and to the industry audit guide, Guide of State and Local Governmental Units. The following is a summary of certain significant accounting policies.

1. Financial Reporting Entity

This report includes all funds and account groups which are controlled by or dependent on the Toon operating and legislative branches (the Mayor and Board of Aldermen). Control by or dependence on the Toon has been defined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and where general oversight responsibility.

2. Fund Accounting

The accounts of the Toon of Clayton 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 the assets, liabilities, fund equity, revenues and expenditures. As expenses, as appropriate, Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into four general fund types and two broad fund categories as follows:

GOVERNMENTAL FUND TYPES -

General Fund

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

Debt service funds

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

Capital projects fund

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

TOWN OF MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1997

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Proprietary Fund Types

Enterprise Fund

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (revenues, including depreciation of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The enterprise fund includes water, gas and sewerage operations.

3. Property, Plant and Equipment and Long-Term Liabilities

The accounting and reporting treatment applied to the property, plant and equipment 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 "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases and decreases in net current assets. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period.

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

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

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 exhaustible fixed assets used by proprietary fund is charged as an expense against their operations. Depreciation has been provided over the estimated useful lives using the straight-line method as follows:

Improvements	50 years
Equipment	5 to 20 years

All property, plant and equipment are stated at historical cost or adjusted historical cost if actual historical cost is not available. Reported fixed assets are stated at their estimated fair market value on the date donated.

TOWN OF CLAYTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1987

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

4. Basis of Accounting

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

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

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

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

5. Budgets and Budgetary Accounting

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

- a. The Town Clerk prepares a proposed budget and submits same to the Mayor and Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
- b. 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.
- c. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
- d. After the holding of the public hearing and completion of all action necessary to finalize and legitimize the budget, the budget is adopted through the passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
- e. 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.
- f. All budgetary appropriations lapse at the end of each fiscal year.

TOWN OF CLAYTON, LOUISIANA
NOTICE TO FINANCIAL STATEMENTS
JUNE 30, 1997

NOTE 8 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

g. Budgets for the General, Capital Projects and Debt Service 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. Such amendments were not material in relation to the original appropriations.

6. Inventories

Inventory of materials and supplies are considered to be expensed at the time of purchase. Amounts on hand at the financial statement date are therefore, not included on the balance sheet.

7. Allowance for Uncollectible Accounts

Allowance for uncollectible accounts receivable in the enterprise fund was \$0 at June 30, 1997.

8. Statement of Fund Equity

The Town records measures to indicate that a portion of the fund equity is legally segregated for a specific future use. The following details the description and amount of all reserves used by the Town.

	Balance at June 30, 1997
a. Debt Service Fund	
Reserved for debt service	\$ 24,000
b. Enterprise Fund	
Reserved for debt service	\$ 24,954

9. 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 line-by-line 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.

10. Total Balance on Combined Statements - Overview

Total columns on the combined statements - overview are captioned Memorandum only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

11. Encumbrances

The Town of Clayton does not use encumbrance accounting.

TOWN OF CLAYTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 1991

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

10. Compensated Absences

The Town's policy for vacation and sick leave allows 10 days paid for vacation and 10 days paid for sick leave. Any unused days at the end of the calendar year will be lost. At June 30, 1991, all full time employees had sick days remaining unused and all vacation days had been used. The liability for unused days is recorded in the General and Enterprise Funds.

NOTE B - PROPERTY TAXES

Property taxes are levied in December and payable by June 15, of the following year. A list of property taxes due the Town is prepared by the Catahoula Parish Assessor, but the Town is responsible for billings and collections. The Town's millage is 3.88 mills which is dedicated to the general fund.

NOTE C - PROPRIETARY FUND PROPERTY, PLANT AND EQUIPMENT

A summary of proprietary fund type property, plant and equipment at June 30, 1991, follows:

Water gas system	\$ 555,426
Boiler system	528,587
Buildings	20,279
Trucks	21,376
Equipment	81,897
Total	<u>1,207,565</u>
Less accumulated depreciation	(886,738)
Net	<u>\$ 320,827</u>

NOTE D - CHANGES IN GENERAL FUND ASSETS

The following is a summary of changes in the general fund assets account groups:

	Balance 6-30-90	Additions	Deletions	Balance 6-30-91
Land	\$ 0,425	-	-	\$ 0,425
Equipment	147,624	-	-	147,624
Total	<u>\$ 148,049</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 148,049</u>

NOTE E - CHANGES IN LONG-TERM DEBT

The following is a summary of bond transactions of the Town of Clayton for the year ended June 30, 1991:

	General Obligation Bonds	Revenue Bonds	Total
Bonds payable at June 30, 1990	\$ 28,000	\$ 74,000	\$ 102,000
Bonds retired	(2,000)	4,000	2,000
Bonds payable at June 30, 1991	<u>\$ 26,000</u>	<u>\$ 78,000</u>	<u>\$ 104,000</u>

Bonds payable at June 30, 1991 are comprised of the following issues:

**TOWN OF CLAYTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1997**

NOTE 8 - CHANGES IN LONG-TERM DEBT - CONTINUED

General obligation bonds:

200,000 1970 serial bonds due in annual installments of \$2,000 through January 1, 2018; interest at 8% \$ 20,000

200,000 1970 sewer district serial bonds due in annual installments of \$2,000 through January 1, 2018; interest at 8% 20,000
\$ 40,000

Revenue bonds:

648,000 1970 sewer serial bonds due in annual installments of \$2,000 to \$3,000 through January 1, 2018; interest at 8% 52,800

The annual requirements to amortize all debt outstanding as of June 30, 1997 including interest payments are as follows:

Year	General Obligation Bonds	Revenue Bonds	Interest	Total
1998	\$ 2,000	\$ 4,000	\$ 4,800	\$ 10,800
1999	2,000	4,000	4,800	10,800
2000	2,000	4,000	4,800	10,800
2001	2,000	4,000	3,800	10,800
2002	2,000	4,000	3,800	10,800
Thereafter	18,000	42,000	21,800	81,800
TOTAL	<u>\$ 28,000</u>	<u>\$ 90,000</u>	<u>\$ 39,200</u>	<u>\$ 157,200</u>

NOTE 9 - RETIREMENT OBLIGATIONS

The Town of Clayton employees are all members of the social security system and are members of no other retirement plan. The expense of the social security is reflected in payroll taxes in the various statements of income.

NOTE 10 - RESTRICTED ASSETS PROPRIETARY FUND TYPE

Certain assets were restricted for debt service and customer deposits. These assets consisted of the following:

Mortgage and redemption fund	\$ 28,879
Customer deposits	19,685
Bond reserve fund	3,780
Bond depreciation and contingency fund	<u>8,851</u>

NOTE 11 - PROPRIETARY FUND BOND INDEMNITY RESTRICTIONS

The Town's proprietary fund bonds are governed by bond indentures, the terms of which are summarized as follows:

- (1) The Town shall maintain a reserve fund with a minimum balance of \$1,500.

TOWN OF CLAYTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1997

NOTE B - PROBATIONARY FUND BOND INTEREST RESTRICTIONS - CONTINUED

- (2) The Town shall maintain a depreciation and contingency fund (s) which monthly deposits of 120 will be made. Annual deposits of 1440 will be required for each of the next five years.
- (3) The Town shall maintain a amortization fund of sufficient balances to pay bonds and interest as they mature.

As of June 30, 1997 the Town was in compliance with each of these restrictions.

NOTE C - CASH AND CASH EQUIVALENTS

Under state law, the City 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, 1997, the Town had cash and cash equivalents according to the book balances totaling \$18,987 as follows:

Demand deposits	\$ 51,488
Time deposits	<u>32,489</u>
	<u>\$ 120,987</u>

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 financial agent bank. The market value of the pledged securities plus the Federal Deposit Insurance must at all times equal the amount on deposit with the financial 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. Cash and cash equivalents (bank balances) at June 30, 1997 of \$18,987 are secured as follows:

Federal Deposit Insurance	<u>\$ 11,854</u>
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NOTE D - OTHER ENTERPRISE FUND CLOSURES

Enterprise fund sales were as follows:

Gas sales	\$ 107,963
Water sales	28,308
Sewerage fees	<u>27,387</u>
Total	<u>\$ 163,658</u>

Enterprise fund working capital is as follows at June 30, 1997:

Current assets	\$ 26,894
Current liabilities	<u>14,432</u>
Net working capital	<u>\$ 12,462</u>

SECTION II - SUPPLEMENTAL INFORMATION SCHEDULES

GENERAL FUND

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

TOWN OF CLAYTON, LOUISIANA
GENERAL FUND

COMPARATIVE BALANCE SHEET
JUNE 30, 1997 AND 1996

	<u>1997</u>	<u>1996</u>
<u>ASSETS</u>		
CASH	\$ 4,140	\$ 15,621
Receivables:		
Accounts	<u>8,824</u>	<u>3,178</u>
Total assets	<u>\$ 12,964</u>	<u>\$ 18,799</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	953	1,827
Other accrued expenses	3,844	1,894
Note payable	<u>7,865</u>	<u>7,788</u>
Total current liabilities	<u>\$ 12,662</u>	<u>\$ 11,509</u>
Fund balance	<u>2,302</u>	<u>7,290</u>
Total Liabilities and Fund balance	<u>\$ 14,964</u>	<u>\$ 18,799</u>

The accompanying notes are an integral part of these statements.

TONS OF CLAYTON, LOUISIANA
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE—BUDGET (ADAP BAKING) AND ACTUAL
YEAR ENDED JUNE 30, 1997

With Comparative Actual Accounts for the Year Ended June 30, 1996

	1997		Variance— Favorable (Unfavorable)	1996 Actual
	Budget	Actual		
Revenues:				
Taxes	\$ 43,300	\$ 44,000	\$ 700	\$ 43,100
Licenses and permits	3,300	4,304	1,004	3,000
Intergovernmental	3,400	3,000	-	3,400
Charges for services	100	100	-	100
Fines	13,000	9,884	(3,116)	10,000
Miscellaneous	370	3,800	3,430	33,000
Total revenues	<u>63,370</u>	<u>65,288</u>	<u>1,918</u>	<u>126,600</u>
Expenditures:				
General government	16,304	14,000	2,304	16,300
Police department	16,000	13,709	2,291	17,300
Street department	20,000	18,070	1,930	11,314
Garbage collection	45,000	46,018	(1,018)	46,344
Capital outlay	4,576	-	4,576	-
Total expenditures	<u>101,880</u>	<u>91,807</u>	<u>10,073</u>	<u>91,258</u>
Excess of revenues over (under) expenditures	(10,144)	(3,007)	(7,137)	9,342
Other financing sources (uses):				
Specialty licenses (uses)	-	-	-	(100)
Operating transfers in	<u>13,000</u>	<u>4,000</u>	<u>(9,000)</u>	<u>4,000</u>
	<u>13,000</u>	<u>4,000</u>	<u>(9,000)</u>	<u>4,000</u>
Excess (deficiency) of revenues over expendi- tures and other uses	1,856	(5,007)	(6,863)	20,182
Fund balance, beginning	<u>9,440</u>	<u>9,440</u>	-	<u>(2,440)</u>
Fund balance, ending	<u>\$ 10,996</u>	<u>\$ 2,433</u>	<u>\$ (8,563)</u>	<u>\$ 9,742</u>

The accompanying notes are an integral part of these statements.

TOWN OF CLAYTON, LOUISIANA
GENERAL FUND

STATEMENT OF EXPENDITURES COMPARED TO BUDGET (CONT. TABLE)
YEAR ENDED JUNE 30, 1997
With Comparative Actual Revenue For Year Ended June 30, 1996

	Budget	Actual	Balance- Forwarded (Refundations)	1996 Actual
General government:				
Salaries	-	1,840	(10,080)	1,000
Mayor's salary	2,400	2,800	500	2,400
Admission fees	6,000	4,500	2,800	6,000
Payroll taxes	1,900	2,270	(2,470)	3,240
Publication expense	600	801	100	200
Other expenses	1,200	1,245	2,000	2,791
Insurance	4,037	1,487	2,300	1,800
Office expense	1,200	511	500	804
Total	<u>18,134</u>	<u>14,284</u>	<u>4,800</u>	<u>18,134</u>
Police Department:				
Salaries	10,000	10,300	400	10,300
Automobile expense	4,500	2,200	2,100	4,400
Supplies, uniforms, etc.	600	-	600	200
Total	<u>15,100</u>	<u>12,500</u>	<u>3,100</u>	<u>14,900</u>
Street Department:				
Street lights	10,000	2,827	6,173	2,800
Repairs	-	10,100	(10,100)	8,210
Other expenses	-	-	-	100
Total	<u>10,000</u>	<u>12,927</u>	<u>(4,000)</u>	<u>11,110</u>
Waste collection:				
Salaries	20,543	22,700	(2,000)	22,400
Tire expense	4,000	2,920	500	6,000
Maintenance	4,200	4,000	11	3,000
Miscellaneous	1,843	2,700	(1,000)	4,000
Insurance	6,800	5,120	(2,000)	10,100
Total	<u>37,386</u>	<u>37,440</u>	<u>(1,400)</u>	<u>45,500</u>
Total	<u>\$ 87,620</u>	<u>\$ 88,134</u>	<u>\$ 10,400</u>	<u>\$ 88,134</u>

The accompanying notes are an integral part of these statements.

DEBT SERVICE FUNDS

sewer District #1 - To accumulate monies for payment of 1970 \$20,000 Public
 Improvement Bonds.

Town Tax Bonds - To accumulate monies for payment of 1970 \$10,000
 Public Improvement Bonds
 (sewer Public Improvement).

TOWN OF CLAYTON, LOUISIANA
DEBT SERVICE FUND

COMBINED BALANCE SHEET

JUNE 30, 1997

With Comparative Totals for June 30, 1996

	Debt District #1	Debt Public Improvement	TOTAL 1997	TOTAL 1996
<u>ASSETS</u>				
Cash	\$ <u>20,342</u>	\$ <u>20,471</u>	\$ <u>40,813</u>	\$ <u>41,327</u>
<u>LIAB. BALANCES</u>				
Reserved for Debt service	13,000	13,000	26,000	26,000
Reserves for other purposes	<u>3,342</u>	<u>3,471</u>	<u>6,813</u>	<u>7,327</u>
Total fund balances	\$ <u>23,684</u>	\$ <u>23,471</u>	\$ <u>47,157</u>	\$ <u>48,327</u>

The accompanying notes are an integral part of these statements.

BOARD OF CLAYTON, LOUISIANA
 ROAD SERVICE FUND

COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 YEAR ENDED JUNE 30, 1997
 With Comparative Totals for June 30, 1996

	Local District #3	State Public Improvements	Totals 1997	Totals 1996
Revenues:				
Ad Valorem Taxes	\$ -	\$ -	\$ -	\$ 5,705
Interest income	<u>443</u>	<u>443</u>	<u>886</u>	<u>888</u>
Total revenues	<u>443</u>	<u>443</u>	<u>886</u>	<u>6,593</u>
Expenditures:				
Bonds paid	1,000	1,000	2,000	2,000
Interest paid	<u>700</u>	<u>700</u>	<u>1,400</u>	<u>1,550</u>
Total expenditures	<u>1,700</u>	<u>1,700</u>	<u>3,400</u>	<u>3,550</u>
Excess (deficiency) of revenues over expenditures	(1,257)	(1,257)	(2,514)	3,143
Fund balance, beginning	<u>29,847</u>	<u>22,478</u>	<u>52,325</u>	<u>49,182</u>
Fund balance, ending	<u>\$ 28,590</u>	<u>\$ 22,221</u>	<u>\$ 50,811</u>	<u>\$ 52,325</u>

The accompanying notes are an integral part of these statements.

CAPITAL PROJECTS FUND

TOWN OF CLAYTON, LOUISIANA
 CAPITAL PROJECTS FUND

BALANCE SHEET
 JUNE 30, 1993

	Grant 101-8890 CDBG Revolving Funds <u>FUND</u>
<u>ASSETS</u>	
Cash/Restricted	\$ -
Total assets	<u>-</u>
<u>LIABILITIES AND FUND EQUITY</u>	
Liabilities	<u>-</u>
Fund Equity:	
Reserved for capital improvements	\$ -

The accompanying notes are an integral part of these statements.

TOWN OF CLAYTON, LOUISIANA
CAPITAL PROJECTS FUND

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 1997

	Grant 181-8219 CDBG Democratized Needs Program
Revenues:	
Grant Income	\$ <u>3,568</u>
Expenditures:	
Construction costs	919
Legal and accounting	508
Administration	2,208
Total expenditures	<u>3,635</u>
Excess (deficiency) of revenues over expenditures	-
Other financing sources:	
to general fund	<u>1221</u>
	<u>1221</u>
Excess of revenues and other sources over (under) expenditures	1221
Fund balance, beginning	112,851
Expenditures capitalized	3,649
Fund assets transferred to utility fund	<u>(125,881)</u>
Fund balance, ending	\$ <u>-</u>

The accompanying notes are an integral part of these statements.

TOWN OF CLAYTON, LOUISIANA
CAPITAL PROJECTS FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - REVENUE AND OTHER
YEAR ENDING JUNE 30, 1997

	191-9929		
	<u>LOCAL RECONSTRUCTED BRIDGE PROGRAM</u>		
	<u>1996</u>	<u>1997</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:			
Grant Income	\$ 3,400	\$ 3,400	\$ -
Expenditures:			
Construction costs	918	918	-
Legal and accounting	500	500	-
Administration	2,982	2,982	-
Total expenditures	<u>3,400</u>	<u>3,400</u>	<u>-</u>
Excess of revenues over (under) expenditures	-	-	-
Other financing sources to general fund	(200)	(200)	-
Excess (deficiency) of revenues and other sources over (under) expenditures	(200)	(200)	-
Fund balance, beginning	212,000	212,000	-
Expenditures capitalized	3,400	3,400	-
Fund assets transferred to utility fund	(218,000)	(218,000)	-
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these statements.

GENERAL LONG-TERM DEBT
ACCOUNT GROUP

To account for unsecured principal amounts on general long-term debt reported to be financed from governmental type funds. Payment of maturing obligations, including interest, are accounted for in the debt service debt.

TOWN OF CLAYTON, LOUISIANA
STATEMENT OF GENERAL LONG-TERM DEBT
June 30, 1997
 With comparative totals for June 30, 1996

	<u>SEWER</u> <u>District #3</u>	<u>SEWER</u> <u>PUBLIC</u> <u>Improvements</u>	<u>TOTALS</u> <u>1997</u>	<u>1996</u>
<u>BOND PROCEEDS AVAILABLE AND TO</u>				
<u>PROVIDE FOR THE RETIREMENT</u>				
<u>OF GENERAL LONG-TERM DEBT</u>				
Amount available to debt				
service funds for debt				
retirement	<u>\$ 13,000</u>	<u>\$ 13,000</u>	<u>\$ 26,000</u>	<u>\$ 26,000</u>
<u>GENERAL LONG-TERM DEBT PAYABLE</u>				
Bonds payable	<u>\$ 13,000</u>	<u>\$ 13,000</u>	<u>\$ 26,000</u>	<u>\$ 26,000</u>

The accompanying notes are an integral part of these statements.

TOWN OF CLAYTON, LOUISIANA
SUPPLEMENTAL INFORMATION SHEET
FOR THE YEAR ENDED JUNE 30, 1997

COMPENSATION PAID ALDERMEN

The schedule of compensation paid to Aldermen is presented in compliance with House Concurrent Resolution No. 14 of the 1978 Session of the Louisiana Legislature. Compensation of the Aldermen is included in the legislative expenditures of the General Fund. In accordance with Louisiana Revised Statute 28:408 (9), the Aldermen have passed an ordinance that sets their compensation at \$100.00 per month.

TOWN OF CLAYTON, LOUISIANA
SCHEDULE OF CONTRIBUTION AGREEMENT
FOR THE YEAR ENDING JUNE 30, 1997

Mr. William Hall	\$ 3,000
Mrs. Bill Dunson	3,000
Mr. Willie Lee Brown	3,000
Mrs. Edna Minor	3,000
Mrs. Irene Jefferson	3,000
Total	<u>\$15,000</u>

SECTION III - INTERNAL CONTROL

SWITZER, HOPKINS & MANGE
Certified Public Accountants

SHREVE, PORTER, LLP
A MEMBER FIRM OF THE
MEMBER FIRMS OF THE
MEMBERSHIP FIRM OF THE
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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN SCOPE OF GENERAL PURPOSE FINANCIAL STATEMENTS
PREPARED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Gilbert Washington, Mayor
and Members of the Board of Aldermen
Town of Clayton, Louisiana

We have audited the general purpose financial statements of the Town of Clayton, Louisiana as of and for the year ended June 30, 1997, and have issued our report thereon dated September 18, 1997.

We have conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States. Those 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.

The management of the Town of Clayton, Louisiana is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are recorded in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the Town of Clayton, Louisiana, for the year ended June 30, 1997, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted a certain matter involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the

The Honorable Milford Washington, Mayor
and Members of the Board of Aldermen
Town of Grayton, Louisiana
Page Two

American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

Appropriateness of Controls

The size of the Town's operations and its limited staff preclude an adequate segregation of duties and other features of an adequate system of internal control, although to employ such controls may not be cost beneficial.

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

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe some of the reportable conditions described above is a material weakness.

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

Greenville, Louisiana
September 20, 1987

Greenville, Louisiana 7. 1987

SECTION IV - COMPLIANCE

SWITZER, HOPKINS & MANGE
Certified Public Accountants

SWITZER, HOPKINS & MANGE
1000 PINE STREET, SUITE 1000
MONROE, LOUISIANA 70601
PHONE: 225-385-1111

STATE OF LOUISIANA: REG. NO. 1000

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH LAWS AND
REGULATIONS MADE BY AN AGENCY OF FINANCIAL STATEMENTS
PREPARED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Hubert Washington, Mayor
and Members of the Board of Aldermen
Clayton, Louisiana

We have audited the general purpose financial statements of the Town of Clayton, Louisiana for the year ended June 30, 1997, and have issued our report thereon dated September 10, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular 8-108, Audit of State and Local Governments. These standards and OMB Circular 8-108 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

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

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

This report is intended for the information of the management and the legislative bodies of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Monroe, Louisiana
September 10, 1997

Switzer, Hopkins & Mange