

VILLAGE OF CLARK  
Clark, Louisiana

General Purpose Financial Statements  
With Accountant's Compilation Report  
and Agreed-Upon Procedures Report  
As of and for the Year Ended June 30, 1997

C O N T E N T S

	Statement	Page No.
Accountant's Compilation Report		3
General Purpose Financial Statements:		
Combined Balance Sheet - All Fund Types and Account Groups	A	5
Governmental Fund Type - Combined Statement of Revenues, Expenditures and Changes in Fund Balances	B	7
Proprietary Fund Type - Enterprise Funds:		
Combined Statement of Revenues, Expenses, and Changes in Retained Earnings	C	9
Combined Statement of Cash Flows	D	10
Notes to the Financial Statements		11
Supplemental Information Schedules:	Schedule	Page No.
Governmental Fund Type - Capital Projects Funds:		
Combining Balance Sheet	1	23
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	2	24

VILLAGE OF CLARK  
Clark, Louisiana  
Contract, Issue No. 1997

C O N T E N T S (CONT.)

Supplemental Information Schedules (Cont'd.)	Schedule	Page No.
Proprietary Fund Type - Enterprise Funds:		
Combining Balance Sheet	3	26
Combining Schedule of Revenues, Expenses, and Changes in Retained Earnings	4	27
Combining Schedule of Cash Flows	5	28
Schedule of Per Diem Paid Absence	6	30
Accountant's Report on Applying Agreed-Upon Procedures		33
Louisiana Attention Questionnaire		36

*M. Carlton Dumas*  
CERTIFIED PUBLIC ACCOUNTANT

368 DONALDSON ROAD • CALHOUN, LOUISIANA 71225 • TELEPHONE 318/644-5726

Accountant's Compilation Report

MAYOR AND BOARD OF ALDERMEN  
Village of Clark  
Clark, Louisiana

I have compiled the accompanying general purpose financial statements and supplemental information schedules, as listed in the foregoing table of contents, of the Village of Clark as of June 30, 1997, and for the year then ended, in accordance with standards established by *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any form of assurance on them. However, I did become aware of a departure from generally accepted accounting principles that is described in the following paragraph.

A statement of revenues, expenditures, and changes in fund balances - budget and actual for the year ended June 30, 1997, for the General Fund has not been presented. Generally accepted accounting principles require that such a statement be presented. As discussed in Note F, the Village of Clark did not adopt a budget for the General Fund for the year ended June 30, 1997, as is required by state law.



Calhoun, Louisiana  
October 3, 1997

GENERAL PURPOSE FINANCIAL STATEMENTS  
(OVERVIEW)

VILLAGE OF CLARK  
Clarks, Louisiana  
ALL FUND TYPES AND ACCOUNT GROUPS

Condensed Balance Sheet, June 30, 1997

	CONVENTIONAL -- FUND TYPE --		ACCOUNT GROUP		TOTAL MEMORANDUM AMOUNT
	CAPITAL PROJECTS FUND	GENERAL ENTERPRISE FUND	PROPERTY FUND	GENERAL FUND	
<b>ASSETS</b>					
Cash	\$1,471	558	\$0,869		\$1,998
Accounts receivable	1,503	4,000	10,544		15,947
Due from other funds			3,068		3,068
Property, plant and equipment (net of accumulated depreciation)			2,121,123	\$138,439	2,457,602
<b>TOTAL ASSETS</b>	<u>\$3,974</u>	<u>\$4,558</u>	<u>\$3,114,394</u>	<u>\$138,439</u>	<u>\$2,487,904</u>
<b>LIABILITIES AND FUND EQUITY</b>					
<b>LIABILITIES</b>					
Accounts payable	\$4,018	\$4,009	\$16,892		\$18,719
Prepaid taxes payable	122		225		347
Sales tax payable			145		145
Due to other funds		145	2,853		3,008
Customer meter deposits			4,368		4,368
<b>Total liabilities</b>	<u>4,140</u>	<u>4,154</u>	<u>18,143</u>	<u>NONE</u>	<u>26,433</u>

(Continued)

VILLAGE OF CLARK  
 Clark, Louisiana  
 ALL FUND TYPES AND ACCOUNT GROUPS  
 Combined Balance Sheet, June 30, 1991

	GENERAL FUND		PROPERTY TAXES		ACCOUNT GROUPS		TOTAL
	ASSETS	LIABILITIES	GENERAL FUND	PROPERTY TAXES	GENERAL FUND	PROPERTY TAXES	ASSETS
Fund Equity:							
Investment in general fund assets							
Contributed capital (net of accumulated depreciation on fixed assets acquired with federal grants)							
Residual earnings - unassigned							
Fund balance (deficit) - unreserved - undesignated							
Total Fund Equity							
<b>TOTAL LIABILITIES AND FUND EQUITY</b>							
	\$2,877	\$4,858	\$2,344,934	136,459	\$136,459	\$136,459	\$3,487,904
	(1,901)	(587)	58,590	2,267,809	2,267,809	2,267,809	34,536
	(1,901)	(587)	2,338,339	136,459	2,338,339	136,459	3,487,904

(Continued)

See accompanying notes and accountant's compliance report.

VILLAGE OF CLARK  
 Clark, Louisiana  
 GOVERNMENTAL FUND TYPE

Combined Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 For the Year Ended June 30, 1997

	GENERAL FUNDS	CAPITAL PROJECTS FUNDS	TOTAL (MEMORANDUM) (ONLY)
<b>REVENUES</b>			
Taxes:			
Ad valorem	\$3,271		\$3,271
Franchise	6,269		6,269
Occupational license	5,454		5,454
Intergovernmental:			
Federal grants		\$73,991	73,991
State funds:			
Tobacco tax	3,516		3,516
On-behalf payments - supplemental pay	3,336		3,336
Traffic fines	682		682
Use of money and property - rent	2,740		2,740
Other revenues	4,903		4,903
Total revenues	<u>\$30,124</u>	<u>73,991</u>	<u>104,115</u>
<b>EXPENDITURES</b>			
General government:			
Current:			
Personnel services and related benefits	17,199		17,199
Operating services	27,003		27,003
Materials and supplies	8,221		8,221
Capital outlay	650		650
Facilities acquisition and construction		73,991	73,991
Total expenditures	<u>\$33,173</u>	<u>73,991</u>	<u>107,164</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>			
	<u>(\$3,049)</u>	<u>NONE</u>	<u>(\$3,049)</u>

(Continued)

VILLAGE OF CLARK  
 Clark, Louisiana  
 GOVERNMENTAL FUND TYPE  
 Combined Statement of Revenues, Expenditures, and  
 Changes in Fund Balance, etc.

	GENERAL FUNDS	CAPITAL PROJECTS FUNDS	TOTAL MEMORANDUM (ONLY)
OTHER FINANCING SOURCES - operating transfers in	\$21,000	NONE	\$21,000
EXCESS (deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	(2,089)	NONE	(2,089)
FUND BALANCE AT BEGINNING OF YEAR	972	(872)	100
FUND BALANCE AT END OF YEAR	<u>(\$1,067)</u>	<u>(\$872)</u>	<u>(\$1,254)</u>

(Continued)

See accompanying notes and accountant's compilation report.



VILLAGE OF CLARK  
 Clark, Louisiana  
 PROPRIETARY FUND TYPE - ENTERPRISE FUNDS

Combined Statement of Revenues, Expenses,  
 and Changes in Retained Earnings  
 For the Year Ended June 30, 1997

<b>OPERATING REVENUES</b>	
Service fees	\$94,154
Other income	3,183
Total operating revenues	<u>97,337</u>
<b>OPERATING EXPENSES</b>	
Salaries	23,344
Payroll taxes	2,806
Utilities	17,032
Repairs	39,171
Sales tax	2,882
Travel	1,234
Miscellaneous	14,251
Depreciation	59,784
Total operating expenses	<u>158,204</u>
<b>OPERATING LOSS</b>	(60,867)
<b>NON-OPERATING REVENUE - state grant</b>	14,949
<b>OPERATING TRANSFERS OUT</b>	<u>(21,109)</u>
<b>NET INCOME (Loss)</b>	(66,996)
Adjustment for depreciation on fixed assets acquired with federal grant	<u>33,885</u>
<b>NET DECREASE IN RETAINED EARNINGS</b>	(33,111)
<b>RETAINED EARNINGS AT BEGINNING OF YEAR</b>	69,563
<b>RETAINED EARNINGS AT END OF YEAR</b>	<u>36,452</u>

See accompanying notes and accountant's compilation report.

VILLAGE OF CLARK  
 Clark, Louisiana  
 PROPRIETARY FUND TYPE - ENTERPRISE FUNDS

Continued: Statement of Cash Flows  
 For the Year Ended June 30, 1997

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Operating Loss	<u>(528,889)</u>
Adjustments to Reconcile Operating Loss to Net Cash	
Provided (Used) by Operating Activities:	
Depreciation	59,784
Decrease in accounts receivable	(2,384)
Increase in customer deposits	900
Increase in accounts and withholdings payable	5,375
Increase in due from other funds	11,465
Increase in due to other funds	1,457
Total adjustments	<u>65,487</u>
Net cash provided by operating activities	<u>4,329</u>
<b>CASH FLOWS FROM NON-CAPITAL</b>	
<b>FINANCING ACTIVITIES</b>	
Operating transfers out	(21,100)
State grant	<u>14,950</u>
Net cash used by non-capital	
financing activities	<u>(6,150)</u>
<b>NET DECREASE IN CASH</b>	<u>(1,551)</u>
<b>CASH AT BEGINNING OF PERIOD</b>	<u>11,400</u>
<b>CASH AT END OF PERIOD</b>	<u>\$9,849</u>

See accompanying notes and accountant's compilation report.

VILLAGE OF CLARK  
Clark, Louisiana

Notes to the Financial Statements  
As of and for the Year Ended June 30, 1997

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Village of Clark is governed by the mayor-board of aldermen form of government. The village provides public safety, public works and general government services to its residents.

**A. BASIS OF PRESENTATION**

The accompanying general purpose financial statements of the Village of Clark have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for established governmental accounting and financial reporting principles.

**B. REPORTING ENTITY**

As the governing authority of the village, for reporting purposes, the Village of Clark is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (the village), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Village of Clark for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
- a. The ability of the village to impose its will on that organization, and/or

See accountants' compilation report.

## VILLAGE OF CLARKS

Clarks, Louisiana

### Notes to the Financial Statements (Continued)

- b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the village.
2. Organizations for which the village does not appoint a voting majority but are fiscally dependent on the village.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the village has determined that there are no component units that are part of the reporting entity. Considered in the determination of component units of the reporting entity were the Caldwell Parish Police Jury, Sheriff, Clerk of Court, Assessor, and School Board, and the District Attorney and Judges for the Thirty-Seventh Judicial District. It was determined that these governmental entities are not component units of the Village of Clarks reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of the Village of Clarks.

## C. FUND ACCOUNTING

The village uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fund assets and general long-term debt) that are not recorded in the funds because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

See accountant's compilation report.

**VILLAGE OF CLARK**

Clark, Louisiana

Notes to the Financial Statements (Continued)

**Governmental Funds**

Governmental funds are used to account for all or most of the village's general activities, including the collection and disbursement of specific or legally restricted monies and the acquisition or construction of general fixed assets. Governmental funds include:

**General Fund**

The General fund is the general operating fund of the village. It accounts for all financial resources, except those required to be accounted for in other funds.

**Capital Projects Funds**

The Capital Projects Funds account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the General Fund.

**Proprietary Funds**

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary funds include:

**Enterprise Funds**

The Enterprise Funds account for operations where the intent of the governing body is that the cost (expenses, including depreciation) of providing services to customers in the village on a continuing basis be financed or recovered primarily through user charges.

**IX. FIXED ASSETS AND LONG-TERM DEBT**

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the general

See accountant's compilation report.

VILLAGE OF CLARKES  
Clark, Louisiana  
Notes to the Financial Statements (Continued)

Substantially all other revenues are recorded when they become available to the village.

Based on the above criteria, ad valorem taxes and intergovernmental revenues are treated as receivable to accrual.

**Expenditures**

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

**Other Financing Sources (Uses)**

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

All proprietary funds are accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. The proprietary funds use the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized at the time liabilities are incurred.

**F. BUDGET PRACTICES**

The village did not adopt a budget for the General Fund for the year ended June 30, 1997, as is required by the Local Government Budget Act.

**G. CASH**

Cash includes amounts in demand deposits. Under state law, the village may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with

See accountant's compilation report.

VILLAGE OF CLARK

Clark, Louisiana

Notes to the Financial Statements (Continued)

banks organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States.

At June 30, 1997, the village has cash in demand deposits (check balances) totaling \$31,398.

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. Cash (bank balances) at June 30, 1997, are \$35,446, and are fully secured from risk by federal deposit insurance.

**II. CONTRIBUTED CAPITAL**

Assets that are restricted for the acquisition or construction of capital assets are recorded as contributed capital in the proprietary funds. Contributed capital is amortized based on the depreciation recognized on that portion of the assets acquired from such grants. This depreciation is closed to the contributed capital account and is reflected as an adjustment to net income.

**I. TOTAL COLUMN ON THE  
COMBINED STATEMENTS**

The total columns on the combined statements are captioned Memorandum Only (overview) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position 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.

**2. FUND DEFICITS**

The following individual funds have deficits in unreserved fund balance at June 30, 1997:

General Fund	\$1,367
Capital Projects Funds:	
LCDBG #101-5009	40
LCDBG #101-6026	7

See accountant's compilation report.

**VILLAGE OF CLARK**

Clark, Louisiana

Notes to the Financial Statements (Continued)

LCING #100-3867

Total

40\$1,234

The village plans to eliminate the deficit in these funds with operating transfers from its Water and Sewer Enterprise Funds.

**3. LEVIED TAXES**

For the year ended June 30, 1997, the village levied 6.31 mills for the General Fund on the assessed value of property totaling \$351,038.

**4. RECEIVABLES**

The following is a summary of receivables at June 30, 1997:

	General Fund	Capital Projects Funds	Enterprise Funds	Total
Ad valorem taxes	\$509			\$509
Intergovernmental revenue - federal grants		\$4,000		4,000
Other	1,180			1,180
Accounts			\$10,344	10,344
Total	<u>\$1,502</u>	<u>\$4,000</u>	<u>\$10,344</u>	<u>\$15,846</u>

There was no provision for bad debts recorded in the accompanying financial statements.

**5. CHANGES IN GENERAL FIXED ASSETS**

The following presents the changes in general fixed assets for the year ended June 30, 1997:

See accountant's compilation report.



VILLAGE OF CLARK

Clark, Louisiana

Notes to the Financial Statements (Continued)

	Balance at July 1, 1986	Additions	Deletions	Balance at June 30, 1987
Land	\$2,000			\$2,000
Buildings	30,000			30,000
Improvements	31,880			31,880
Equipment	12,266	\$850		13,216
Streets, parks and bridges	26,819			26,819
Pest Department	32,444			32,444
Construction in progress	532,887		(532,887)	NONE
Total	<u>\$628,396</u>	<u>\$850</u>	<u>(532,887)</u>	<u>\$136,459</u>

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

	Cost	Accumulated Depreciation	Net Book Value
Land	\$1,500	NONE	\$1,500
Waterworks distribution system	1,075,698	(180,738)	967,964
Sanitary system	1,479,868	(138,365)	1,341,423
Equipment	69,074	(28,738)	10,336
Total	<u>\$2,625,940</u>	<u>(348,007)</u>	<u>\$2,321,223</u>

6. PENSION PLAN

The employees of the village are members of the Social Security System. In addition to the employee contributions withheld at 7.65 per cent of gross salary, the village contributes an equal amount to the Social Security System. The village does not guarantee the benefits granted by the Social Security System.

7. DUE TO/FROM OTHER FUNDS

The following is a summary of due to/from other funds at June 30, 1987:

See accountant's compilation report.

VILLAGE OF CLARK  
 Clark, Louisiana  
 Notes to the Financial Statements (Continued)

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Capital Projects Funds:		
LCDBG #001-8009		\$40
LCDBG #001-8008		40
LCDBG #001-8067		45
LCDBG #001-8009		29
Enterprise Funds:		
Water Fund	\$995	1,923
Street Fund	2,863	
Total	<u>\$3,868</u>	<u>\$2,088</u>

8. CHANGES IN CONTRIBUTED CAPITAL

The following is a summary of changes in contributed capital for the year ended June 30, 1997:

	<u>Water Fund</u>	<u>Street Fund</u>	<u>Total</u>
Balance at July 1, 1996	\$850,897	\$765,919	\$1,316,816
Additions - fixed assets acquired with federal grant		604,978	604,978
Deductions - depreciation on fixed assets acquired with federal grant	<u>(24,511)</u>	<u>(29,474)</u>	<u>(53,985)</u>
Total	<u>\$826,386</u>	<u>\$1,341,423</u>	<u>\$2,267,809</u>

9. LITIGATION AND CLAIMS

The village is not involved in any litigation nor aware of any unasserted claims at June 30, 1997. The village maintains commercial insurance to reduce the risk of loss resulting from property damage or liability claims.

See accountant's compilation report.

**VILLAGE OF CLARES**

Claris, Louisiana

Notes to the Financial Statements (Continued)

**10. ON-BEHALF PAYMENTS  
FOR SALARIES**

During the year ended June 30, 1997, the village police chief received supplemental compensation in the amount of \$3,536 from the Louisiana Department of Public Safety. In accordance with GASB Statement 24 this amount has been reported as intergovernmental revenue and personal services expenditures in the General Fund in the accompanying financial statements.

## SUPPLEMENTAL INFORMATION

See accountant's compilation report.

VILLAGE OF CLARK  
Clark, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULES  
As of and for the Year Ended June 30, 1997

**CAPITAL PROJECTS FUNDS**

The Louisiana Community Development Block Grant (LCDBG) Funds account for funds provided by the U. S. Department of Housing and Urban Development through the Louisiana Division of Administration. The monies are used to develop viable urban communities by providing decent housing, a suitable living environment, and expanding economic opportunities, principally for persons of low or moderate income.

See accountant's compilation report.

VILLAGE OF CLARES  
Clarks, Louisiana  
CAPITAL PROJECTS FUNDS

Combining Balance Sheet, June 30, 1997

	LC090 FUND 0000 FUND	LC090 FUND 0005 FUND	LC090 FUND 0007 FUND	LC090 FUND 0008 FUND	TOTAL
<b>ASSETS</b>					
Cash		\$55	\$5	\$20	\$85
Accounts receivable	\$2,540	1,500			4,040
<b>TOTAL ASSETS</b>	<u>\$2,540</u>	<u>\$1,555</u>	<u>\$5</u>	<u>\$20</u>	<u>\$4,059</u>
<b>LIABILITIES AND FUND EQUITY</b>					
<b>Liabilities:</b>					
Accounts payable	\$2,500	\$1,500			\$4,000
Due to other funds	40	40	\$45	\$20	145
<b>Total liabilities</b>	<u>\$2,540</u>	<u>\$1,540</u>	<u>\$45</u>	<u>\$20</u>	<u>\$4,145</u>
<b>Fund Equity:</b>					
Fund balance (deficit) - unreserved - undesignated	(40)	(7)	(40)	NONE	(87)
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$2,500</u>	<u>\$1,533</u>	<u>\$5</u>	<u>\$20</u>	<u>\$4,058</u>

See accountant's compilation report.

VILLAGE OF CLARK  
 Clark, Louisiana  
 CAPITAL PROJECTS FUNDS

Combining Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance  
 For the Year Ended June 30, 1997

	LC000 F01-500 FUND	LC000 F01-505 FUND	LC000 F01-506 FUND	TOTAL
<b>REVENUES</b>				
Intergovernmental - federal grants	\$1,500	\$72,091	NONE	\$73,591
<b>EXPENDITURES</b>				
Facilities acquisition and construction:				
Administration	1,500	8,000		9,500
Engineering		7,340		7,340
Construction		56,151		56,151
Total expenditures	1,500	72,091	NONE	73,591
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	NONE	NONE	NONE	NONE
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	100	07	(300)	07
<b>FUND BALANCE AT END OF YEAR</b>	(300)	(23)	(300)	(627)

See accountant's compilation report.

VILLAGE OF CLARK  
Clark, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULES  
As of and for the Year Ended June 30, 1993

**ENTERPRISE FUNDS**

**Water Fund** - The Water Fund is used to account for the operation of the village water system.

**Sewer Fund** - The Sewer Fund is used to account for the operation of the village sewer system.

See accountant's compilation report.



VILLAGES OF CLARK  
 Clark, Louisiana  
 ENTERPRISE FUNDS

Combining Balance Sheet, June 30, 1997

	WATER FUND	SEWER FUND	TOTAL
<b>ASSETS</b>			
Cash	\$2,358	\$7,471	\$9,829
Accounts receivable	7,327	3,017	10,344
Due from other funds	100	2,863	2,963
Property, plant, and equipment (net of accumulated depreciation)	979,760	1,241,480	2,221,240
<b>TOTAL ASSETS</b>	<u>\$999,545</u>	<u>\$1,254,831</u>	<u>\$2,254,376</u>
<b>LIABILITIES AND FUND EQUITY</b>			
<b>Liabilities:</b>			
Accounts payable	\$8,807	\$0,885	\$9,692
Payroll taxes payable	187	98	285
Sales tax payable	145		145
Due to other funds	2,825		2,825
Customer meter deposits	4,180		4,180
<b>Total liabilities</b>	<u>16,144</u>	<u>1,983</u>	<u>18,127</u>
<b>Fund Equity:</b>			
Contributed capital (net of accumulated depreciation on fixed assets acquired with federal grants)	928,388	1,341,423	2,269,811
Retained earnings - unreserved	48,982	11,568	60,550
<b>Total fund equity</b>	<u>977,370</u>	<u>1,352,991</u>	<u>2,330,361</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$999,520</u>	<u>\$1,254,974</u>	<u>\$2,254,494</u>

See accountant's compilation report.

VILLAGE OF CLARK  
 Clark, Louisiana  
 ENTERPRISE FUNDS

Schedule 4

Combining Schedule of Revenues, Expenses,  
 and Changes in Retained Earnings  
 For the Year Ended June 30, 1997

	WATER FUND	SEWER FUND	TOTAL
<b>OPERATING REVENUES</b>			
Service fees	\$59,338	\$34,896	\$94,134
Other income	1,829	3,392	5,161
Total operating revenues	<u>61,167</u>	<u>38,248</u>	<u>99,415</u>
<b>OPERATING EXPENSES</b>			
Salaries	14,332	8,732	23,064
Payroll taxes	1,569	1,236	2,805
Utilities	11,289	5,746	17,032
Repairs	31,639	3,532	35,171
Sales tax	2,082		2,082
Travel	1,530	384	1,914
Miscellaneous	8,827	5,428	14,251
Depreciation	30,287	29,487	59,764
Total operating expenses	<u>103,792</u>	<u>74,411</u>	<u>178,203</u>
<b>OPERATING LOSS</b>	(42,725)	(36,163)	(78,888)
<b>NON-OPERATING REVENUE - state grant</b>	14,990		14,990
<b>OPERATING TRANSFERS OUT</b>	<u>(6,009)</u>	<u>(25,300)</u>	<u>(31,309)</u>
<b>NET INCOME (Loss)</b>	(33,735)	(51,263)	(84,998)
Adjustment for depreciation on fixed assets acquired with federal grant	<u>24,511</u>	<u>20,474</u>	<u>44,985</u>
<b>NET DECREASE IN RETAINED EARNINGS</b>	(9,224)	(30,789)	(40,013)
<b>RETAINED EARNINGS AT BEGINNING OF YEAR</b>	<u>56,206</u>	<u>13,257</u>	<u>69,463</u>
<b>RETAINED EARNINGS AT END OF YEAR</b>	<u>\$46,982</u>	<u>\$11,268</u>	<u>\$58,250</u>

See accountant's compilation report.

VILLAGE OF CLARK  
 Clark, Louisiana  
 ENTERPRISE FUNDS

Combining Schedule of Cash Flows  
 For the Year Ended June 30, 1997

	WATER FUND	SEWER FUND	TOTAL
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating Loss	<u>(342,712)</u>	<u>(318,183)</u>	<u>(660,895)</u>
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:			
Depreciation	59,260	29,497	88,757
Increase (decrease) in accounts receivable	(2,858)	271	(2,587)
Increase in customer deposits	900		900
Increase in accounts and withholdings payable	4,047	1,126	5,173
Increase in due from other funds		(3,463)	(3,463)
Increase in due to other funds	1,457		1,457
Total adjustments	<u>34,806</u>	<u>26,431</u>	<u>61,237</u>
Net cash provided (used) by operating activities	<u>(\$8,906)</u>	<u>13,268</u>	<u>4,379</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>			
Operating transfers out	(6,000)	(13,100)	(21,100)
State grant	<u>14,900</u>		<u>14,900</u>
Net cash provided (used) by non-capital financing activities	<u>8,900</u>	<u>(13,100)</u>	<u>(6,110)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	<u>901</u>	<u>(1,832)</u>	<u>(1,531)</u>
<b>CASH AT BEGINNING OF PERIOD</b>	<u>2,697</u>	<u>9,563</u>	<u>12,260</u>
<b>CASH AT END OF PERIOD</b>	<u>\$3,598</u>	<u>\$7,731</u>	<u>\$11,329</u>

See accountant's compilation report.

VILLAGE OF CLARK  
Clark, Louisiana  
SUPPLEMENTAL INFORMATION SCHEDULE  
*As of and 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. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the aldermen is included in the legislative expenditures of the General Fund. Aldermen receive a per diem \$30 for attending each regular and special meeting.

VILLAGE OF CLARK  
Clarks, Louisiana  
SUPPLEMENTAL INFORMATION SCHEDULE  
As of and For the Year Ended June 30, 1997

COMPENSATION PAID ALDERMEN  
Schedule of Per Diem Paid Aldermen

Murphy Ballard	\$160
James King	360
Dorsey Thomas	360
Total	<u>\$1,080</u>

**Independent Accountant's Report on Applying  
Agreed-Upon Procedures**

The following independent accountant's report on applying agreed upon procedures is presented in compliance with the requirements of the *Louisiana Governmental Audit Guide* and the *Louisiana Attorney's Questionnaire*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

*M. Carlton Demas*  
CERTIFIED PUBLIC ACCOUNTANT

309 Deshaussieres Road • Columbia, Louisiana 71215 • Telephone 318-6644-8328

**Independent Accountant's Report  
On Applying Agreed-Upon Procedures**

MAYOR AND BOARD OF ALDERMEN  
VILLAGE OF CLARKS  
Clarks, Louisiana

I have performed the procedures included in *The Louisiana Governmental Audit Guide* and enumerated below, which were agreed upon by the management of the Village of Clarks and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village of Clarks' compliance with certain laws and regulations during the year ended June 30, 1997 included in the accompanying *Louisiana Attentional Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

**Public Bid Law**

1. Select all expenditures made during the year for materials and supplies exceeding \$5,000, or public works exceeding \$50,000, and determine whether such purchases were made in accordance with LSA-RS 38:2201-2250 (the public bid law).

A review was made of all disbursement journals for the year. There were no disbursements for materials and supplies exceeding \$5,000 made during the year. There was one public works disbursement exceeding \$50,000 made during the year. The expenditure was made in accordance with the public bid law.

Village of Clark  
Independent Accountant's Report on  
Applying Agreed-Upon Procedures  
June 30, 1997

**Code of Ethics for Public Officials and Public Employees**

2. Obtain from management a list of the immediate family members of each board member as defined by I.S.A. (RS 42) 1110-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided me with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided me with the required list.

4. Determine whether any of the employees included in the listing obtained from management in procedure number 3 above were also included in the listing obtained from management in procedure number 2 above as immediate family members.

There were no names on the employee listing that were also included on the listing of immediate family members.

**Budgeting**

5. Obtain a copy of the legally adopted budget and all amendments.

The village did not adopt a budget for the General Fund for the year ended June 30, 1997.

6. Trace the budget adoption and amendments to the minute book.

See results of procedures listed under question number 5.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by 5% or more.

See results of procedures listed under question number 5.



### Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and,
- (a) trace payments to supporting documentation as to correct amount and payee;
  - (b) determine if payments were properly coded to the correct fund and general ledger account;
  - (c) determine whether payments received approval from proper authorities.

An examination of six randomly selected disbursements disclosed the following:

- (a) The six selected disbursements were supported by adequate documentation.
- (b) One of the six payments examined was not coded to the correct general ledger account. The payment was for street repairs and was coded as miscellaneous instead of street expenses. Two of the six payments examined were for salaries. The salaries were recorded at net instead of at gross amounts.
- (c) The minutes of the board of aldermen meetings reflected that all six disbursements were approved by the mayor and board of aldermen.

### Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minutes book were posted or advertised as required by LSA-RS 43 (1-1) (the opening meetings law).

Agendas for the meetings are posted as required by LSA-RS 43:7.

### Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

I inspected copies of all deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Village of Clark  
Independent Accountant's Report on  
Applying Agreed-Upon Procedures  
June 30, 1997

**Advances and Bonuses**

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

A reading of the minutes of the board meetings and an examination of payroll records indicated no payments which may constitute bonuses, advances, or gifts.

**General**

12. The village has not maintained adequate records of all fixed assets as is required by LSA-BS 34:515 (B)(1).
13. The prior year audit report contained findings related to water and sewer funds cash receipts, accounts receivable and rental deposits, and the reimbursement of employees' expenses. While applying the aforementioned agreed-upon procedures, it was noted that the village clerk maintains a listing of daily cash receipts for the water and sewer funds and that the village published a notice on its policy for delinquent accounts. The village clerk stated that meter deposits are collected from all new customers. Employees monthly expense allowances are not being included on the employees' W-2's. The village must maintain documentation to support that these payments are for a reimbursement of expenses incurred by the employee.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of the Village of Clark and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

  
Charles R. Jones  
Clerk, Louisiana  
October 3, 1997

