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VILLAGE OF GRAYSON

Grayson, Louisiana

Audit Report

As of and For the Year Ended December 31, 1986

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AUG 6 8 1987

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VILLAGE OF GRAYSON
 Grayson, Louisiana
 General Purpose Financial Statements As of and For the Year Ended
 December 31, 1996
 With Supplemental Information Schedules

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INDEPENDENT AUDITORS REPORT

To the Mayor and Council Members
Village of Grayson
Grayson, Louisiana

I have audited the accompanying general purpose financial statements of the Village of Grayson, Louisiana, as of and for the year ended December 31, 1996, as listed in the table of contents. These general purpose financial statements are the responsibility of the Village of Grayson's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

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

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Village of Grayson, Louisiana, as of December 31, 1996, and the results of its operations and the cash flows of its proprietary fund for the year ended in conformity with generally accepted accounting principles.

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplementary 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 Village of Grayson, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

In accordance with Government Auditing Standards, I have also issued a report dated June 16, 1997 on my consideration of Village of Grayson's internal control situation and a report dated June 16, 1997, on its compliance with laws and regulations.

JIMMIE SELF
CERTIFIED PUBLIC ACCOUNTANT

June 16, 1997

FINANCIAL STATEMENTS (CONTINUED)
AND SUPPLEMENTAL NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31/03/2017

	STATEMENT OF FINANCE		STATEMENT OF FINANCE		Total Assets or Liabilities
	2016	2015	2016	2015	
ASSETS					
Fixed assets					
Land and buildings	1,000	1,000	1,000	1,000	1,000
Plant and machinery	500	500	500	500	500
Investments	1,000	1,000	1,000	1,000	1,000
Current assets					
Stocks	1,000	1,000	1,000	1,000	1,000
Debtors	1,000	1,000	1,000	1,000	1,000
Prepaid expenses	1,000	1,000	1,000	1,000	1,000
Current liabilities					
Trade payables	1,000	1,000	1,000	1,000	1,000
Bank overdraft	1,000	1,000	1,000	1,000	1,000
Other liabilities	1,000	1,000	1,000	1,000	1,000
Total	5,000	5,000	5,000	5,000	5,000
EQUITY AND RESERVES					
Share capital	1,000	1,000	1,000	1,000	1,000
Reserves	4,000	4,000	4,000	4,000	4,000
Total	5,000	5,000	5,000	5,000	5,000

NOTES

1. The financial statements have been prepared on the basis of the following assumptions:

VILLAGE OF GRATION, ILLINOIS
 ALL ADDITIONAL FUND TYPE
 FINANCIAL STATEMENTS OF REVENUE, EXPENDITURES AND
 CARRYOVER FUND BALANCE
 FOR THE YEAR ENDING DECEMBER 31, 1990

	GENERAL FUND	
	\$	\$
REVENUES:		
PROPERTY TAXES	5	89
ISSUANCE FEE		1,880
FINES		1,880
GRANT/FEDERAL FUNDS		11,700
FRONTIER FEE		478
FEES/CHARGES		607
GRANT INCOME		15,000
FUND BARRIS		1,500
FIRE PROTECTION AGREEMENT		4,000
WARRANTY AGREEMENT		1,000
INTERGOVERNMENTAL AGREEMENTS		4,000
NON-FUNDED FUND INCOME		88
TOTAL REVENUES		<u>34,637</u>
EXPENDITURES:		
GENERAL GOVERNMENT		11,000
TOTAL EXPENDITURES		<u>11,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		23,637
FUND BALANCE AT BEGINNING OF YEAR		1,700
FUND BALANCE AT END OF YEAR	\$	<u>25,337</u>

FOOTNOTES

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS.

STATEMENT OF OPERATIONS - CONTINUING
 (PROPERTY AND INVESTMENT INTERESTS) - FUND
 (COMBINED STATEMENT OF OPERATIONS, EXPENSES AND
 CHANGES IN RETAINED EARNINGS) BALANCES
 FOR THE YEAR ENDED DECEMBER 31, 1994

OPERATING REVENUES:	
FEE FOR SERVICE	140,374
MISCELLANEOUS INCOME	1,417
TOTAL OPERATING REVENUES	<u>141,791</u>
OPERATING EXPENSES:	
SALARIES	26,811
AUTO EXPENSE	1,271
REPAIRS & MAINTENANCE	1,656
BUSINESS TRAVEL (DIRECT)	5,190
INSURANCE	7,864
POSTAGE & SUPPLIES	5,290
TRAVEL EXPENSE	30
OFFICE SUPPLIES	1,680
PRINTING	792
RETIROMENT	1,059
FOODS	1,000
CONTRIBUTIONS	0
PAYROLL TAXES	2,880
DEPRECIATION	747
CELLULAR PHONE	557
TELEPHONE	1,257
SALES TAX	1,643
TIRE TREAD	10,086
MISCELLANEOUS EXPENSE	1,324
DEPRECIATION	79,574
DEPRECIATION - RESERVE	114
WATER-SUBSIDY FUND	485
WATER & SEWER-COLLECTION FUND	1,513
TOTAL OPERATING EXPENSES	<u>161,086</u>
OPERATING INCOME (LOSS)	(19,295)
NONOPERATING REVENUES (EXPENSES):	
INTEREST INCOME	1,257
INTEREST EXPENSE	(2,144)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(887)</u>
NET INCOME (LOSS)	(20,182)
RETAINED EARNINGS END BALANCE AT BEGINNING OF YEAR:	
RETAINED EARNINGS - RESERVE	51,000
RETAINED EARNINGS - UNRESERVED	<u>109,111</u>
RETAINED EARNINGS END BALANCE AT END OF YEAR:	
RETAINED EARNINGS - RESERVE	30,818
RETAINED EARNINGS - UNRESERVED	<u>170,884</u>
NET ASSET	

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

VILLAGE OF CHANDEL, ILLINOIS
 FINANCIAL STATEMENTS
 COMPREHENSIVE FINANCIAL STATEMENTS
 COMMERCIAL STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 1999

CASH FLOWS FROM OPERATING ACTIVITIES:

NET INCOME	27,000
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
DEPRECIATION	11,874
INCREASE/DECREASE IN ACCRUED INTEREST	(87)
INCREASE/DECREASE IN ACCOUNTS PAYABLE	(812)
DECREASE/INCREASE IN OTHER LIABILITIES	1,014
TOTAL ADJUSTMENTS	11,909
NET CASH PROVIDED BY OPERATIONS	38,909

CASH FLOWS FROM INVESTING ACTIVITIES:	
CAPITAL EXPENDITURES	(1,140)

NET CASH USED IN INVESTING ACTIVITIES	(1,140)
---------------------------------------	---------

CASH FLOWS FROM FINANCING ACTIVITIES:	
PAID ON LONG TERM DEBT	(5,000)
NET CASH PROVIDED BY FINANCING ACTIVITIES	(5,000)

NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS 22,769

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 16,137

CASH AND CASH EQUIVALENTS AT END OF YEAR \$ 38,906

CASH PAID FOR INTEREST: \$1,400

FOOTNOTES:

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

VILLAGE OF GRAYSON
GRAYSON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1995

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Grayson was incorporated under the provisions of the Louisiana Act (Louisiana Revised Statutes (LSA - R.S.) 13:121 - 463) and operates under a Mayor/Board of Aldermen/Women form of government. It provides the following services to its residents: public safety (police), highways and streets, gas, water, sewer, and sanitation facilities through the utility fund, culture/education, and general administrative services.

The accounting and reporting policies of the municipality conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 13:117 and to the industry audit guide, Audit of State and Local Governmental Units.

A. REPORTING ENTITY

As the municipal governing authority, for reporting purposes, the Village of Grayson, Louisiana is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which 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 Grayson, Louisiana for the 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 include:

1. Appointing a voting majority of an organization's governing body, and
 - A. The ability of the municipality to impose its will on that organization and/or
 - B. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the municipality.
2. Organizations for which the municipality does not appoint a voting majority but are financially dependent on the municipality.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

No component units are included in this report, since there are none.

VILLAGE OF GRAYSON
GRAYSON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1998

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

II. FUND ACCOUNTING

The Village of Grayson 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 relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

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

Governmental Funds

Governmental funds account for all or most of the Village of Grayson's general activities, including the collection and disbursement of specific or legally restricted revenues, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

General Fund - the general operating fund of the Village of Grayson accounts for all financial resources, except those required to be accounted for in other funds.

Proprietary Funds

Proprietary funds 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 Fund - (composed of Water and Sewer Funds) accounts for operations (a) that are financed and operated in a manner similar to a private business enterprise where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user fees, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

VILLAGE OF GRAYSON
GRAYSON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1996

C. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds, and agency funds. There are five bond covenants, including the mayor. The population is approximately 344. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied by the Village in September or October and are actually billed on October 1, and are mailed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

The Village bills and collects its own property taxes using the assessed value determined by the tax assessor of Franklin Parish.

The year ended December 31, 1995, taxes of 5.88 mills were levied on property with assessed valuations totaling \$99,744 and were deducted as follows:

General corporate purposes	5.88 mills
----------------------------	------------

Property tax revenues are recognized when they become available. Available includes those property tax receivables elected to be collected within sixty days after year end. Delinquent taxes are considered fully collectible and therefore an allowance for uncollectible taxes is not provided.

Fines, bond forfeitures, and fees are recognized when collected by the Village. Interest income is recorded when it is credited to accounts by the Bank.

Unearned revenue of \$2,180 is an amount due from the LEDBG grant program.

Expenditures

Salaries are recorded as expenditures when earned by employees.

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

Principal and interest on general long-term debt and installment purchase payments are recognized when due.

The Water and Sewerage Enterprise Funds are maintained on the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when they are incurred.

VILLAGE OF GRAYSON
GRAYSON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006

D. BUDGETS

The Village of Grayson (Mayor and Council) uses the following budget practices:

- (1) Prior to December 31, the town Clerk submits to the Mayor and Council Members a proposed budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year. The budget is submitted in summary form. In addition, more detailed line item budgets are included for administrative control. The level of control for the detailed budgets is at the department head/function level.
- (2) Public hearings are conducted to obtain taxpayer comment.
- (3) During the month of January the budget is legally enacted through passage of an ordinance.
- (4) Formal budgetary integration is employed as a management control device during the year for the General Fund.
- (5) Budgets for the General Fund are adopted on the GAAP basis.
- (6) Appropriations lapse at the end of each fiscal year.
- (7) The Mayor and Council Members authorize supplemental appropriations during the year. Supplemental appropriations were made during the fiscal year.

E. ENCUMBRANCES

Encumbrance accounting is not used.

F. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. State state law, the Village of Grayson 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 their principal offices in Louisiana.

Under state law, the Village of Grayson may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash-equivalents. Investments are stated at cost.

G. RESTRICTED ASSETS

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

VILLAGE OF GRAYSON
GRAYSON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1998

H. FIXED ASSETS

Fixed Assets used in governmental fund operations (general fund assets) are accounted for in the general fund assets account group rather than the governmental funds. Public domain or infrastructure are not capitalized. Interest incurred during construction is not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

Fixed assets of the Enterprise Funds are recorded at cost, if purchased, and at fair market value at date of gift if donated. They are included on the balance sheet net of accumulated depreciation. Major additions are capitalized while maintenance and repairs that do not improve or extend life of the respective assets are charged to expenses. Contributions received in aid of construction are credited to contributions accounts and do not reduce the cost of the assets acquired within such transactions.

Depreciation of all depreciable fixed assets used by the proprietary fund operations is charged as an expense against operations. Depreciation on assets acquired by grants is accreted to retained earnings and amortized against contributed capital. Depreciation of property, plant and equipment has been provided over the estimated useful life using the straight-line method of 3-45 years.

The general fixed assets account group is not a fund. It is reconciled only with the measurement of financial position, not with measurement of results of operations.

Long-term obligations expected to be financed from governmental funds are reported in the general long-term debt obligations account group. Expansures for principal and interest payments for long-term obligations are recognized in the governmental funds when due. Long-term obligations expected to be financed from proprietary fund operations are accounted for in those funds.

I. LONG - TERM OBLIGATIONS

Long - term obligations expected to be financed from governmental funds are reported in the general long - term obligations account group. Expansures for principal and interest payments for long - term obligations are recognized in the governmental funds when due. Long-term obligations expected to be financed from proprietary fund operations are accounted for in those funds.

J. COMPENSATED ABSENCES

Village employees are entitled to ten days of compensated absences. However, compensated absences do not vest or accumulate and are recorded as expenditures when they are paid.

K. FUND EQUITY

Contributed Capital

Contributed capital is recorded in the Enterprise Fund that has received capital grants or contributions from developers, vendors, or other funds when such resources are restricted for the acquisition or construction of capital assets. Contributed capital is amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such resources. This depreciation is charged to the contributed capital account and is reflected as an adjustment to net income.

VILLAGE OF GRAYSON
 GRAYSON, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 1996

on that portion of the assets acquired or constructed from such resources. This depreciation is charged to the contributed capital account and is reflected as an adjustment to net income.

Reserves

Reserves represent those portions of fund equity not appropriate for expenditures or legally segregated for a specific future use.

Designated Fund Balances

Designated fund balances represent tentative plans for future use of financial resources.

E. TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on the combined statements 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 changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Inter-fund eliminations have not been made in the aggregation of this data.

NOTE 2 - LEVIED TAXES

Authorized Millage 5.88 - Levied Millage 5.88

NOTE 3 - CASH AND CASH EQUIVALENTS

The following is a summary of cash and cash equivalents (book balances) at December 31, 1996, the Village had cash totaling \$109,434, as follows:

Demand Deposits	71,212
Restricted Assets (Cash)	<u>38,222</u>
Total	<u>109,434</u>

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 bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or collateral bank that is mutually acceptable to both parties. Cash and cash equivalents (book balances) at December 31, 1996 are secured as follows:

Bank Balances	<u>117,613</u>
Federal Deposit Insurance	100,000
Pledged Securities	<u>0</u>
Total	<u>217,613</u>

VILLAGE OF GRAYSON
 GRAYSON, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 1998

The remaining balance of \$5,613 is not secured by the pledge of securities and is a violation of state law.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GABE Statute 3, Louisiana Revised Statute 39:1239 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pre-deposit funds upon demand.

NOTE 4 - RECEIVABLES

The receivables of 28,888 at December 31, 1998, are as follows:

General Fund	2,863
Enterprise Fund	15,766
Rev from LCDBG Program	2,259
Total	28,888

No allowance for doubtful Accounts has been established.

NOTE 5 - CHANGES IN FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance 12-31-97	Additions	Retirements	Balance 12-31-98
GENERAL FIXED ASSETS				
Land	2,600	-	0	2,600
Building	268,620	26,961	0	295,581
Equipment	6,000	2,182	0	8,182
Auto	1,288	-	0	1,288
TOTAL	278,508	29,143	0	307,651

A summary of the fund type property, plant & equipment at December 31, 1998, follows:

	Water Fund	Street Fund	Total
Buildings & Equipment		45,013	45,013
Sewer System	0	0	0
Water System	208,468	1,627,803	1,836,271
Total	208,468	1,672,816	1,881,284
Less - Accumulated Depreciation	83,912	(279,140)	(195,228)
Total	124,556	1,393,676	1,518,232

NOTE 7 - PENSION PLAN

Substantially all employees of the Village of Grayson are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana, Municipal Police Employees Retirement System of Louisiana, or Firefighters' Retirement System of Louisiana. These systems are cost-sharing.

VILLAGE OF GRAYSON
GRAYSON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1996

multiple-employer defined benefit pension plans administered by separate boards of trustees. Relevant information relative to each plan follows:

A. Municipal Employees Retirement System of Louisiana

Plan Description. The system is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. [All employees of the municipality are members of Plan A (Plan B) for some employees of the municipality are members of Plan A and some are members of Plan B.]

All permanent employees working at least 30 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 at or after age 35 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average monthly salary in excess of \$100 for each year of creditable service. Furthermore, employees with at least 10 years of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 60, with the basic benefit reduced 5 percent for each year retirement precedes age 65, unless he has at least 30 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 36 consecutive or joined 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. This report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4800.

Funding Policy. [Under Plan B, members are required by state statute to contribute 5.0 percent of their annual covered salary, and the Village of Grayson is required to contribute an actuarially determined rate. The current rate is 2.75 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 Village of Grayson are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:355, 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. [Village of Grayson contributions to the System under Plan B for the years ending December 31, 1996, 1995, and 1994, were \$2,941, \$2,705, and \$2,496, respectively, equal to the required contributions of each year.]

NOTE B - ACCOUNTS, SALARIES, AND OTHER PAYABLES OF SERVO ARE AS FOLLOWS:

The following is a summary of payables at December 31, 1996:

VILLAGE OF GRAYSON
 GRAYSON, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 1995

Accounts Payable - General Fund	1,477
Accounts Payable - Enterprise Fund	2,348
Total	<u>3,825</u>

NOTE B - LONG - TERM DEBT

Long-term debt at December 31, 1995, was composed of the following:

212,700	Sewer Revenue bond (Bond R-1) dated August 4, 1995 due in annual installments of \$12,908, due August 4, 1999-2029; interest at 7%	199,908
213,500	Sewer Revenue Bond (Bond R-2) dated August 4, 1995 due in annual installments of \$13,858, due August 4, 1999-2029; interest at 7%	<u>123,215</u>
		123,215
	Less Current Portion:	<u>4,272</u>
	Net Long-Term Portion of Long-Term Debt	<u>417,848</u>

The annual requirements to amortize all long-term debt outstanding as of December 31, 1995, including interest payments of \$14,813 are as follows:

Year	Required Amount
1997	25,458
1998	16,458
1999	26,458
2000	26,458
2001	26,458
2002-2029	749,821

Under the terms of the bond indenture on outstanding sewer revenue bonds, dated August 4, 1995, all income and revenues hereinafter referred to as revenues of every nature, earned or derived from operations of the sewer system are pledged and dedicated to the retirement of said bonds, and are to be set aside in the following funds:

- Each month there will be set aside into a fund called the "Sinking Fund" an amount constituting 1/12 of the next maturing installment of principal and interest on the outstanding bonds. Such transfers 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.

The following is a schedule of deposits that should be made to the Sinking Fund:

PERIOD	MONTHLY DEPOSITS
08-26-90 through 03-20-91	\$ 1,204.86

- There shall also be set aside in a Reserve Fund an amount equal to 5% of the principal and interest payments required during the month until there shall have been accumulated in the Reserve Account an amount equal to \$38,202.

VILLAGE OF GRAYSON
 GRAYSON, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 1996

The following is a schedule of deposits that should be made to the Reserve Fund:

PERIOD	MONTHLY DEPOSITS
06-20-96 through 07-30-96	\$176.29 per month must be deposited into the fund until \$47,784 has been accumulated.

- a. Month's deposits of \$112 should also be made for the period of August 20, 1990 through July 20, 2009 to the Contingency Fund.

NOTE 10 - POST-RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Village of Grayson has no retired employees as of December 31, 1996.

NOTE 11 - SEGMENT INFORMATION - ENTERPRISE FUNDS

The Village maintains two Enterprise Funds, of which one provides water service and the other sewer service. Segment information as of and for the year ended December 31, 1996, was as follows:

	WATER FUND	SEWER FUND	TOTALS
Operating Revenues	84,323	47,842	142,174
Depreciation	(9,788)	51,785	41,997
Operating Income (Loss)	9,423	(16,598)	(7,175)
Net Income	9,423	(36,487)	(27,064)
Property, Plant & Equipment	374,557	1,393,675	1,822,232
Net Working Capital	46,772	72,853	69,425
Total Assets	373,331	1,466,157	1,791,488
Bonds Payable from Operating Revenues	0	423,891	423,891
Total Equity	353,179	1,091,812	1,284,942

NOTE 12 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Litigation

According to the Village's attorney there were no pending litigations or claims against the Village as of December 31, 1996.

Federal Assisted Programs

The Village received financial assistance from Federal and State governmental agencies in the form of grants. The disbursements of funds received under those programs generally requires compliance with terms and conditions specified on the grant agreements.

NOTE 13 - LEASES

There are no leases.

VILLAGE OF GRAYSON
GRAYSON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1996

Supplemental Information Schedules
Proprietary Fund Types

VILLAGE OF GRAYSON
GRAYSON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1998

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VILLAGE OF GRAYSON
SUPPLEMENTAL INFORMATION
For the Year Ended December 31, 1998

ENTERPRISE FUNDS:

Sewer Fund

The Sewer System Fund accounts for operations of the Village Sewerage System and construction of the System.

Water System Fund

The Water System Fund accounts for the operations of the Village water system.

STATE OF CALIFORNIA
 COUNTY OF SAN DIEGO
 GENERAL ACCOUNTS STATEMENT
 FOR 2014

	WATER FUND	SEWER FUND	TOTAL (WATER+SEWER)
ASSETS			
RESTRICTED ASSETS			
FUND	\$ 48,004	\$ 48,004	\$ 96,008
RESTRICTED	0	0	0
TOTAL RESTRICTED ASSETS	48,004	48,004	96,008
UNRESTRICTED ASSETS			
CASH/STOCKS/OTHER INVESTMENTS	0	26,000	26,000
TOTAL UNRESTRICTED ASSETS	0	26,000	26,000
TOTAL ASSETS	48,004	74,004	122,008
LIABILITIES AND FUND EQUITY			
LIABILITIES			
RESTRICTED LIABILITIES			
ACCOUNTS PAYABLE	\$ 1,000	\$ 754	\$ 1,754
TOTAL RESTRICTED LIABILITIES	1,000	754	1,754
UNRESTRICTED LIABILITIES			
ACCOUNTS PAYABLE	0	0	0
TOTAL UNRESTRICTED LIABILITIES	0	0	0
TOTAL LIABILITIES	1,000	754	1,754
FUND EQUITY			
RESTRICTED FUND EQUITY			
TOTAL RESTRICTED FUND EQUITY	47,004	47,250	94,254
UNRESTRICTED FUND EQUITY			
TOTAL UNRESTRICTED FUND EQUITY	0	26,000	26,000
TOTAL FUND EQUITY	47,004	73,250	120,254
TOTAL LIABILITIES AND FUND EQUITY	48,004	74,004	122,008

STATE OF CALIFORNIA
 STATEWIDE FLOOD
 CONTROL DISTRICTS AND DISTRICTS, EXPENSES AND
 CHANGES IN RETAINED EMBODIMENT BALANCES
 FOR THE YEAR ENDED OCTOBER 31, 1994

	STATE FUND	STATE FUND	TOTAL CHANGES IN BALANCE
OPERATING EXPENSES			
EXPENSES FOR SERVICE	\$ 70,000	\$ 2,000	\$ 72,000
RECEIVABLES IN CASE	10,000	1,000	11,000
TOTAL OPERATING EXPENSES	<u>\$80,000</u>	<u>\$3,000</u>	<u>\$83,000</u>
OPERATING EXPENSES			
SALARIES	24,700	0	24,700
UTILITIES	1,000	0	1,000
REPAIRS & MAINTENANCE	1,000	0	1,000
POSTAGE & FREIGHT	1,000	0	1,000
TRAVEL	1,000	0	1,000
TELEPHONE	1,000	0	1,000
PRINTING	1,000	0	1,000
DEPRECIATION	1,000	0	1,000
PROPERTY TAXES	1,000	0	1,000
INSURANCE	1,000	0	1,000
CONTRACTS	1,000	0	1,000
OTHER	1,000	0	1,000
TOTAL OPERATING EXPENSES	<u>36,700</u>	<u>0</u>	<u>36,700</u>
OPERATING INCOME (LOSS)			
	43,300	(3,000)	40,300
NONOPERATING INCOME (EXPENSES)			
INTEREST INCOME	0	1,000	1,000
EXPENSES		(2,000)	(2,000)
TOTAL NONOPERATING INCOME (EXPENSES)	<u>0</u>	<u>(1,000)</u>	<u>(1,000)</u>
NET INCOME (LOSS)			
	43,300	(4,000)	39,300
NET OPERATING EXPENSE BALANCES AT BEGINNING OF YEAR:			
STATEWIDE FUND - BUREAU	51,000	0	51,000
STATEWIDE FUND - DISTRICTS	25,000	100,000	125,000
TOTAL	<u>76,000</u>	<u>100,000</u>	<u>176,000</u>
NET OPERATING EXPENSE BALANCES AT END OF YEAR:			
STATEWIDE FUND - BUREAU	86,300	0	86,300
STATEWIDE FUND - DISTRICTS	36,000	110,000	146,300
TOTAL	<u>122,300</u>	<u>110,000</u>	<u>232,300</u>

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STATE OF CALIFORNIA
 DEPARTMENT OF REVENUE
 STATEMENT OF REVENUES AND EXPENSES
 FOR THE FISCAL YEAR ENDING JUNE 30, 1989

STATE DEPARTMENT OPERATIONS - STATE FISCAL

	FISCAL YEAR	REVENUE	TOTAL EXPENDITURES
NET INCOME	\$ 3,871	\$ 12,471	\$ 11,990
DEPARTMENT AND STATEWIDE NET INCOME			
REVENUES FROM THE STATE DEPARTMENT OPERATIONS			
GENERAL FUNDS	18,488	18,748	18,421
STATE DEPARTMENT OPERATIONS REVENUES AND	311	12,061	11,744
EXPENSES (SEE NOTE 1) TO ACCOUNTS STATE AND	704	1,782	1,877
IN THE STATE DEPARTMENT OF OTHER DEPARTMENT	7,234	7,000	7,881
NET INCOME FROM STATE DEPARTMENT OPERATIONS	26,737	39,591	38,923
STATE DEPARTMENT OPERATIONS AND EXPENSES	(22,866)	0	(22,866)
NET INCOME FROM STATEWIDE OPERATIONS			21,898
STATE DEPARTMENT OPERATIONS AND EXPENSES	(22,866)		
STATE DEPARTMENT OPERATIONS AND EXPENSES	0	(22,866)	(22,866)
NET INCOME FROM STATE DEPARTMENT OPERATIONS	3,871	16,725	16,725
STATE DEPARTMENT OPERATIONS AND EXPENSES			
STATE DEPARTMENT OPERATIONS AND EXPENSES			
STATE DEPARTMENT OPERATIONS AND EXPENSES	3,871	16,725	16,725
STATE DEPARTMENT OPERATIONS AND EXPENSES	3,871	16,725	16,725

VILLAGE OF GRAYSON
GRAYSON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1996

VILLAGE OF GRAYSON
Schedule of Compensation Paid to the Mayor and Aldermen/Women
For the Year Ended December 31, 1996

Mayor Bill Decker, Jr.	2,200
Alderman Gerald Roshing	900
Aldresswoman Ann Meyer	900
Alderman Raymond Coats	900
TOTAL	<u>4,800</u>

FEDERAL EXPENDITURES
 SUPPORTING ECONOMIC DEVELOPMENT ACTIVITIES
 FOR THE FISCAL YEAR ENDING 1996

Federal Agency or Department	FY 1996 Dis.	Grant Number	Federal Award Amount	FY96 Program Available Budget	FY96 Expenditures	Total Program Expenditures to Date (to 12/31/96)
Federal Reserve Department of Housing and Urban Development - Dept of Housing, Division of Administration, Economic Development Blackwell Program	14,000	144-0001	\$ 100,000	100,000	100,000	100,000
FEDERAL RESERVE DEPARTMENT ADMINISTRATION	0		\$ 100,000	100,000	100,000	100,000

FY 1996 FEDERAL EXPENDITURES TOTAL \$100,000

** INCLUDES MATCH PROGRAMS

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Independent Auditor's Report on
Schedule of Federal Financial Assistance

To the Mayor and Council Members
Village of Grayson
Grayson, Louisiana

I have audited the general purpose financial statements of the Village of Grayson, Louisiana, as of and for the year ended December 31, 1998, and have issued my report thereon dated June 16, 1997. These general purpose financial statements are the responsibility of the Village of Grayson, Louisiana's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of OMB's Office of Management and Budget circular A-128, *Audit of State and Local Governments*. These standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether the 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. I believe that my audit provides a reasonable basis for my opinion.

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


JIMMIE SELF
CERTIFIED PUBLIC ACCOUNTANT

June 16, 1997

Independent Auditor's Report On Internal Control Structure Based
On An Audit Of General Purpose Financial Statements Performed
In Accordance With Government Auditing Standards

To the Mayor and Council Members
Village of Grayson
Grayson, Louisiana

I have audited the general purpose financial statements of the Village of Grayson, Louisiana as of and for the year ended December 31, 1996, and have issued my report thereon dated June 18, 1997.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the Village of Grayson 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 control structure, errors or irregularities may nevertheless occur and not be detected. Also, projections 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 my audit of the general purpose financial statements of the Village of Grayson, Louisiana for the year ended December 31, 1996, I obtained an understanding of the internal control structure. With respect to the internal control structure I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation and I assessed control risk in order to determine the auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

I noted a certain matter involving the internal control structure and its operation that I considered to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my 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.

The following finding represents the item I considered to be a reportable condition.

1. There is an inadequate number of personnel for the Towns to have an adequate system of internal control. It is noted that it is cost-prohibitive to correct this deficiency.

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 accounts 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.

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

This report is intended for the information of the Village of Gretna's management and the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit the distribution of the report, which is a matter of public record.



JIMMIE SELF
CERTIFIED PUBLIC ACCOUNTANT

June 16, 1997

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**Independent Auditor's Report On Compliance With
Laws and Regulations Based On An Audit Of
General Purpose Financial Statements Performed In
Accordance With Government Auditing Standards**

To the Mayor and Council Members
Village of Grayson
Grayson, Louisiana

I have audited the general purpose financial statements of the Village of Grayson, Louisiana, as of and for the year ended December 31, 1996, and have issued my report thereon dated June 16, 1997.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards and OMB Circular 4-118 require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

The results of my tests disclosed the following instances of noncompliance that are required to be reported herein under Government Auditing Standards, for which the ultimate resolution cannot presently be determined. Accordingly, no provision for any liability that may result has been recognized in the Village of Grayson's 1996 financial statements.

The Village of Grayson did not provide adequate pledge of securities for its cash and cash equivalents which is a violation of State law. The Village of Grayson, after being advised of this, has now made this provision.

I considered this instance of noncompliance in forming my opinion on whether the Village of Grayson's 1996 general purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect my report dated June 16, 1997, on those general purpose financial statements.

This report is intended for the information of the Village of Grayson's management, and the Legislative Auditor of the State of Louisiana. However, this restriction is not intended to limit the distribution of the report, which is a matter of public record.


JIMMIE SELF
CERTIFIED PUBLIC ACCOUNTANT

June 16, 1997

**Independent Auditor's Report On Internal Control Structure
Used In Administering Federal Financial Assistance Programs**

**To the Mayor and Council Members
Village of Grayson
Grayson, Louisiana**

I have audited the general purpose financial statements of the Village of Grayson, Louisiana, as of and for the year ended December 31, 1996 and have issued my report thereon dated June 16, 1997. I have also audited the compliance of Village of Grayson, with requirements applicable to major federal financial assistance programs and have issued my report thereon dated June 16, 1997.

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

In planning and performing my audit for the year ended December 31, 1996, I considered the internal control structure of Village of Grayson, in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements of Village of Grayson, Louisiana, and on the compliance of Village of Grayson, with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses my consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. I have addressed internal control structure policies and procedures relevant to my audit of the general purpose financial statements in a separate report dated June 16, 1997.

The management of the Village of Grayson 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, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations, in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, judgment 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.

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

Budget

Cash.

Revenue/receipts - service revenue and receivables - proprietary fund.

Expenditures/obligations/commitment/purchasing.

Payroll/personnel.

Property, plant and equipment, and capital expenditures.

Budgeting/budgetary control.

Tax collection/deductions.

Single Award and similar grant programs.

Debt and debt service.

General Requirements

Political activity.

Davis-Bacon Act.

Civil rights.

Cash management.

Relocation assistance and real property acquisition.

Federal financial reports.

Allowable cost/indirect principles.

Drug - free Workplace Act.

Administrative requirements.

Specific Requirements

Types of services allowed or not allowed.

Eligibility.

Matching, level of effort, or cost-sharing.

Reporting.

Special requirements, if any.

Claims for Advances and Reimbursements.

Amounts Claimed or Used for Matching.

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

During the year ended December 31, 1995, the Village of Grayson had one major federal financial assistance program and expended 100% of its total federal financial assistance under the following major federal financial assistance program:

Department of Administration: Funded through state Department of Community Development
Community Development Block Grant-State Program #14.219.

I performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that I considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the administrative program which are identified in the accompanying Schedule of Federal Financial Assistance. My procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, I do not express such an opinion.

I noted certain matters involving the internal control structure and its operation I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure, that, in my judgment, could adversely affect the Village of Grayson, Louisiana's ability to administer federal financial assistance programs in accordance with applicable laws and regulations.

The following represents the item I considered to be a reportable condition:

There is an inadequate number of personnel for the Town to have an adequate system of internal control. It is noted that it is cost-prohibitive to the Town to correct this deficiency.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

This report is intended for the information of the Village of Grayson's 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.



JENNIE SELF
CERTIFIED PUBLIC ACCOUNTANT

June 06, 1997

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**Independent Auditor's Report On Compliance With
The General Requirements Applicable To
Federal Financial Assistance Programs**

To the Mayor and Council Members
Village of Grayson
Grayson, Louisiana

I have audited the general purpose financial statements of the Village of Grayson, Louisiana, as of and for the year ended December 31, 1995, and have issued my report thereon dated June 18, 1997.

I have applied procedures to test the Village of Grayson's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Assistance, for the year ended December 31, 1996: Political Activity, Davis-Bacon Act, Civil Rights, C-h management, Federal Financial Reports, Allowable Costs/Cost Principles, Drug-Free Workplace Act, and Administrative Requirements, eligibility, and cost accounting certification and reviews.

My procedures were limited to the applicable procedures described in the Office of Management and Budget's *Compliance Requirement for Single Audits of State and Local Governments*. My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion of the Village of Grayson's compliance with the requirements listed in the preceding paragraph. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of non-compliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to my attention that caused me to believe that the Village of Grayson had not complied in all material respects with those requirements. However, the results of my procedures did not disclose any material instances of non-compliance with those requirements.

This report is intended for the information of the Village of Grayson's 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.


JIMMIE SELF
CERTIFIED PUBLIC ACCOUNTANT

June 18, 1997

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Independent Auditor's Report On Compliance
With Specific Requirements Applicable To Major
Federal Financial Assistance Programs

To the Mayor and Council Members
Village of Grayson
Grayson, Louisiana

I have audited the general purpose financial statements of the Village of Grayson, Louisiana, as of and for the year ended December 31, 1996, and have issued my report thereon dated June 18, 1997.

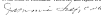
I have also audited Village of Grayson's compliance with the requirements governing types of services allowed or unallowable; eligibility; matching, level of effort, or cost-sharing; reporting; claims for advances and reimbursements, and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Funds of Assistance, for the year ended December 31, 1996. The management of Village of Grayson, Louisiana is responsible for the Village of Grayson, Louisiana's, compliance with those requirements. My responsibility is to express an opinion on compliance with those requirements based on my audit.

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

The results of my audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in the accompanying Schedule of Findings and Questioned Costs. I considered these instances of noncompliance in forming my opinion on compliance, which is expressed in the following paragraph.

In my opinion, Village of Grayson, Louisiana, complied, in all material respects, with the requirements governing types of services allowed or unallowable; eligibility; matching, level of effort, or cost-sharing; reporting; claims for advances and reimbursements, and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs for the year ended December 31, 1996.

This report is intended for the information of the Village of Grayson's 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.



JIMMIE SELF
CERTIFIED PUBLIC ACCOUNTANT

June 18, 1997

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Independent Auditor's Report On Compliance With Specific Requirements
Applicable to Non - Major Federal Financial Assistance Program Transactions

To the Mayor and Council Members
Village of Grayson
Grayson, Louisiana

I have audited the general purpose financial statements of the Village of Grayson, Louisiana, as of and for the year ended December 31, 1995, and have issued my report thereon dated June 16, 1997.

In connection with my audit of the general purpose financial statements of the Town of Grayson, Louisiana, as of December 31, 1996, and for the year then ended, and with my consideration of the internal control structure used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, *Audit of State and Local Governments*, I selected certain transactions applicable to the non-major financial assistance programs for the year ended December 31, 1995. As required by OMB Circular A-128, I have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed and eligibility that are applicable to those transactions. My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Village of Grayson's compliance with these requirements. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of non-compliance with the requirements listed in the preceding paragraph. With respect to items not tested nothing came to my attention that caused me to believe that the Village of Grayson, Louisiana, had not complied, in all material respects, with these requirements. Also, the results of my procedures did not identify any immaterial instances of non-compliance with these requirements.

This report is intended for the information of the Village of Grayson's management, and the Legislative Auditor of the State of Louisiana. However, this restriction is not intended to limit the distribution of this report, which is a matter of public record.



JIMMIE SELF
CERTIFIED PUBLIC ACCOUNTANT

June 16, 1997

JIMMIE SELF, CPA
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Phone (504) 331-8056 Fax (504) 388-0714

Schedule of Findings and Questioned Costs

The Village of Greysen was not in compliance with the state law which requires the provision of pledge of revenues for its cash and cash equivalents.

This failure was due to:

The Catahoula Progressive Bank not being aware of this deficiency. It has now been corrected and a confirmation has been sent to me.

Jimmie Self, CPA

JIMMIE SELF
CERTIFIED PUBLIC ACCOUNTANT

JUNE 16, 1997

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Management Recommendations

To the Mayor and Council Members
Village of Sluggan
Greyston, Louisiana

The prior year audit findings:

Corrected, except for inadequate segregation of duties, which has been noted as not cost-beneficial to correct.

During my audit, the following came to my attention:

- 11) The Town, because it is non-profit, can not solve the problem of inadequate segregation of duties.
- 12) The Town was not in compliance with the law pertaining to security deposits. When the mayor was advised of this, immediately it was corrected by the Bank who sent a confirmation to this effect. This is not a financial statement of fact, but a compliance violation.