

**TOWN OF HAYNESVILLE, LOUISIANA**

Combined Statement of Revenues, Expenses, and  
Changes in Retained Earnings - Proprietary Fund  
Year Ended June 30, 1997

With Comparative Totals for Year Ended June 30, 1996

	<u>Proprietary Funds</u>	
	<u>1997</u>	<u>1996</u>
<b>Operating revenues:</b>		
Metered water sales	\$ 307,704	\$ 344,000
Sewerage service charges	140,800	140,240
Solid waste disposal service charges	90,800	98,500
Miscellaneous revenues	<u>1,480</u>	<u>4,288</u>
<b>Total operating revenues</b>	<u>640,813</u>	<u>687,028</u>
<b>Operating expenses:</b>		
Personnel services	697,357	694,507
Supplies	84,800	65,000
Utilities	51,400	39,668
Repairs and maintenance	87,158	95,819
Contractual services	184,806	98,407
Miscellaneous	3,208	6,890
Depreciation	<u>87,582</u>	<u>98,283</u>
<b>Total operating expenses</b>	<u>1,390,211</u>	<u>1,298,884</u>
<b>Operating income</b>	<u>250,602</u>	<u>388,144</u>
<b>Nonoperating revenues:</b>		
Interest income	<u>1,404</u>	<u>140</u>
<b>Total nonoperating revenues</b>	<u>1,404</u>	<u>140</u>
<b>Income before operating transfers</b>	<u>252,006</u>	<u>388,284</u>
<b>Other financing uses:</b>		
Operating transfers out	<u>(21,800)</u>	<u>(21,800)</u>
<b>Total other financing uses</b>	<u>(21,800)</u>	<u>(21,800)</u>
<b>Net income (loss)</b>	(18,794)	17,200
<b>Amount charged to contribution accounts:</b>		
Depreciation on fixed assets	66,145	1,540
<b>Retained earnings at beginning of year</b>	<u>328,305</u>	<u>309,212</u>
<b>Retained earnings at end of year</b>	<u>\$ 183,800</u>	<u>\$ 328,305</u>

See the accompanying notes to financial statements.

## TOWN OF HAYMESVILLE, LOUISIANA

Combined Statement of Cash Flows - Proprietary Fund  
Year Ended June 30, 1987  
With Comparative Totals for Year Ended June 30, 1986

	Enterprise Funds	
	1987	1986
<b>Cash flows from operating activities:</b>		
Cash received from customers	\$ 570,362	\$ 585,448
Cash payments for supplies and services	(300,309)	(287,597)
Cash payments for salaries and overhead	(228,837)	(227,822)
Net cash provided by operating activities	41,216	70,029
<b>Cash flows from capital and related financing activities:</b>		
LONG bonds	-	874,344
Proceeds from borrowings	-	27,000
Principal payments	(5,339)	(4,800)
Interest paid	(1,281)	(1,372)
Net cash used for capital and related financing activities	(6,900)	(93,976)
<b>Cash flows from noncapital financing activities:</b>		
Net increase in order deposits	1,269	1,851
Net cash provided by noncapital financing activities	1,269	1,851
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	(28,915)	(20,100)
Net (increase) decrease in interfund receivables	(5,852)	(5,852)
Net cash used for investing activities	(34,767)	(25,952)
<b>Net increase (decrease) in cash and cash equivalents</b>	6,718	82,122
Cash and cash equivalents at beginning of year	288,000	205,878
<b>Cash and cash equivalents at end of year</b>	\$ 294,718	\$ 287,999
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating income (loss)	\$ (78,852)	\$ 40,918
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>		
Depreciation	97,582	89,894
<b>Changes in assets and liabilities:</b>		
(Increase) decrease in operating assets:		
Accounts receivable	8,300	(4,200)
Decreases in operating liabilities:		
Accounts payable	(401)	(11,554)
<b>Adjustments:</b>		
Retained earnings		
Operating transfers out	(21,500)	(22,800)
Nonoperating revenues	1,484	540
Interest paid	(5,281)	1,372
<b>Net cash provided by operating activities</b>	\$ 41,216	\$ 70,029

## TOWN OF HAYNESVILLE, LOUISIANA

### Notes to Financial Statements June 30, 1997

The Town of Haynesville was incorporated August 14, 1981, under the provisions of the Louisiana Act. The Town operates under the Mayor/Board of Aldermen form of government.

#### 1. Summary of Significant Accounting Policies

The accounting and reporting policies of the Town of Haynesville conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:507 and to the guidance both in the Louisiana Municipal Audit and Accounting Guide.

The following is a summary of certain significant accounting policies:

- A. **Reporting Entity** - This report includes all funds and account groups which are controlled by or dependent on the Town's Executive and Legislative Branches (the Mayor and Board of Aldermen). Control by or dependence on the Town was determined on the basis of budget adoption, taxing authority, authority to issue debt, creation or appointment of governing body, and other general oversight responsibility.
- B. **Fund Accounting** - The accounts of the Town are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The following funds and group of accounts are used by the Town:

#### Governmental Funds

**General Fund** - The General Fund is the general operating fund of the Town. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund.

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

**Debt Service Fund** - The Debt Service Fund is used to account for the accumulation of monies for, and the payment of, general long-term debt including principal, interest, and related costs.

#### Proprietary Funds

**Enterprise Funds** - The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the costs (expenses, including depreciation of providing goods or services to the general public on a continuing basis are financed through user charges.

#### General Fixed Assets and General Long-term Debt Account Groups

**General Fixed Assets** - The General Fixed Assets Account Group is used to account for fixed assets used in governmental fund type operations for control purposes. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date of donation. No depreciation is recorded on general fixed assets.

**General Long-term Debt** - The General Long-term Debt Account Group is used to account for long-term liabilities to be financed from government funds.

# TOWN OF HAYNESVILLE, LOUISIANA

Notes to Financial Statements  
June 30, 1997

## 1. Summary of Significant Accounting Policies (Continued)

- D. 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 generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into restricted capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types. Under this modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government's indirect property taxes available if they are collected within 60 days after year end. A one-year availability period is used for revenue recognition for all other governmental revenues. Expenditures are recorded when the related fund liability is incurred.

Those revenues susceptible to accrual are: property taxes, franchise taxes, interest revenue and charges for services. Fines, permit and license revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The accrual basis of accounting is utilized by the proprietary fund type. Under this method revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

- D. Use of Estimates** - The preparation of financial statements generally requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- E. Budgetary and Budgetary Accounting** - The Town follows these procedures in establishing its budgetary data reflected in these financial statements:
1. The Mayor prepares a proposed budget and submits same to the Board of Aldermen no later than three days prior to the beginning of each fiscal year.
  2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
  3. A public hearing is held on the proposed budget, at least ten days after publication of the call for the hearing.
  4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.

## TOWN OF HAYNESVILLE, LOUISIANA

Notes to Financial Statements  
June 30, 1987

### 1. Summary of Significant Accounting Policies (Continued)

#### E. Budgets and Budgetary Accounting (Continued)

5. The budget ordinance is structural such that revenues are budgeted by source and expenditures are budgeted by department and by principal object of expenditures. The Board of Aldermen may revise or amend the budget at its discretion during legally convened sessions. Management may amend the budget only below the department level. The 1986 budget was amended for additional capital outlays in accordance with Louisiana Law. The 1987 budget was also amended for additional public safety, streets and drainage and capital outlay expenditures in accordance with Louisiana law.

6. The Town utilizes formal budgetary integration as a management control device for all funds.

F. Investments - All investments are interest bearing deposits with original maturity dates in excess of three months and are stated at cost which approximates market value. Town's investments comply with Louisiana Statute (LSA-26:55.0265).

G. Inventories - Inventory of supplies in the Progressive Fund is not material and is charged to operations as purchased.

H. Bad Debts - Uncollectible amounts due for the customers' utility and ad valorem taxes receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. No provision for uncollectible ad valorem taxes has been deemed necessary. The allowance for customers' utility receivables was \$1,700 and \$1,700 at June 30, 1987 and 1986, respectively.

#### I. Property, Plant, and Equipment -

##### General Fixed Assets Account Group

Fixed assets in governmental fund type operations are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Public domains (infrastructure) general fixed assets, including roads, bridges, canals and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized along with other general fixed assets. No depreciation has been provided on such assets.

##### Utility and Sewer System

Additions to the utility plant is recorded at cost or, if contributed property, at the estimated fair value at time of contribution. Repairs and maintenance are recorded as expenses, renewals and betterments are capitalized. The sale or disposal of fixed assets is recorded by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income.

## TOWN OF HAYNESVILLE, LOUISIANA

Notes to Financial Statements  
June 30, 1997

### I. Summary of Significant Accounting Policies (Continued)

#### L. Property, Plant, and Equipment (Continued)

##### Utility and Sewer System (Continued)

Depreciation has been calculated on each class of depreciable property using the straight-line basis, with one-half year's depreciation calculated in the year of acquisition. The estimated service lives by asset type are as follows:

Utility Fund:	
Water Utility:	
Water Works	40 Years
Water Meters	40 Years
Compressor	4 & 5 Years
Other Equipment	4, 5 & 10 Years
Water Tank Reservoir	15 Years
Sewerage and Sanitation:	
Lines, Pump Stations, Etc.	40 Years
Auto and Trucks	4 - 8 Years
Other Equipment	10 Years
Landfill	20 Years
Sewer (San Fund):	
Sewerage Disposal Plant	40 Years
Equipment	20 Years
Wastewater	4 & 5 Years
Lift Pump Reservoir	15 Years

#### J. Compensated Absences - The Town of Haynesville has the following policy relating to vacation and sick leave:

**Vacation** - five days after one continuous year of service; ten days after two continuous years of service and thereafter. Vacation days must be used in the calendar year of entitlement. Unused days do not accrue.

**Sick leave** - limited to thirty days at full pay and thirty days at half-pay. Days must be used within the calendar year and do not accrue.

The cost of current leave privileges, computed in accordance with GASB Codification Section 005, is recognized as a current-year expenditure in the governmental funds and proprietary funds, when leave is actually taken.

#### K. Fund Equity

##### Contributed Capital

Contributed capital is recorded in the Enterprise Fund for capital goods restricted for the acquisition or construction of capital assets. Contributed capital is not amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such resources.

##### Reserves

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

## TOWN OF HAYNESVILLE, LOUISIANA

Notes to Financial Statements  
June 30, 1997

### 1. Summary of Significant Accounting Policies (Continued)

- D. Total Columns on Consolidated Statements** - Total columns on the consolidated statements are captioned "Majority/Minority 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 cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Included adjustments have not been made in the aggregation of this data.
- F. Statements of Cash Flows** - For the purposes of the Statement of Cash Flows, the Enterprise Fund considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.
- G. Refundable Deposits** - The Utility Fund of the Town requires customers to place a deposit before service is rendered. These amounts are considered restricted and are held until the customer discontinues service.
- H. Reclassification** - Certain 1996 amounts were reclassified to conform to 1997 presentation.

### 2. Cash and Cash Equivalents

At June 30, 1997, the carrying amount of the Town's deposits was \$578,484 and the book balance was \$404,904. The total book balance was covered by federal depository insurance. The Town has a three party safekeeping agreement between the Town, Farmers Bank & Trust and the Commercial National Bank, Shreveport, Louisiana.

The carrying amount of the Town's deposits of cash fund are comprised of the following:

	Cash and Cash Equivalents	Total
General Fund	\$ 25,840	\$ 25,840
Special Revenue Funds	456,679	456,679
Debt Service Fund	9,815	9,815
Enterprise Funds	116,350	116,350
	\$ 608,684	\$ 608,684

The Town's deposits are categorized to give an indication of the level of risk assumed by the Town at year end. Category 1 includes deposits that are insured or registered or for which the securities are held by the Town or its agents in the Town's name. Category 2 includes uninsured and unregistered deposits for which the securities are held by the counterparty's trust department or agent in the Town's name. Category 3 includes uninsured and unregistered deposits for which the securities are held by the counterparty, or by its trust department or agent but not in the Town's name.

Description	Category			Carrying Amount	Market Value
	1	2	3		
FBI Insurance - Bank One	\$ 100,000			\$ 100,000	\$ 100,000
FBI Insurance - FBT	100,000			100,000	100,000
FBI/B - FBT		88,773		88,773	88,773
U. S. Treasury - Bank One		289,711	0	289,711	289,711
	\$ 200,000	\$ 378,484	\$ 0	\$ 578,484	\$ 578,484

## TOWN OF HAYNESVILLE, LOUISIANA

Notes to Financial Statements  
June 30, 1997

### 2. Cash and Cash Equivalents (Continued)

Investment funds are under the custody of the Town Clerk. Investing is performed in accordance with investment policies complying with State Statutes and the Town charter. Pooled funds may be invested in: (1) direct obligations of the United States government for the payment of which its full faith and credit of the United States government is pledged, (2) certificates of deposit of savings and loan associations and federally insured banks when secured by acceptable collateral and (3) savings accounts at savings and loan associations and banks, to the extent fully insured.

### 3. Levied Taxes

For the year ended June 30, 1997, taxes of 14.82 mills were levied on property with assessed valuations totaling \$8,879,488 and were distributed as follows:

General operation .....	0.24 mills
Beverage and streets .....	0.28 mills

Total taxes levied were \$80,808. Taxes in the amount of \$15,280 were receivable at June 30, 1997. All taxes due are from current roll.

The Town policy is not to maintain delinquent taxes receivable at June 30. As based on prior years experience, an allowance for uncollectible taxes would offset the receivable balance.

The Town sends out delinquent tax notices on or near November 1. The due date for payment is December 31. Any taxes paid after January 1, are assessed a 10% penalty and are turned over to the Town's attorney for late payment. The accounts turned over to the attorney carry a penalty of taxes assessed on house trailers which are no longer maintained within the Town corporate limits.

### 4. Interfund Receivables, Payables

A summary of interfund receivable and payable is as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 128,480	\$ 207,241
Debt Service Fund	47,247	-
Enterprise Funds	180,609	45,628
Special Revenue Funds	47,382	142,852
	<u>\$ 403,718</u>	<u>\$ 495,721</u>

### 5. Changes in Fixed Assets

A summary of changes in general fixed assets is as follows:

	<u>Balance June 30, 1996</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 1997</u>
Land	\$ 388,278	\$ -	\$ -	\$ 388,278
Buildings and improvements	5,085,898	24,808	20,797	5,079,807
Equipment	648,844	27,815	-	676,659
	<u>\$ 5,122,920</u>	<u>\$ 52,623</u>	<u>\$ 20,797</u>	<u>\$ 5,154,746</u>



## TOWN OF HAYNESVILLE, LOUISIANA

Notes to Financial Statements  
June 30, 1997

### 1. Changes in Fixed Assets (Continued)

A summary of proprietary fund-type assets as of June 30, 1997 and 1996, are as follows:

	Balance June 30, 1996	Additions	Deletions	Balance June 30, 1997
<b>Utility Fund:</b>				
<b>Water utility:</b>				
Land	\$ 6,000	\$	\$	\$ 6,000
Waterworks	882,482			882,482
Water access	28,068			28,068
Compressor	7,883	1,488		9,371
Other equipment	83,481	12,000		95,481
Water tank rework	27,980			27,980
Water well control rework		35,121		35,121
<b>Sewerage and sanitation:</b>				
Lines, pump stations, etc.	834,043			834,043
Auto and trucks	28,070			28,070
Other equipment	158,713			158,713
Landfill	165,960			165,960
Less-accumulated depreciation	<u>(1,351,763)</u>	<u>25,183</u>		<u>(1,326,580)</u>
Net fixed assets	<u>\$ 712,028</u>	<u>\$ 112,483</u>	<u>\$ -</u>	<u>\$ 824,511</u>
	Balance June 30, 1996	Additions	Deletions	Balance June 30, 1997
<b>Sewer User Fund:</b>				
Land	\$ 18,800	\$	\$	\$ 18,800
Land - right of way	5,800			5,800
Beverage disposal plant	1,820,518			1,820,518
Equipment	18,800			18,800
Warehouse	1,248			1,248
Lift pump rework	22,228			22,228
Less-accumulated depreciation	<u>(287,812)</u>	<u>247,475</u>		<u>(40,337)</u>
Net fixed assets	<u>\$ 1,628,518</u>	<u>\$ 247,475</u>	<u>\$ -</u>	<u>\$ 1,875,993</u>

## TOWN OF HAYMESVILLE, LOUISIANA

Notes to Financial Statements  
June 30, 1997

### 6. Leases

The Town of Haymesville records items under capital leases as an asset and an obligation in the accompanying financial statements. The following is an analysis of capital leases:

Type	Recorded Amount
Equipment (TOMG)	\$ 281,272

The following is a schedule of future minimum lease payments under capital leases, together with the present value of the net minimum lease payments, as of June 30, 1997:

Fiscal	Equipment (TOMG)
1998	\$ 128,480
1999	61,670
2000	56,730
2001	54,392
Total minimum lease payments	301,272
Less - amount representing interest	-119,136
Present value of net minimum lease payments	\$ 182,136

All principal and interest requirements are funded in accordance with Louisiana Law by the annual ad valorem tax levy on taxable property within the parish (or other as indicated). At June 30, 1997, the Town of Haymesville has accumulated \$51,488 in the Debt Service Fund for future debt requirements.

In accordance with Louisiana Revised Statutes, the Town of Haymesville is legally restricted in the amount of long-term bonded debt that may be issued. At June 30, 1997, the Town has no outstanding bonded debt.

The Town of Haymesville has no operating leases.

### 7. Note Payable

The Town of Haymesville records items under a note payable as an asset and an obligation in the accompanying financial statements. The following is an analysis of the note payable:

Type	Recorded Amount
Equipment (Enterprise Fund)	\$ 22,000

The following is a schedule of future loan payments, together with the present value of the loan payments, as of June 30, 1997:

Fiscal	Equipment (Enterprise Fund)
1998	\$ 5,500
1999	5,500
2000	5,000
Total Loan Payments	16,000
Less-amount representing interest	-1,800
Present value of loan payments	\$ 14,200

## TOWN OF HAYNESVILLE, LOUISIANA

Notes to Financial Statements  
June 30, 1987

### B. Fund Details

The following individual fund has a deficit in unreserved fund balance at June 30, 1987:

<u>Fund</u>	<u>Deficit</u> <u>Account</u>
General Fund	<u>\$ 11,625</u>

### B. Pension Plan

Municipal Employees' Retirement System of Louisiana (System)

#### A. 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 B.

All permanent employees working at least 38 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 60 with at least 30 years of creditable service are entitled to a retirement benefit payable monthly for life, equal to 8 percent of their final-average monthly salary in excess of \$180 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 an early age 60, with the basic benefit reduced 3 percent for each year retirement precedes age 60, 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 the employee's 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.

#### B. Funding Policy

Under Plan B, members are required by state statute to contribute 5.0 percent of their annual covered salary and the Town of Haynesville is required to contribute at an actuarially determined rate. The current rate is 0.75 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent 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 first in proportionality on the basis of the active members of each plan. The contribution requirements of plan members and the Town of Haynesville are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:100, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of Haynesville contributions to the System under Plan B for the years ending June 30, 1987, 1986, and 1985, were \$2,355, \$3,768, and \$3,691, respectively, equal to the required contributions for each year.

## TOWN OF HAYNESVILLE, LOUISIANA

Notes to Financial Statements  
June 30, 1987

### 9. Pension Plan (Continued)

#### Municipal Police Employees Retirement System of Louisiana (System)

##### A. Plan Description

All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit payable monthly for life, equal to 5-1/3 percent of their final-average salary for each year of creditable service. Final average salary is the employee's average salary over the 20 consecutive or jointed 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 age specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 2607 Old French Market, Baton Rouge, Louisiana 70809, or by calling (504) 385-1815.

##### B. Funding Policy

Plan members are required by state statute to contribute 7.5 percent of their annual covered salary and the Town of Haynesville is required to contribute at an actuarially determined rate. The current rate is 9.0 percent of annual covered payroll. The contribution requirements of plan members and the Town of Haynesville are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:1005, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of Haynesville's required contributions to the System for the years ending June 30, 1987, 1986, and 1985 were \$11,878, \$12,284, and \$12,610, respectively. The amounts actually contributed by the Town for the years ending June 30, 1987, 1986, and 1985, were \$11,878, \$12,284, and \$10,813, respectively.

### 10. Interfund Operating Transfers

Individual fund operating transfers for fiscal year 1987, were as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 268,550	\$
Special Revenue Funds		208,000
Debt Service Fund		33,300
Enterprise Funds		31,800
Totals	<u>\$ 268,550</u>	<u>\$ 273,100</u>

### 11. Commitments and Contingencies

There are currently no pending or threatened litigations.

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town carries commercial insurance for all risks of loss, including workers' compensation and employee health and accident insurance. Settlements have not exceeded insurance coverage in any of the past three fiscal years.

## TOWN OF HAYNESVILLE, LOUISIANA

Notes to Financial Statements  
June 30, 1997

### 11. Commitments and Contingencies (Continued)

The Town participates in certain federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

**Litigation** - The Town is the defendant in various lawsuits arising principally in normal course of operations. In the opinion of the administration, the outcome of these lawsuits will not have a material adverse effect on the accompanying certified financial statements and accordingly, no provision for losses has been recorded.

### 12. Reserved and Designated Retained Earnings/Fund Balances

Enterprise Fund \$ 8,100

The Enterprise Fund requires that cash be restricted in an amount equal to the meter deposits. Since adequate cash is unavailable at June 30, 1997, the amount was reserved from retained earnings.

### 13. Related-Party Transactions

Procedures, observations, and inquiries did not disclose any material related party transactions for the fiscal year ended June 30, 1997.

**TOWN OF HAYNESVILLE, LOUISIANA**

**Schedule of Mayor's and Aldermen's  
Compensation and Reimbursed Expenses  
For the Year Ended June 30, 1997**

	<u>Compensation</u>	<u>Reimbursed Expenses</u>	<u>Total</u>
Mayor Crocker	\$ 26,214	\$ 5,907	\$ 32,121
Alderman Clawson	3,100	44	3,144
Alderman Kendrick	3,800	808	4,608
Alderman Kilgus	3,800	3,318	7,118
Alderman Major	3,200	3,200	6,400
Alderman Steel	<u>3,180</u>	<u>4,200</u>	<u>7,380</u>
Totals	<u>\$ 42,144</u>	<u>\$ 18,767</u>	<u>\$ 60,911</u>

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Tom Crocker, Mayor  
and the Members of the Board of Aldermen of the  
Town of Haynesville, Louisiana

We have audited the general purpose financial statements of the Town of Haynesville, Louisiana, as of and for the year ended June 30, 1997, and have issued our report thereon dated August 8, 1997.

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

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

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

Our consideration of the internal control structure would not necessarily disclose all matters in the design of control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the 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. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

However, we noted a matter involving the internal control structure and its operation that we have reported to the management of the Town of Haystack, Louisiana, in a separate letter dated August 3, 1997.

This report is intended for the information of Management and the Board of Aldermen. However, this report is a matter of public record and its distribution is not limited.

*Scott Leigh Robinson III*  
Certified Public Accountant

August 5, 1997





SMITH BRUGH NABORS & CO. L.L.P. CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
BASED ON AN AUDIT OF GENERAL PURPOSE  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

The Honorable Tom Crooks, Mayor  
and the Members of the Board of Aldermen of the  
Town of Haynesville, Louisiana

We have audited the general purpose financial statements of the Town of Haynesville, Louisiana, as of and for the year ended June 30, 1997, and have issued our report thereon dated August 5, 1997.

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

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

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

This report is intended for the information of Management and the Board of Aldermen. However, this report is a matter of public record and its distribution is not limited.

*Smith Brugh Nabors & Co. L.L.P.*  
Certified Public Accountants

August 5, 1997



SMITH PUGH RADWINOWITZ L.L.P. CERTIFIED PUBLIC ACCOUNTANTS

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August 5, 1997

The Honorable Tom Tucker, Mayor  
 and the Members of the Board of Aldermen of  
 The Town of Bayouville, Louisiana

In planning and performing our audit of the general purpose financial statements of the Town of Bayouville, Louisiana, for the year ended June 30, 1997, we considered the Town's internal control structure to determine our audit procedures for the purpose of expressing an opinion on the general purpose financial statements and not to provide assurance on the internal control structure.

However, during our audit we became aware of matters that are opportunities for considering internal controls and operating efficiency. This letter does not affect our reports dated August 5, 1997, on the general purpose financial statements of the Town of Bayouville, Louisiana.

Etical Standards for public servants

During our audit, we noted a transaction involving Alderman B. J. Field. He purchased one of the Town's vehicles for his personal use. The statute states that no public servant shall participate in a transaction involving the governmental entity.

We recommend that the Town's policies and procedures on this matter be reviewed and revised to prevent a similar incident from happening in the future.

Other

We also noted that documentation involving the sale of a building was not adequate. When the Lakeside Villa (Petro Building) was sold to Ed Gene Cummings, Inc. on September 15, 1996, the terms of sale in the Town book indicated that the Town received \$28,500 for the building when they actually received only \$26,000. Apparently there was a price agreement to apply price rent payments to the purchase of the building.

We recommend that the Town contact their attorney to review this situation and to determine what needs to be done with the awarded Cash fund.

We will review the status of these comments during our final audit engagement. We have already discussed these comments and suggestions with various Town officials, and we will be pleased to discuss them in further detail at your convenience.

Sincerely,

*Smith Pugh Radwinowitz LLP*  
 certified public accountants

SMITH PUGH RADWINOWITZ  
 LEGISLATIVE PUBLIC  
*W. J. ...*

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TOWN OF HAYNESVILLE, LOUISIANA

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Financial Statements

June 30, 1967

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or concerned, entity and other appropriate public officials. This report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date SEP 24 1967

# TOWN OF HAYMESVILLE, LOUISIANA

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#### INDEPENDENT AUDITOR'S REPORT

The Honorable Tom Crocker, Mayor  
and the Members of the Board of Aldermen of  
The Town of Haynesville, Louisiana

We have audited the accompanying general purpose financial statements of the Town of Haynesville, Louisiana, as of June 30, 1987, and for the year then ended, as listed in the accompanying table of contents. These general purpose financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Haynesville, Louisiana, as of June 30, 1987, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated August 5, 1987, on our consideration of the Town of Haynesville, Louisiana's internal control structure and a report dated August 5, 1987, on its compliance with laws and regulations.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Schedule of Compensation and Retiree's Expenses paid the Mayor and Board of Aldermen on page 10 is presented for the purpose of additional analysis and is not a required part of the general purpose financial statements of the Town of Haynesville, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.



Smith Pugh Harbinowitz L.L.P.  
Certified Public Accountants

August 5, 1987

## COMBINED FINANCIAL STATEMENTS - OVERVIEW

TOWNSHIP OF HAYMESVILLE, LOUISIANA

Continued Balance Sheet - All Fund Types and Account Details  
 2009 03 31

	Statemental Debt Fund		Inventory 502.165	General Account		Total Account502.165
	Special Account	Self Insurance		Debt Fund	General Fund	
<b>ASSETS</b>						
Cash and cash equivalents	\$ 24,000	\$ 42,170	\$ 19,000	\$ 19,000	\$ 79,170	\$ 79,170
Accounts receivable		6,400	14,100		20,500	20,500
Interest receivable	1,260	41,700	19,000		61,960	61,960
Due from other funds						41,800
Restricted assets:						
Funds, 502.165 (balance for of restricted responsibility)			4,000,000	4,500,000	8,500,000	8,500,000
Amount available in Cash Special Fund				9,400	9,400	9,400
Amount to be provided for replacement of general fund items and						20,520
<b>Total assets</b>	<u>26,260</u>	<u>83,870</u>	<u>1,193,160</u>	<u>1,193,160</u>	<u>2,000,450</u>	<u>2,000,450</u>
Liabilities payable	\$ 26,260	\$ 18,000	\$ 9,400	\$ 9,400	\$ 62,060	\$ 62,060
Due to other funds	657,241	64,300	4,800		726,341	726,341
Payable from restricted assets:						
Deposits			41,700		41,700	41,700
Sales payable			11,700		11,700	11,700
Capital lease payable					20,500	20,500
<b>Total liabilities</b>	<u>723,501</u>	<u>82,300</u>	<u>46,900</u>	<u>46,900</u>	<u>898,601</u>	<u>898,601</u>
<b>UNBUDGETED</b>						
Contributed capital	1,000	14,400	2,000,000	4,000,000	6,995,400	6,995,400
Investment in general fund assets					1,500,000	1,500,000
Restricted earnings:						
Special			18,700		18,700	18,700
Unassigned						48,000
Fund balances:						
Restricted - programming	21,800	200,000	2,400		224,200	224,200
Capital - program	21,460	200,000	4,400		225,860	225,860
Total fund balance	43,260	400,000	6,800		450,060	450,060
<b>Total liabilities and fund equity</b>	<u>807,761</u>	<u>482,300</u>	<u>1,199,960</u>	<u>1,199,960</u>	<u>1,899,921</u>	<u>1,899,921</u>

**TOWN OF HAYNESVILLE, LOUISIANA**

Consolidated Statement of Revenues, Expenditures, and Changes  
in Fund Balances - All Governmental Fund Types  
Year Ended June 30, 1997

	Governmental Fund Types			Totals	
	General	Special Revenues	Debt Service	(Miscellaneous) Other	
				1997	1996
<b>Revenues:</b>					
Taxes	\$ 148,885	\$ 457,371	\$ 87,287	\$ 700,733	\$ 680,250
Licenses and permits	48,887			48,887	49,104
Intergovernmental	35,000			35,000	42,314
Federal and State grants				-	118,321
Municipal Park	18,281			18,281	8,483
Fees/fees		45,989		45,989	44,287
Interest	136	12,288		12,424	18,813
Miscellaneous	19,044	35,808	2,758	57,610	38,880
<b>Total revenues</b>	<b>208,083</b>	<b>551,856</b>	<b>180,045</b>	<b>939,984</b>	<b>893,058</b>
<b>Expenditures:</b>					
General government	173,284	140,498	15,424	329,206	298,485
Public safety	201,485	10,718		212,203	198,489
Street and drainage	718,987			718,987	68,110
Recreation	20,847			20,847	48,000
State expenditures					82,880
Capital outlays	14,273	28,237	8,805	51,315	208,881
Debt service:					
Principal retirement		88,884	87,287	176,864	112,216
Interest and fiscal charges		17,882	18,828	36,710	30,882
<b>Total expenditures</b>	<b>547,889</b>	<b>281,493</b>	<b>112,039</b>	<b>941,421</b>	<b>1,087,887</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ 289,820</b>	<b>\$ 270,363</b>	<b>\$ 67,986</b>	<b>\$ 24,563</b>	<b>\$ (79,219)</b>
<b>Other financing sources (uses):</b>					
Operating transfers in	282,568			282,568	298,113
Operating transfers out		(208,883)	(22,283)	(231,166)	(288,113)
<b>Total other financing sources (uses)</b>	<b>282,568</b>	<b>(208,883)</b>	<b>(22,283)</b>	<b>51,402</b>	<b>25,800</b>
<b>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</b>	<b>\$ 28,271</b>	<b>\$ 61,480</b>	<b>\$ 456</b>	<b>\$ 75,965</b>	<b>\$ (53,419)</b>
<b>Fund balance (deficit) at beginning of year, restated</b>	<b>\$ 20,583</b>	<b>\$ 208,881</b>	<b>\$ 21,172</b>	<b>\$ 250,636</b>	<b>\$ 212,713</b>
<b>Fund balance (deficit) at end of year</b>	<b>\$ 48,854</b>	<b>\$ 270,363</b>	<b>\$ 21,628</b>	<b>\$ 321,245</b>	<b>\$ 159,294</b>

See accompanying notes to financial statements.



## TOWN OF HAYNESVILLE, LOUISIANA

### Continental Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget (PLAF) Basis and Actual - General, Special Revenue, and Debt Service Funds Year Ended June 30, 1987

	General Fund			Special Revenue Funds		Variance Fund(s) Balance(s)
	Budget	Actual	Variance Favorable (Disfavorable)	Budget	Actual	
<b>Revenues:</b>						
Taxes	\$ 148,000	\$ 146,000	\$ (2,000)	\$ 400,000	\$ 402,075	\$ 2,075
Grants and permits	47,700	48,000	1,300			
Intergovernmental	30,000	30,000	1,000			
Municipal Park	17,000	16,394	(606)			
Realty				30,000	40,000	10,000
Interest	100	100	(000)		10,000	10,000
Miscellaneous	10,000	10,000	(000)	40,000	38,000	(2,000)
<b>Total revenues</b>	<b>262,800</b>	<b>260,500</b>	<b>(2,300)</b>	<b>480,000</b>	<b>528,075</b>	<b>48,075</b>
<b>Expenditures:</b>						
General government	101,400	101,394	(60)	141,000	141,000	(000)
Public safety	200,000	201,000	(1,000)	10,000	10,770	(770)
Street and drainage	110,000	110,000	(000)			
Recreation	30,000	28,907	(1,093)			
Capital outlay		14,000	(14,000)	0,000	20,000	20,000
Debt service:						
Principal payments				11,000	10,000	(1,000)
Interest and fiscal charges				20,000	15,000	(5,000)
<b>Total expenditures</b>	<b>441,400</b>	<b>442,300</b>	<b>900</b>	<b>172,000</b>	<b>196,770</b>	<b>24,770</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(208,600)</b>	<b>(201,800)</b>	<b>(6,800)</b>	<b>(208,000)</b>	<b>(208,700)</b>	<b>(700)</b>
<b>Other financing sources (uses):</b>						
Operating transfer in	100,000	100,000	(000)			
Operating transfer out				(200,000)	(200,000)	(000)
<b>Total other financing sources (uses)</b>	<b>100,000</b>	<b>100,000</b>	<b>(000)</b>	<b>(200,000)</b>	<b>(200,000)</b>	<b>(000)</b>
<b>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</b>	<b>(108,600)</b>	<b>(101,800)</b>	<b>(6,800)</b>	<b>(208,000)</b>	<b>(208,700)</b>	<b>(700)</b>
Fund balance (deficit) at beginning of year	20,000	20,000	(000)	117,000	117,000	(000)
Fund balance (deficit) at end of year	<b>\$ 111,400</b>	<b>\$ 118,200</b>	<b>\$ 6,800</b>	<b>\$ 9,000</b>	<b>\$ 8,300</b>	<b>\$ 700</b>

See accompanying notes to financial statements.

Dept. Service Fund			Trans. Maintenance Dept.		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 44,000	\$ 47,200	\$ 3,200	\$ 208,000	\$ 202,700	\$ 5,300
			47,200	48,987	1,787
			26,000	25,664	336
			11,000	10,071	929
			10,000	10,043	557
			300	1,214	914
	3,300	3,300	50,000	48,704	1,296
40,000	43,900	3,900	158,000	154,000	4,000
71,000	76,804	5,804	208,000	202,700	5,300
			278,000	275,175	2,825
			170,000	168,800	1,200
			20,000	19,847	153
41,000	41,000	0	10,000	10,274	274
50,000	57,800	7,800	120,000	120,424	424
21,000	20,070	930	60,000	59,241	759
29,000	37,730	8,730	60,000	61,183	1,183
10,000	10,000	0	60,000	60,000	0
			100,000	100,000	0
	100,000	100,000	100,000	99,150	850
	100,000	100,000		71,000	29,000
10,000	100	9,900	100,000	10,000	90,000
41,330	37,217	4,113	204,000	198,300	5,700
\$ 44,430	\$ 47,417	\$ 2,987	\$ 208,000	\$ 202,700	\$ 5,300