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VILLAGE OF GASTON, LOUISIANA
GENERAL PURPOSE FINANCIAL STATEMENTS
WITH ACCOUNTANT'S COMPILATION REPORT
AND AGREE-UPON INCORPORATION REPORT
AS OF AND FOR THE TERM ENDED
DECEMBER 31, 1997

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

Release Date: 98-0-1-558

VILLAGE OF CAYTON, LOUISIANA
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LARRY G. TAYLOR
CERTIFIED PUBLIC ACCOUNTANT
A PROFESSIONAL CORPORATION
FOUNDED 1913
MEMBER OF THE INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

1998-1999

To the Mayor and Board of Aldermen
Village of Castor
Castor, Louisiana

I have compiled the accompanying general purpose financial statements of the Village of Castor, Louisiana, as of and for the year ended December 31, 1997, as listed in the table of contents, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the Louisiana Governmental Audit Guide and Statements on Standards for Attestation Engagements issued by the American Institute of Certified Public Accountants, I have also issued a report, dated June 10, 1998, on applying agreed-upon procedures relating to the assertions contained in the Louisiana Attestation Questionnaire.



Larry G. Taylor
Kingfield, Louisiana
June 10, 1998

VILLAGE OF CAYTON, LOUISIANA
 COMBINED BALANCE SHEET - ALL FUND TYPES
 AND ACCOUNT GROUPS
 DECEMBER 31, 1997
 (Continued on following page)

	Governmental Fund Types
ASSETS	General Fund
Cash and cash equivalents	\$ 33,229
Investments, at cost	34,480
Receivables:	
Property taxes	3,307
Water and sewer customers	
Training refunds	0
Due from other funds	
Restricted assets:	
Cash	
Investments, at cost	
Property, Plant and Equipment:	
Land	
Buildings and improvements	
Vehicles, machinery & equipment	
Water System	
Sewer System	
Less - accumulated depreciation	
Amount to be provided for retirement of general long-term debt	
 Total assets	 \$ 60,996

See accompanying notes and accountant's compilation report.

Proprietary Fund Type	Account Groups		Totals (Memorandum Only)
	General Fixed Assets	General Long- Term Debt	
5 9,239	\$	\$	\$ 42,460
			38,460
			2,307
3,530			3,530
			0
3,997			3,997
12,689			12,689
4,008			4,008
11,258			11,258
	27,670		27,670
	31,548		31,548
486,879			486,879
476,120			476,120
(339,333)			(339,333)
		32,880	32,880
\$ 766,141	\$ 58,218	\$ 32,880	\$ 923,153

VILLAGE OF CRAYTON, LOUISIANA
 COMBINED BALANCE SHEET - ALL FUND TYPES
 AND ACCOUNT GROUPS
 DECEMBER 31, 1997
 (Continued on following page)

	Governmental Fund Types

LIABILITIES AND FUND EQUITY	General Fund

Liabilities:	
Accounts payable	\$ 1,342
Accrued payroll	0
Payable from restricted assets -	
Deposits payable	
Accrued interest	
Current maturities of revenue bonds	
Due to other funds	3,557
Revenue bonds payable from unrestricted assets - long - term	
General obligation bonds payable	-----
Total liabilities	5,899
Equity and other credits:	
Contributed capital -	
From municipality	
From grants	
Investments in general fixed assets	
Retained earnings	
Reserved for restricted assets	
Unreserved (Deficit)	
Fund balance	
Unreserved -	
Undesignated	64,297
Total equity and other credits	64,297
Total liabilities, equity and other credits	\$ 69,996

See accompanying notes and accountant's compilation report.

Proprietary Fund Type	Account Groups		Totals (Memorandum Only)
	General Fixed Assets	General Long- Term Debt	
Enterprise			
\$ 2,339	\$	\$	\$ 4,881
8,536			8,536
1,450			1,450
1,000			1,000
			3,957
33,000			37,000
		33,000	33,000
10,326		33,000	100,924
65,324			65,324
698,292			698,292
	59,214		59,214
5,703			5,703
(173,503)			(173,503)
			64,297
486,816	59,214	-	819,329
\$ 766,341	\$ 59,214	\$ 32,000	\$ 927,355

VILLAGE OF CASTOR, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 1997

	General Fund

Revenues:	
Sales taxes	\$ 33,666
Property taxes	7,521
Occupational licenses	23,083
Utility franchise taxes	8,473
Fines	4,743
Intergovernmental -	
Tobacco taxes	1,068
State revenue sharing	677
Interest	1,673
Other revenues	385

Total revenues	73,260

Expenditures:	
Mayor and board	4,508
General government	33,386
Public safety	7,988
Debt service -	
Principal retirement	1,000
Interest	1,850

Total expenditures	47,832

Excess of revenues over (under) expenditures	25,428
Other financing sources (uses)	
Operating transfers out	(15,860)

Excess of revenues and other sources over expenditures and other uses	10,568
Fund balance, January 1	53,663

Fund Balance, December 31	\$ 64,231

See accompanying notes and accountant's compilation report.

VILLAGE OF CAYTON, LOUISIANA
 STATEMENT OF REVENUES, EXPENDITURES AND FINANCE
 IN FUND BALANCE - BUDGET AND ACTUAL - GOVERNMENTAL FUND TYPES - GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 1997

Revenues:	Budget	Actual	Variance Favorable (Unfavorable)
Sales taxes	\$ 10,000	\$ 11,665	\$ 1,665
Property taxes	7,300	7,321	21
Occupational licenses	20,000	21,063	1,063
Utility franchise taxes	3,000	4,873	1,873
Fees	5,000	4,743	(257)
Intergovernmental -			
Tobacco taxes	1,100	1,160	(60)
State revenue sharing	800	677	123
Interest	1,450	1,470	20
Other revenues	410	360	(50)
Total revenues	49,160	73,260	24,100
Expenditures:			
Mayor and board	4,500	4,500	
General government	18,000	33,388	15,388
Public safety	8,000	7,000	1,000
Debt service -			
Principal retirement	1,000	1,000	
Interest	1,650	1,650	
Total expenditures	50,150	47,438	2,712
Excess of revenues over (under) expenditures	19,010	25,822	6,812
Other financing sources (uses)			
Operating transfers out	(15,000)	(15,000)	
Excess of revenues and other sources over (under) expenditures and other uses	4,010	10,822	6,812
Fund balance, January 1	53,653	53,653	
Fund Balance, December 31	\$ 57,663	\$ 64,475	\$ 6,812

See accompanying notes and accountant's compilation report.

VILLAGE OF CANTON, LOUISIANA
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
 PROPRIETARY FUND TYPE - ENTERPRISE FUND
 FOR THE YEAR ENDED DECEMBER 31, 1997

Proprietary Fund Type

	Enterprise -----
Operating revenues:	
Water sales and sewer service charges	\$ 31,396
Total operating revenues	31,396 -----
Operating expenses:	
Salaries and truck allowance	18,600
Payroll taxes	505
Repairs and labor	8,001
Supplies	4,570
Service testing	3,115
Utilities	4,199
Depreciation	37,017
Other expenses	1,085
Insurance-workers	713
Total operating expenses	88,085 -----
Operating income (loss)	(56,689) -----
Nonoperating revenues (expenses):	
Interest revenue	766
Interest expense	(2,825)
Grant development grants	22,376
Total nonoperating revenues (expenses)	20,317 -----
Income (loss) before other financing sources	(36,372)
Other financing sources:	
Operating transfers in	15,000
Total other financing sources	15,000 -----
Net income (loss)	(21,372)
Retained earnings (deficit) - January 1	(76,578) -----
Retained earnings (deficit) - December 31	\$ (97,950) -----

See accompanying notes and accountant's compilation report.

VILLAGE OF CANTON, LOUISIANA
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS -
 BUDGET AND ACTUAL - PROPRIETARY FUND TYPE - ENTERPRISE FUND
 FOR THE YEAR ENDED DECEMBER 31, 1993

	Enterprise Fund Budget

Operating revenues:	
Meter sales and sewer service charges	\$ 34,000

Total operating revenues	34,000

Operating expenses:	
Salaries and truck allowances	10,800
Payroll taxes	400
Repairs and labor	8,000
Supplies	4,800
Service testing	1,200
Utilities	4,500
Depreciation	27,000
Other expenses	1,000
Insurance - W/Comp.	150

Total operating expenses	57,850

Operating income (loss)	(23,850)

Nonoperating revenues (expenses):	
Interest revenue	700
Interest expense	(2,925)
Rural development grant	15,000

Total nonoperating revenues (expenses)	12,775

Income (loss) before other financing sources	(11,075)

Other financing sources:	
Operating transfers in	15,000

Total other financing sources	15,000

Net income (loss)	3,925

Retained earnings (deficit) - January 1	(76,530)

Retained earnings (deficit) - December 31	\$(72,605)

See accompanying notes and accountant's compilation report.

Enterprise Fund Actual	Variance Favorable (Unfavorable)
\$ 31,788	\$(2,204)
----- 31,788	----- (2,204)
10,880	
505	95
8,881	(81)
4,870	(570)
1,215	86
4,199	303
27,817	(12)
1,865	(85)
113	37
----- 58,005	----- (235)
(26,209)	(2,439)
----- 708	----- 0
(2,928)	
22,274	7,216
----- 20,058	----- 7,284
(6,238)	4,845
----- 15,088	----- -----
----- 15,088	----- -----
0,736	4,845
----- (16,530)	----- -----
\$(67,800)	\$ 4,845
-----	-----

VILLAGE OF CANTON, LOUISIANA
 STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE - ENTERPRISE FUND
 FOR THE YEAR ENDED DECEMBER 31, 1997
 INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS*

	Proprietary Fund Type
	Enterprise
Cash flows from operating activities:	
Cash received from customers	\$ 32,345
Cash payments for good, services and employees	(29,374)
Net cash provided by operating activities	2,971
Cash flows from noncapital financing activities:	
Operating transfers - out to other funds	-
Operating transfers - in from other funds	15,000
Net cash provided by (used for) noncapital financing activities	15,000
Cash flows from capital and related financing activities:	
Rural development grants received	22,278
Purchase of equipment and water line construction	(20,638)
Principal paid on revenue bonds	(1,088)
Interest paid on revenue bonds	(2,925)
Net cash used for capital and related financing activities	(20,279)
Net cash provided by investing activities:	
Interest on investments	368
Net cash provided by investing activities	368
Net increase (decrease) in cash and cash equivalents	(800)
Cash and cash equivalents, January 1	22,428
Cash and cash equivalents, December 31	\$ 21,628

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

VILLAGE OF CASTOR, LOUISIANA
 STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE - ENTERPRISE FUND
 FOR THE YEAR ENDED DECEMBER 31, 1997
 INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
 (Continued)

	Proprietary Fund Type
	<u>Enterprise</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income (loss)	\$(28,389)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation	37,617
Changes in assets and liabilities -	
Decrease in accounts receivable	552
Decrease in due from general fund	313
Increase in accounts payable	1,439
Increase in deposits payable	564
(Increase) in accrued interest	(25)
Total adjustments	39,388
Net cash provided by operating activities	\$ 4,071

See accompanying notes and accountant's compilation report.

VILLAGE OF CASTER, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
As of and for the year ended December 31, 1997

INTRODUCTION

Pursuant to the provisions of Section 11, of the Act No. 116, of the Session Acts of the General Assembly of the State of Louisiana, approved July 13, 1898, and Acts amendatory thereof, the Village of Caster, Louisiana, (Village) was declared a corporation by Proclamation executed by Governor John M. Parker on June 26, 1930. The Village is located in Ward 3 of Bienville Parish, State of Louisiana, and is managed by an elected Mayor and three aldermen. The Village provides a basic range of municipal services. These include police protection, public works (streets and lights), public improvements, water and sewer services, planning and zoning, social, cultural and general administration services. Management is compensated for services rendered to the Village. The population of the Village is 239 with 150 water and sewer customers. The Village has four employees.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

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

B. REPORTING ENTITY

The Village of Caster (Village) is the basic level of government which has financial accountability and control over all activities related to the Village operations and services provided. The Village is not included in any other governmental "reporting entity" as defined by GASB pronouncements, since the Village Mayor and Board of Aldermen are elected by the public and have decision making authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units as defined in Governmental Accounting Standards Board Statement 18 which are included in the Village's reporting entity.

VILLAGE OF CAYTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
As of and for the year ended December 31, 1997

C. FUND ACCOUNTING

The accounts of the Village are organized on the basis of funds or 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, reserves, fund balance, revenues and expenditures or expenses as appropriate. The various funds are summarized by type in the financial statements. The following fund types and account groups are used by the Village:

Governmental Fund Type

General Fund - The General Fund is the general operating fund of the Village and accounts for all revenues and expenditures of the Village not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund. Fixed assets and long-term debt of the general fund is accounted for in the Account Groups as described below under Account Groups.

Proprietary Fund Type

The Proprietary Fund (Enterprise Fund) is operated on a fund basis whereby a self-balancing set of accounts is maintained that comprise its assets, liabilities, fund equity, revenues and expenses. The operations are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the cost (expenses, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges. Fixed assets and long-term debt are recorded in the Proprietary Fund (Enterprise Fund).

Account Groups

General Fixed Assets Account Group - This group is established to account for all fixed assets of the Village Governmental Fund(s) - General Fund.

VILLAGE OF CANTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
As of and for the year ended December 31, 1997

General Long-Term Debt Account Group - This group is established to account for all long-term debt of the Village Governmental Fund(s) - General Fund, and for those long-term liabilities to be liquidated with resources to be provided in future periods.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types (General Fund) 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.

The modified accrual basis of accounting is followed by the governmental fund types (General Fund). Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, other than long-term debt, are recorded when the related fund liability is incurred, if measurable.

Revenues from local sources consist primarily of sales taxes, property taxes, occupational licenses, utility franchise taxes and tobacco taxes. Property tax revenues are recorded when susceptible to accrual. Other revenues, other than grants, are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant and, accordingly, when such funds are received they are recorded as deferred revenues until earned.

The proprietary fund type (Enterprise Fund) is accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities

VILLAGE OF EASTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
As of and for the year ended December 31, 1997

associated with the operation of this fund is included on the balance sheet. The Enterprise Fund uses the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized at the time liabilities are incurred.

**E. CASH AND CASH EQUIVALENTS
AND INVESTMENTS**

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

F. INVENTORIES

Supplies are purchased in immaterial quantities and are recorded as expenditures in the General Fund and expenses in the Enterprise Fund as they become measurable.

G. PREPAID ITEMS

Prepaid items are recorded as a current asset in the fund benefiting from the prepaid item and recognized as an expenditure or expense over the useful life of the asset. Immaterial prepaid items are charged to the expenditure or expense as the item is paid or is measurable.

H. RESTRICTED ASSETS

Certain proceeds of the 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. The specific restrictions are as follows:

VILLAGE OF COTTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
As of and for the year ended December 31, 1997

The Enterprise Fund revenue bond is secured and payable in principal and interest exclusively by a pledge of the income and revenues of the Enterprise Fund Sewer System (System), subject only to the prior payment of the reasonable and necessary expenses of operating and maintaining the system.

All of the income and revenues to be earned by the operation of the System shall be deposited in a separate and special bank account designated as the "Sewer Revenue Fund". This bank account shall be maintained for the following express purposes:

- (a) The payment of all reasonable and necessary expenses of operating and maintaining the System.
- (b) Monthly transfer of (1/12th) of the total principal and interest requirement falling due in the coming year to an account designated as the "Sewer Revenue Bond and Interest Sinking Fund". Interest earned on the Sewer Revenue Bond and Interest Sinking Fund shall be deposited in the Sewer Revenue Fund.
- (c) Monthly transfer of (3%) of the amount to be paid into the aforesaid Sinking Fund provided for in paragraph (b) above, to an account designated as the "Sewer Reserve Fund". Such transfers to continue until the Sewer Reserve Fund has accumulated a balance equal to the highest combined principal and interest on the Bonds falling due in any year. Interest earned on the Sewer Reserve Fund shall be deposited in the Sewer Revenue Fund.
- (d) Monthly transfer of twenty-nine dollars (\$29.00) to an account designated as the "Depreciation and Contingency Fund" to be used for extensions, additions, improvements, replacements and system depreciation necessary to properly operate the System. Interest earned on the Depreciation and Contingency account shall be added to the Depreciation and Contingency account.

I. FIXED ASSETS AND DEPRECIATION

Property, plant and equipment of all funds are stated at historical cost. Stated fixed assets are stated at their fair market value on the date donated. Governmental Fund fixed assets are recorded in the General Fixed Asset Account Group and are not depreciated. Proprietary fund fixed

VILLAGE OF CANTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
As of and for the year ended December 31, 1993

assets are recorded in the Enterprise Fund and depreciated using the straight-line method. Estimated useful lives, in years, for depreciable assets are as follows:

Meter System	10-20
Sewer System	25-40

Land is recorded at cost and not depreciated.

J. COMPENSATED ABSENCES

The Village has no formal leave policy. Therefore, no liability for compensated absences exists.

K. BUDGETS

The Village is required by state law to adopt annual budget for the General Fund. The Village also prepares a budget for the Proprietary Fund. The General Fund budget is presented on the modified accrual basis of accounting and the Proprietary Fund is presented on the accrual basis of accounting. Each basis is consistent with generally accepted accounting principles (GAAP).

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

(a) Prior to December 15 of the preceding calendar year, the Village prepares a budget for the next succeeding year beginning January 1, for the General Fund and the Proprietary Fund.

(b) The proposed budget is made available for public inspection at the Village office.

(c) Action necessary to adopt and finalize the budget is completed prior to year end. And the adopted budget contains the same information as that required by the proposed budget.

(d) After adoption, a certified copy of the budget is retained by the Mayor at the Village office.

(e) The budget accounts are compared to actual amounts on a monthly basis and when actual receipts plus projected revenue collections for the year fail to meet budgeted

VILLAGE OF CAYTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
as of and for the year ended December 31, 1997

revenues by five per cent or more, or when actual expenditures or expenses plus projected expenditures or expenses to year end exceeded budgeted expenditures or expenses by five per cent or more the budget is amended.

L. LONG-TERM LIABILITIES

Long-Term debt of the General Fund is recognized in the General Long-Term Debt Account Group.

Long-Term debt of the Enterprise Fund is recognized within the Enterprise Fund.

M. PROPERTY TAXES

The Village levies taxes on real and business personal property located within its boundaries. Property taxes are levied by the Village on property values assessed by the Bienville Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

For the year ended December 31, 1997, 14 mills were levied on property for the payment of general obligation bonds.

Village property tax revenues are recognized when levied and are recorded as current receivables.

The property tax calendar is as follows:

Assessment date.....	January 1, 1997
Levy date.....	June 1, 1997
Tax bills mailed.....	November 15, 1997
Total taxes are due.....	December 31, 1997
Penalties and interest are added..	January 1, 1998
lien date.....	No set policy
Tax sale.....	No set policy

Property taxes levied for the current year are recognized as revenues, even though a portion is collectible in the period subsequent to the levy year.

VILLAGE OF CAYTON, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 As of and for the year ended December 31, 1997

Assessed values are established by the Moreville Parish Tax Assessor each year on a uniform basis at the following per cent of fair market value:

Land.....	10%
Residential.....	10%
Industrial.....	15%
Machinery.....	15%
Commercial.....	15%
Public Service (excluding land).....	25%

A reevaluation of all property is required to be completed no less than every four years. A reevaluation was completed for the tax roll of January 1, 1994.

M. BAD DEBTS

Uncollectible amounts are charged against earnings at the time information becomes available which indicated the particular account is uncollectible. Although this method does not conform to generally accepted accounting principles, the amounts charged do not materially differ from those determined under generally accepted accounting principles.

O. TOTAL COLUMN (MEMORANDUM ONLY)

The total column on the combined balance sheet - all fund types is captioned memorandum only to indicate that they are presented only to facilitate financial analysis. Interfund eliminations have not been made in the aggregation of this data; and it is, therefore, not comparable to a consolidation.

P. INTERFUND TRANSACTIONS

The Village has several types of transactions that are reported in the financial statements as interfund items. Interfund transactions which constitute reimbursements of a fund for expenditures or expenses initially made from that fund which are properly applicable to another fund, are recorded as expenditures or expenses in the reimbursing fund and as a reduction of the expenditure or expense in the fund that is being reimbursed. Nonrecurring or nonroutine transfers of equity between funds are treated as residual equity transfers and are reported as additions to, or deductions from, fund balance. All other transfers are

VILLAGE OF DAVYON, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 As of and for the year ended December 31, 1997

transferred as operating transfers and are included in the results of operations of governmental funds. As of the end of the year interfund transactions resulted in the General Fund owing the Enterprise Fund \$1,939.

Q. EQUITY AND OTHER CLAIMS

Contributed Capital - Grants, entitlement, or shared revenues received that are restricted for the acquisition or construction of capital assets are recorded as contributed capital. Contributed capital is not amortized based on the depreciation recognized on that portion of the assets acquired for such contributions.

2. CASH AND CASH EQUIVALENTS

At December 31, 1997, the Village has unrestricted cash and cash equivalents (book balances) totaling \$42,460 as follows:

	General Fund	Enterprise Fund
	-----	-----
General Fund Operating	\$ 27,159	\$
Petty Cash	36	
Property Tax Savings	5,445	
Water/Sewer Operating		9,239
	-----	-----
Total	\$ 38,239	\$ 9,239
	-----	-----

3. INVESTMENTS

At December 31, 1997, the Village has investments totaling \$34,460, and are as follows:

Certificates of deposit at Bank of Ringgold, LA - \$34,460

The certificates of deposit have maturities of more than 90 days.

VILLAGE OF CAYTON, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 As of and for the year ended December 31, 1997

4. RESTRICTED ASSETS

The Enterprise Fund has restricted assets as follows:

Revenue Bond Coverage:-

sewer Revenue Bond & Int. Sinking Fund Acct.	\$ 3,218
sewer Reserve Fund Account	3,093
sewer Depreciation & Contingency Fund Account	3,043
	<u>9,354</u>

Water and Sewer Customer Deposits:-

sewer Revenue Account	4,536
Certificate of deposit	4,800
	<u>9,336</u>

Total \$ 18,690

5. INSURANCE OF BANK BALANCES

At December, 31, 1997, the Village had total cash and cash equivalents, investments, and restricted cash of \$93,617. All funds were covered by federal depository insurance (FDIC).

6. PROPERTY, PLANT AND EQUIPMENT

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

Item	Balance December 31, 1996	Additions	Deletions	Balance December 31, 1997
	-----	-----	-----	-----
Buildings	\$27,473			\$ 27,470
Vehicles & Equipment	27,000			27,000
Office Furn. & Equipment	4,000			4,490
	<u>58,473</u>			<u>58,960</u>
TOTAL	\$58,473	0	0	\$ 58,960

VILLAGE OF CANTON, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 As of and for the year ended December 31, 1997

Property, Plant and Equipment recorded in the Village's Enterprise Fund at December 31, 1997 are:

	Water System	Sewer System	Totals
Carrying Value	\$ 485,875	\$ 478,120	\$ 963,995
Less: Accumulated Depreciation	38,250	158,900	197,150
Net Investment in Fixed Assets	\$ 447,625	\$ 319,220	\$ 766,845

The Water System and Sewer System are depreciated on a straight-line basis over their estimated useful life of 40-50 years.

7. LONG-TERM LIABILITIES

General Long-Term Debt

General Obligation Bonds of the Village, \$22,000, 5% serial bonds on July 15, 1995. Annual principal and interest payments are due through July 15, 2023. The principal balance at December 31, 1997 is \$22,000.

General Obligation Bonds of the Sewer District No. 1, 22,000, 5% serial bonds on July 15, 1995. Annual principal and interest payments are due through July 15, 2023. The principal balance at December 31, 1997 is \$22,000.

During 1997, interest of \$1,000 was charged on the above General Obligation Bonds. The annual principal requirements for the next five years are as follows:

July 15, 1998	\$1,000
July 15, 1999	1,000
July 15, 2000	1,000
July 15, 2001	1,000
July 15, 2002	1,000
Total	5,000
July 15, 2003-2023	27,000
Total	\$ 32,000

VILLAGE OF CASTOR, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 As of and for the year ended December 31, 1993

Revenue Bonds

The revenue bonds are accounted for in the Enterprise Fund and consists of the revenue bonds of the Village of Castor, LA - \$10,000.00, 54 serial bonds on July 15, 1985. Annual principal and interest payments are due through July 15, 2023. The principal balance at December 31, 1993 is \$10,000, maturing 1997, interest of \$2,925 was charged on the revenue bonds. The annual principal requirements for the next five years are as follows:

July 15, 1998	\$ 1,000
July 15, 1999	1,000
July 15, 2000	1,000
July 15, 2001	1,000
July 15, 2002	1,000

Total	5,000
July 15, 2003-2023	\$3,000

Total	\$8,000

8. FUND DEFICIT

At December 31, 1993, the unreserved retained earnings deficit of the Enterprise Fund totals \$ 71,300. Management plans to make necessary operating transfers over the next five years to reduce or eliminate the deficit balance in retained earnings.

9. COMPENSATION PAID MAYOR AND BOARD OF ALDERMEN

During 1993 the following amounts were paid or reimbursed to the Mayor and Board of Aldermen:

Lane K. Freeman - Mayor's salary	\$2,230
Lane K. Freeman - Travel reimbursements	1,180

Total to Mayor	\$3,400

Aldermen-	
C. P. Hogan	300
Charles Harper	300
Frank Sullivan	300

Total to Aldermen	900

Total	\$4,300

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—
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To the Mayor and Board of Aldermen
Village of Castor
Castor, Louisiana

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of the Village of Castor, Louisiana and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village of Castor, Louisiana's compliance with certain laws and regulations during the year ended December 31, 1987 included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Selected all expenditures made during the year for material and supplies exceeding \$5,000, or public works exceeding \$50,000, and determine whether such purchases were made in accordance with LA-88 38:2211-2251 (the public bid law).

I examined documentation which indicated that no expenditures were made during the year for materials and supplies exceeding \$5,000 and no expenditures were made for public works exceeding \$50,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined in LA-88 43:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

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

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

Management provided me with the requested list.

4. Determine whether any of these employees included in the listing obtained from management in agreed-upon procedure (2) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management agreed-upon procedure (2) appeared on the list provided by management in agreed-upon procedure (2).

Budgeting

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

Management provided me with a copy of the original and amended budget.

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

I traced the adoption of the original budget to the minutes of a meeting held on December 18, 1995 where the budget was unanimously adopted. All amendments were traced to the 1996 minutes records.

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

I compared the revenues and expenditures of the final budget to actual revenues and expenditures and determined that neither actual revenues nor actual expenditures exceeded budgeted amounts by 5% or more.

Accounting and Reporting

8. Randomly select 20 disbursements made during the period under examination and:

(a) trace payments to supporting documentation as to proper amount and payee;

I examined supporting documentation for each of the twenty selected disbursements and found that payment was for the proper amount and made to the correct payee.

(b) determine if payments were properly coded to the correct fund and general ledger account; and

All payments were properly coded to the correct fund and general ledger account.

(c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the twenty selected disbursements indicated approvals from the Mayor and Village Clerk. In addition, each of the disbursements were traced to the Village's minute book where they were

reviewed and approved for payment by the full board.

(d) determine if the report was timely filed with the Legislative Auditor, State of Louisiana.

The report was timely filed with the Legislative Auditor, State of Louisiana.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LAH-BA 42:1 through 42:12 (the open meeting law).

Management has asserted that such documents were properly posted on the door of the Village's office building. I reviewed approved, dated documentation to support the assertions by management.

Bank

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

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

Advances and Bonuses

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

A reading of the minutes of the Village for the year indicated no approval for the payments noted. I also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

Current Year Corrective Action Plan

12. As required by the Legislative Auditor, management is required to set forth its corrective action plan on matters disclosed as a result of the compilation engagement.

The report contained no comments requiring a current year corrective action plan on the part of management.

Summary of Prior Year Findings

13. Prior year findings and resolutions thereto are as follows:

I

Finding - 1998 general fund budgeted revenues exceeded

actual revenues by more than 5%.

Resolution - Grant funds were originally budgeted for 1996, however the funds were not received in 1996. This matter has been resolved by management with the budget committee reviewing budget to actual amounts and percentages on a monthly basis with any budget amendments set forth in the monthly minutes.

II

Finding - 1996 report was not timely filed.

Resolution - This matter has been resolved and procedures have been implemented to insure the timely filing of the compilation report.

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

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



Shingold, Louisiana
June 11, 1998

Village of Castor
P.O. Box 214
Castor, LA 71014

LOUISIANA ATTENTION QUESTIONNAIRE

Larry G. Taylor, CPA
P.O. Box 322
Kingsgold, LA 71068

In connection with your compilation of our financial statements as of December 31, 1997, and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of April 10, 1998.

Public Bid Law

It is true that we have complied with the public bid law, LA-MS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes No

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LA-MS 42:1101-1104.

Yes No

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1998, under circumstances that would constitute a violation of LA-MS 42:1119.

Yes No

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 18:1591-14) and the budget requirements of LSA-RS 39:43.

Yes No

Accounting and Reporting

All non-manual governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1,44:7,44:31, and 44:36.

Yes No

We have filed our annual financial statements in accordance with LSA-RS 24:814, 13:443, and /or 15:92, as applicable.

Yes No

We have had our financial statements compiled in accordance with LSA-RS 24:813.

Yes No

Meetings

We have complied with the provisions of the Open Meeting Law, provided in RS 42:1 through 42:12.

Yes No

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, section 8 of the 1974 Louisiana Constitution, Article VI, section 22 of the 1974 Louisiana Constitution, and LSA-RS 47:1410-69.

Yes No

Advances and Expenses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, section 14 of the 1974 Louisiana Constitution, LSA-RS 18:139, and AG opinion 78-729.

Yes No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.


Mayor

April 18, 1998

Date


Village Clerk

April 18, 1998

Date