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TOWN OF COLFAX
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 1998
With Comparative Totals for June 30, 1997

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewer, entity and other appropriate public officials. The report is available for public inspection at the State Report Office of the Legislative Auditor and, where appropriate, at the office of the clerk of court.

Release Date July 3, 1998

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September 4, 1995

Independent Auditor's Report

The Honorable Compliance Youngblood, Mayor
and the Board of Aldermen
Town of Colfax, Louisiana

We have audited the accompanying general purpose financial statements of the Town of Colfax, Louisiana as of and for the year ended June 30, 1995, as listed in the table of contents. These general purpose financial statements are the responsibility of the Town of Colfax, Louisiana'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 the standards applicable to financial audits contained in Governmental 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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. 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 Colfax, Louisiana, as of June 30, 1995, 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 our report dated September 4, 1995, on our consideration of the Town of Colfax, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was made for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The supplemental information listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Town of Colfax, 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.


ROZIER, HARRINGTON & MCKAY
Certified Public Accountants

TOWNSHIP OF COLENS, LOUISIANA
COMPARATIVE BUDGETARY STATEMENT - ALL FUNDS OPERATING AND MAINTENANCE DEPARTMENTS
 Year 2011 - 2012
 Year Comparison (Funds in Thousands)

	Increased/Decreased		Budgeted		Actual		Variance	
	2011	2012	2011	2012	2011	2012	2011	2012
ASSETS								
Fixed and other equipment	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Construction fund (to be completed in 2012)								
Inventory	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Prepaid expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Due to other departments								
Accrued expenses			4.00	4.00				
Accrued salaries and other obligations			60.00	60.00				
Accounts payable (to be completed in 2012)			1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Interdepartmental receivable - transportation (to be completed in 2012)			0.00	0.00				
Due to other departments								
Total assets	1,004.00	1,004.00	1,004.00	1,004.00	1,004.00	1,004.00	1,004.00	1,004.00
LIABILITIES AND DEFICITS								
Accounts payable	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Due to other departments - unpaid bills			0.00	0.00				
Prepaid expenses			0.00	0.00				
Due to other departments			0.00	0.00				
Due to other funds			0.00	0.00				
Accrued expenses of other departments			0.00	0.00				
Expended - advance benefits			0.00	0.00				
Total liabilities	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Deficit								
Amount of unpaid bills			0.00	0.00				
Construction fund			0.00	0.00				
Amount of unpaid bills			0.00	0.00				
Due to other departments			0.00	0.00				
Due to other funds			0.00	0.00				
Accrued expenses of other departments			0.00	0.00				
Expended - advance benefits			0.00	0.00				
Total deficit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Balance forward	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	1,004.00	1,004.00	1,004.00	1,004.00	1,004.00	1,004.00	1,004.00	1,004.00

TOWNSHIP OF COLFAX, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENSES, DEBT AND
CHANGES IN FUND BALANCE
All Governmental Fund Types
For the year ended June 30, 1997
With Comparative Data for the year (ended June 30) 1996

	General	Capital Projects	Special Revenue	Miscellaneous Items	
				1996	1997
(Revenues)					
Taxes:					
Ad valorem	\$ 45,478	\$ -	\$ -	\$ 45,478	\$ 45,478
Industrial	-	-	113,894	113,894	113,894
License and permits:					
Occupational license	40,470	-	-	40,470	40,470
Franchise	34,139	-	-	34,139	34,139
Charge for services:					
Dealing	11,444	-	-	11,444	11,444
Industrial control	9,481	-	-	9,481	9,770
Rent	4,139	-	-	4,139	3,730
Intergovernmental:					
Sales tax	1,829	-	-	1,829	1,829
State tax	1,584	-	-	1,584	1,584
Value added	1,291	-	-	1,291	1,287
Proposed in form of letter	1,289	-	-	1,289	1,761
Grant revenues	-	48,000	-	48,000	47,911
Contributions:					
Rents	1,100	-	-	1,100	1,100
Insurance	1,000	10,000	-	11,000	40,000
EMAP	10,000	-	-	10,000	11,000
Sale of land	2,400	-	-	2,400	1,000
Other	20,000	-	-	20,000	10,000
Total revenues	200,201	49,000	113,894	460,201	460,201
Expenditures:					
General government	164,276	-	1,481	179,987	166,121
Public safety	45,211	-	-	45,211	45,211
Street and drainage	100,211	-	-	100,211	40,000
Sanitation	44,870	-	-	44,870	35,100
Recreation	1,100	-	-	1,100	1,471
Capital outlay	10,000	100,000	-	110,000	95,144
Interest	-	-	-	-	1,000
Public works	-	48,000	-	48,000	1,11,572
Total expenditures	364,568	148,000	1,481	1,744,068	1,692,629
Excess (deficiency) of revenues over expenditures	(164,367)	(99,000)	(7,587)	(1,283,867)	(1,232,428)
Other (Dispositive) revenues (costs)					
Operating transfers in	140,700	44,000	-	184,700	174,700
Operating transfers out	(140,700)	-	(211,440)	(282,140)	(210,000)
Total other (Dispositive) revenues (costs)	0	44,000	(211,440)	(97,440)	(35,300)
Excess (deficiency) of revenues and other (Dispositive) revenues over expenditures and other costs	(164,367)	(55,000)	(218,927)	(1,381,307)	(1,467,728)
Fund balance - beginning of year	67,270	170,207	70,499	308,066	1,440,428
Fund balance - end of year	\$ 0	\$ 115,207	\$ 0	\$ 166,759	\$ 0

The accompanying notes are an integral part of the financial statements.

TOWN OF COLLEEN, LOUISIANA

COMPARISON OF BUDGETED OPERATING EXPENSES, DEPARTMENTAL SALES AND
 COLLECTIBLE FUND BALANCES - BUDGETED TO ACTUAL

Consolidated Special Revenue Fund

For the year ended June 30, 2020

	Departmental		Revenue Provided Collectible	Special Revenue		Revenue Provided Collectible
	Budget	Actual		Budget	Actual	
REVENUES						
Taxes	\$ 65,000	\$ 51,471	\$ 2,499	\$ 111,000	\$ 111,000	\$ 2,004
License and permits	19,400	19,400	0	-	-	-
Change in revenue	10,000	84,234	27,234	-	-	-
Intergovernmental	17,000	17,000	0	-	-	-
Contributions	3,700	19,000	15,300	-	-	-
Total revenues	115,100	109,105	(6,000)	111,000	111,000	(2,004)
EXPENDITURES						
General and administrative	26,700	26,279	421	11,000	1,491	4,509
Public works	18,000	18,000	0	-	-	-
Street and lighting	11,000	10,217	783	-	-	-
Public safety	4,000	4,000	0	-	-	-
Fireworks	4,000	1,219	2,781	-	-	-
Police services	-	-	-	-	-	-
Capital outlay	11,000	10,242	758	-	-	-
Total expenditures	64,700	69,957	(5,257)	11,000	1,491	4,509
Excess (deficiency) of revenues over expenditures	50,400	39,148	11,252	0	99,511	3,511
Other Available Resources (Total)						
Operating transfers	30,000	14,271	15,729	-	-	-
Operating transfers in	-	18,000	(18,000)	175,000	175,000	(17,000)
Total other available resources (Total)	30,000	32,271	(2,271)	175,000	175,000	(17,000)
Balance at beginning of year and other financing resources, net of expenditures and other resources	0	0	0	0	0	0
Total balance - end of year	80,400	71,419	8,981	175,000	175,000	18,511

The accompanying notes are an integral part of these financial statements.

TOWN OF COLFAX, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN DEFERRED BALANCES
Regulatory Fund
 For the year ended June 30, 2004
 With Comparative Totals for the Year Ended June 30, 2003

	Regulatory Fund	
	2004	2003
Operating revenues:		
Gas sales	1,084,888	975,381
Water sales	128,548	123,294
Service charges	106,726	100,854
Contingency charges	23,094	25,128
Miscellaneous	628	711
	<u>1,343,884</u>	<u>1,225,368</u>
Total operating revenues	<u>1,343,884</u>	<u>1,225,368</u>
Operating expenses:		
Interest payments	216,543	188,563
Interest gas purchases	248,048	227,398
Interest water usage	248,048	217,176
Materials, supplies, and maintenance	11,144	1,000
Office and postage	28,923	110,648
Payroll taxes	29,555	1,097
Travel and conference	23,045	22,141
Insurance	8,027	20,450
Professional fees	4,089	2,722
Energy charges	1,702	2,844
Miscellaneous	3,480	3,181
Losses	46,880	48,133
Utilities and telephone	10,439	93,154
Depreciation	1,000	4,475
Real estate	1,883	1,682
Contract and equipment costs	<u>405,111</u>	<u>781,420</u>
Total operating expenses	<u>1,011,611</u>	<u>1,107,000</u>
Operating income	<u>332,273</u>	<u>118,368</u>
Nonoperating revenues (expenses):		
Expusal of assets	1,187	21
Interest income	2,000	2,714
	<u>3,187</u>	<u>2,735</u>
Total Non-operating revenues (expenses)	<u>3,187</u>	<u>2,735</u>
Income (loss) before operating transfers	<u>335,460</u>	<u>121,103</u>
Operating transfers to (from):		
Transfers to	14,000	44,807
Transfers out	<u>(105,100)</u>	<u>(215,201)</u>
Total Operating transfers to (from)	<u>(91,100)</u>	<u>(170,394)</u>
Net Income (Loss)	<u>244,360</u>	<u>(48,291)</u>
Unrealized earnings (debit) - beginning of year	<u>(275,180)</u>	<u>(275,180)</u>
Unrealized earnings (debit) - end of year	<u>\$ (30,820)</u>	<u>\$ (173,471)</u>

(An accompanying note is an integral part of the financial statements.)

TOWN OF COLFAX, LOUISIANA
STATEMENT OF CASH FLOWS
Regulatory Fund
 For the year ended June 30, 1998
 With Comparative Data for the Year Ended June 30, 1997

	Regulatory Fund	
	1998	1997
Cash flow from operating activities		
Operating income (loss)	\$ (20,000)	\$ 1,000
Adjustment to reconcile operating income to net cash provided by operating activities		
Depreciation	90,000	90,000
Decreased increase to accounts receivable	(300)	500
Decreased decrease to accrued interest	-	1,000
Decreased increase to prepaid expenses	-	-
Decreased increase to due to other funds	(30)	(600)
Decreased increase to accounts payable	(20,000)	11,000
Decreased increase to payable for gas purchases	(10,000)	(10,000)
Decreased increase to water deposits	500	(50)
Decreased increase to compensated absences	1,000	-
	\$ 47,700	\$ 80,150
Net cash provided (used) by operating activities	\$ 27,700	\$ 81,150
Cash flows from non-capital financing activities		
Operating transfers in	(25,000)	(10,000)
	\$ (25,000)	\$ (10,000)
Net cash provided (used) by non-capital financing activities	\$ (25,000)	\$ (10,000)
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(241,700)	(220,000)
Grant proceeds	180,000	90,000
Proceeds from the sale of assets	1,000	500
	\$ (60,700)	\$ (129,500)
Net cash provided (used) by capital and related financing activities	\$ (60,700)	\$ (129,500)
Cash flows from investing activities		
Interest and other income	1,000	1,000
	\$ 1,000	\$ 1,000
Net cash provided (used) by investing activities	\$ 1,000	\$ 1,000
Net increase (decrease) to cash	\$ (37,300)	\$ 41,650
Beginning cash balance	95,800	100,000
Ending cash balance	\$ 58,500	\$ 201,650

Nonfinancial Information (Cash Flow Information)

For the years ended June 30, 1998 and 1997 there were no investing, capital, and financing activities that did not result in cash receipts or payments.

TOWN OF COLFAX, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Basis of Presentation

The Town of Colfax, Louisiana (the Town) was incorporated under the provisions of the Louisiana Act and operates under a Mayor-Board of Aldermen form of government. The Town provides various services including public safety (police and fire), streets and drainage, sanitation, recreation, public improvements, utility (gas, water, and sewerage), and general administrative services.

The accompanying policies of the Town of Colfax, Louisiana, conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies.

Financial Reporting Entity

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

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

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

Fund Accounting

The accounts of the Town 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 balances, revenues, and expenditures. The various funds are summarized by type in the financial statements. The following fund types and account groups are used by the Town:

TOWN OF COLFAR, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 1998

GOVERNMENTAL FUNDS

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

Special Revenue Funds - Special Revenue Fund is used to account for the proceeds of specific revenue sources restricted to expenditures for specified purposes.

Debt Service Funds - Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt and related charges. There was no activity in the Debt Service Fund for the year ended June 30, 1998.

Capital Project Funds - Capital Project Funds account for the receipt and disbursement of resources for the purpose of building or buying major capital assets.

PROPRIETARY FUND

Enterprise Fund - The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The enterprise fund of the Town of Colfar operates a combined water, sewer and natural gas system viewed for reporting purposes as a single entity. Operating results by division are not determinable.

FIDUCIARY FUNDS

Agency Funds - The Agency Fund is used to account for assets held by the Deferred Compensation Plan which are for employees who defer a portion of their compensation under the provisions of the Internal Revenue Code Section 457.

ACCOUNT GROUPS

General Fixed Assets Account Group - This group of accounts is used to account for fixed assets of the Town other than those accounted for in the proprietary fund.

General Long-Term Debt Account Group - This group of accounts is used to account for long-term debt of the Town except revenue bonds, if any, accounted for in the proprietary fund. There was no activity in this account group for the years ended June 30, 1996 and 1997.

Basis of Accounting

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

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as not current assets. Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of collecting

TOWN OF COLFAX, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 1999

governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

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

In both governmental and proprietary funds, inventories of supplies are considered immaterial and are not recorded.

The proprietary (enterprise) fund is accounted for using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. Utility revenues are billed on a cycle basis and are recognized in the month billed. Unbilled service receivables resulting from utility services rendered between cycle billing and the end of the month have been recognized in the accompanying financial statements.

The basis of accounting followed by proprietary funds is similar to accounting practices utilized by business enterprises. Due to those similarities, proprietary funds are allowed to follow certain pronouncements that are developed by the Financial Accounting Standards Board (FASB) for business enterprises. However, the Town only applies those FASB pronouncements that were issued on or before November 30, 1990.

General Fixed Assets

Fixed assets acquired for general governmental purposes are recorded at cost in the general fixed assets group of accounts and they are recorded as expenditures in the governmental fund type when purchased. The Town has not elected to capitalize public domain ("infrastructure") fixed assets. No depreciation is provided on general fixed assets. Fixed assets are valued at historical cost, including interest incurred during construction unless they were donated in which case they are valued at fair market value at the date of donation. At June 30, 1999, there were no material amounts of donated assets.

Property and Equipment - Proprietary Fund

Property and equipment are recorded at cost including any interest incurred during construction in the proprietary (utility) fund. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as shown below:

Buildings and Improvements	20-33 years
Distribution and Collection System	20-40 years
Other Equipment	5-10 years

Budget Practices

The following procedures are used by the Town in establishing its budget data reflected in the financial statements:

1. The Mayor submits the proposed operating budget for the General and Special Revenue Funds for the upcoming fiscal year at least 90 days prior to the beginning of that year. These budgets include proposed expenditures and the means of financing them.

TOWN OF COLFAX, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 1988

Budgets for the Debt Service and Utility Funds are not prepared because such budgets are not required by state law or generally accepted accounting principles.

2. A public hearing is conducted at the Town Hall prior to commencement of the new year.
3. Prior to the commencement of the new year, the budget is legally enacted through passage of an ordinance.
4. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles.

The budgeted amounts are as originally adopted or as amended by the Town Council on June 15, 1988.

Compensated Absences

Accumulated unpaid vacation and compensatory pay have been accrued when incurred in the Proprietary Funds (using accrual basis of accounting). These amounts relating to the Governmental Funds have been presented in the general long-term debt group of accounts. At June 30, 1988, compensated absences for all funds and account groups combined totaled \$5,447.

Total Columns on Combined Statements

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

Statement of Cash Flows

The Town has adopted Government Auditing Standards Board Statement No. 5, "Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities that Use Proprietary Fund Accounting." This statement requires entities to report a statement of cash flows as part of a full set of financial statements instead of reporting a statement of changes in financial position. For the purposes of reporting cash flows, cash and cash equivalents includes all cash on hand, cash in bank and certificates of deposit.

Encumbrance Accounting

Purchase orders, contracts, and other commitments to engage in future expenditures are referred to as encumbrances. Since encumbrances do not represent liabilities or current expenditures, encumbrances are not reported in the accompanying financial statements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

TOWN OF DOLFAK, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
 June 30, 1988

Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Cash and Cash Equivalents and Investments

Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits. Under state law, the Town 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 Town may invest in U.S. bonds, treasury notes or certificates. These are classified as investments if their original maturities exceed 90 days; however, if original maturities are 90 days or less, they are classified as cash equivalents. The Town had no investments at June 30, 1988.

NOTE 2 - RECEIVABLES

The receivables at June 30, 1988, are as follows:

	General Fund	Special Revenue Fund	Utility Fund	Miscellaneous Total
Due from Utility Sales	\$	\$	\$ 73,309	\$ 73,309
Miscellaneous Receivables	4,503	15,154	400	20,120
Allowance for Uncollectibles	_____	_____	(8,387)	(8,387)
Totals	<u>\$4,503</u>	<u>\$ 15,154</u>	<u>\$ 65,322</u>	<u>\$ 88,072</u>

NOTE 3 - DUE FROM OTHER GOVERNMENTS

Amounts due from other governments at June 30, 1988, consist entirely of sales taxes collected by the Grand Parish School Board as agent for the Town of Colfax.

TOWN OF COLFAK, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
 June 30, 1998

NOTE 4 - GENERAL FIXED ASSETS

A summary of changes in General Fixed Assets is presented below:

	Balance June 30, 1997	Additions	Deletions	Balance June 30, 1998
Land	\$ 77,626			\$ 77,626
Buildings and Improvements	150,118	4,081		154,199
Equipment	289,823	85,080	13,828	361,075
Park and Camping Area	31,696			31,696
Drainage Project	66,401			66,401
Farmers Market				
Industrial Park	66,802			66,802
Flea Market	52,000			52,000
Ball Park Complex	84,983	1,320		86,303
Airport	10,526			10,526
Project Street Improvements	30,489			30,489
Fire Safety Improvements	189,526			189,526
	<u>\$ 1,000,180</u>	<u>\$ 91,281</u>	<u>\$ 12,658</u>	<u>\$ 1,088,803</u>

NOTE 5 - PROPERTY, PLANT AND EQUIPMENT

A summary of the property and equipment in the utility fund at June 30, 1998, consists of the following:

Land	\$ 6,220
Buildings and Improvements	5,280
Furniture and Equipment	277,090
Distribution and Collection Systems	3,781,490
	<u>4,069,100</u>
Less Accumulated Depreciation	<u>(1,883,240)</u>
Net Property and Equipment	<u>\$ 2,185,860</u>

Depreciation expense totaled \$ 68,408 in 1998 and \$98,804 in 1997.

NOTE 6 - TAX REVENUE

Tax revenue for the year ending June 30, 1998, is detailed below:

	General Fund	Special Revenue Fund	Memorandum Total
Property Taxes	\$ 42,451	\$	\$ 42,451
Sales Tax	<u> </u>	<u>212,688</u>	<u>212,688</u>
Totals	<u>\$ 42,451</u>	<u>\$ 212,688</u>	<u>\$ 255,139</u>

TOWN OF COLFAX, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 1998

The Town imposed a 1% Sales and Use Tax through January 18, 1983. Proceeds are used to defray general governmental expenditures as defined in the Sales Tax Ordinance.

Effective January 17, 1983, and renewed October 18, 1991, the rate of tax was increased to 2%. The additional 1% sales tax is dedicated to use by the General Fund for various governmental expenditures.

Ad valorem taxes are assessed on a calendar year basis and are due on or before December 31 in the year the tax is levied. Property taxes are recognized in compliance with NCGA Interpretation 3 - (Revenue Recognition - Property Taxes) which states that such revenue is recorded when it becomes reasonable and available. Available means due or past due and collected no longer than 60 days after the close of the current period.

NOTE 7 - CASH AND CASH EQUIVALENTS

At June 30, 1998 the Town's cash and cash equivalents in restricted and unrestricted funds totaled \$244,188 (book balance) and \$370,520 (bank balance). The composition of these accounts is as follows:

	Book Balance	Bank Balance
Demand Deposit Accounts	\$ 800	\$ 800
Savings Accounts and Money Accounts	118,684	143,448
Time Deposits	228,287	228,287
Petty Cash	<u>417</u>	<u> </u>
Totals	<u>\$ 244,188</u>	<u>\$ 370,520</u>

Under state law, these deposits must be secured by Federal Deposit Insurance or by the pledge of securities owned by the Bank. At June 30, 1998, deposits with financial institutions were as detailed below:

Total cash at June 30, 1998 (bank balance)	\$ 370,520
Less FDIC coverage	(130,833)
Subtotal	239,687
Less amount secured by securities pledged to the Town, but held in the name of the financial institution (uncollateralized)- Market Value	682,250
Excess pledged securities	<u>\$ 302,636</u>

NOTE 8 - BOARD MEMBER SALARIES

For year ended June 30, 1998, the Mayor and Board of Aldermen were paid the following:

NAME	POSITION	SALARY
Connie Youngblood	Mayor	\$ 8,000
Alan Fubell	Alderman	2,000
Deanna Bowen	Alderman	2,000
Delvin Deane	Alderman	2,000
Cynthia Aaron-Thomson	Alderman	2,000
Frederick Richardson	Alderman	2,000
Totals		<u>\$ 21,000</u>

TOWN OF COLFAX, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
 June 30, 1998

NOTE 9 - CAPITAL PROJECTS

Capital project activity for the year ended June 30, 1998, is summarized as follows:

	Alpha Rigolette Flood Control Project	Water Systems Improvements Project	Total
Revenue	\$ 12,800	\$ 498,838	\$ 498,841
Expenditures	<u>442,875</u>	<u>508,795</u>	<u>951,671</u>
Excess Revenue Over Expenditures	(430,075)	(21,958)	(451,450)
Operating Transfers in:	<u> </u>	<u>24,926</u>	<u>24,926</u>
Excess Expenditures Over Revenue and Other Sources	(430,872)	3,147	(428,325)
Fund Balance, Beginning	<u>555,848</u>	<u>(2,942)</u>	<u>552,907</u>
Fund Balance, Ending	<u>\$ 125,477</u>	<u>\$ 805</u>	<u>\$ 126,282</u>

Alpha-Rigolette Flood Control Project - As local sponsor for this project, the Town has provided a portion of the necessary funding. In addition, the Town has collected contributions from various units of local and state government that have elected to participate in the project. Furthermore, a commitment of Federal funds has been received that will allow completion of the flood-control project.

Water Systems Improvements Project - During the year ended June 30, 1997, the Town was awarded a Louisiana Community Development Block Grant to improve the water distribution system. At June 30, 1998, the project was 100% complete and has been capitalized in the utility fund. The following summarizes the Grant activity:

	For The Year Ended June 30, 1997	For The Year Ended June 30, 1998	Total
Administration	\$ 10,042	\$ 21,358	\$ 30,000
Engineering	<u>42,942</u>	<u>498,838</u>	<u>529,780</u>
Total Expenditures	53,984	508,795	561,779
Local Match	<u>19,042</u>	<u>21,358</u>	<u>40,400</u>
Federal Funds	<u>\$ 42,942</u>	<u>\$ 487,437</u>	<u>\$ 530,379</u>

NOTE 10 - RISK MANAGEMENT

The Town of Colfax 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. These risks of loss are covered by a comprehensive commercial insurance policy and participation in a public entity risk pool that operates as a common insurance program. Claims resulting from these risks have historically not exceeded insurance coverage.

TOWN OF COLFAX, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
 June 30, 1998

NOTE 11 - DEFERRED COMPENSATION PLAN

Employees may contribute to a deferred compensation plan adopted under the provisions of Internal Revenue Code (IRC) Section 457. Amounts contributed to the deferred compensation plan and investment income attributable to those contributions are subject to income tax upon withdrawal from the plan. Furthermore, the deferred compensation is not available for withdrawal until termination, death, retirement, or unforeseeable emergency.

Under the terms of an Internal Revenue Code Section 457 plan, all assets held in the plan are considered property of the Town and are subject to claims by the Town's general creditors. Participants' rights under the plan are equivalent to the rights of general creditors.

NOTE 12 - INTERFUND RECEIVABLES/PAYABLES

During the course of normal operations, the Town has numerous transactions between funds including expenditures and transfers of resources primarily to provide services. Individual fund interfund receivable and payable balances at June 30, 1998, arising from these transactions were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Utility Fund	\$ 8,142

NOTE 13 - GAS PURCHASES PAYABLE

During 1993, the Town agreed to a settlement for gas volumes delivered to the Town of Colfax, which had not been invoiced or paid. The terms of the settlement require Colfax to pay the gas company \$182,000 in the following manner: \$30,000 paid upon signing the agreement in 1993, and the remaining \$152,000 would be paid in monthly installments of \$1,160 for ten (10) years. At June 30, 1998, the balance in gas purchases payable is \$71,500.

NOTE 14 - CONTRIBUTED CAPITAL

Contributed capital within the utility fund represents moneys granted from various governmental organizations to the Town in the past for construction of and improvements to utility distribution systems. Changes in contributed capital during the year ended June 30, 1998, are as follows:

	Proprietary Fund
Balance, June 30, 1997	\$ 1,084,028
Additions	<u>540,300</u>
Balance, June 30, 1998	<u>\$ 1,624,328</u>

TOWN OF GULFAX, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 1998

NOTE 15 - DEFICIT RETAINED EARNINGS

The Enterprise Fund of the Town operates a combined water, sewer, and natural gas utility fund. The utility fund's deficit balance in retained earnings at June 30, 1998, was \$379,457. This was the result of inadequate revenues to cover expenses including depreciation.

NOTE 16 - GENERAL LONG-TERM DEBT

The following changes occurred in liabilities reported in the General Long-Term Debt Account Group during the year ended June 30, 1998:

	Payable At June 30, 1997	Additions	Deletions	Payable At June 30, 1998
Compensated Absences	\$1,700	\$ 000		\$ 2,000

SUPPLEMENTAL INFORMATION

Town of Cella, Louisiana
Schedule of Expenditure of Federal Financial Awards
For the year ended June 30, 1998

FEDERAL GRANTOR/Pass-through Grantor/Program Title	Federal CFDA Number	Federal Expenditures
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:		
Pass-through State of Louisiana, Division Of Administration Community Development Block Grants	14.228	<u>\$ 458,000</u>

NOTE

The schedule of expenditures of federal awards was prepared in conformity with generally accepted Accounting principles for Governmental units. See note of the accompanying financial statements for further details.

**Town of Coates, Louisiana
Schedule of Compensation paid to Board Members
For The Year Ended June 30, 1988**

<u>NAME</u>	<u>POSITION</u>	<u>COMPENSATION</u>
Connie Youngblood	Mayor	\$ 6,000
Alan Futrell	Alderman	3,000
Suzanne Bowen	Alderman	3,000
Bévis Bruns	Alderman	3,000
Cynthia Aarce-Thomas	Alderman	3,000
Roderick Richardson	Alderman	3,000
	Totals	\$21,000

OTHER REPORTS

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September 4, 1998

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

The Honorable Constantine Youngblood, Mayor
and the Board of Aldermen
Town of Colfax, Louisiana

We have audited the financial statements of the Town of Colfax, Louisiana as of and for the year ended June 30, 1998, and have issued our report thereon dated September 4, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Town of Colfax, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of our audit and, 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*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Colfax, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatement 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 over financial reporting and its operation that we consider to be material weaknesses.

The Honorable Constance Youngblood, Mayor
and the Board of Aldermen
September 4, 1998
Page 2

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

Roger Harrington & McKay
ROGER, HARRINGTON & MCKAY
Certified Public Accountants 

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September 4, 1998

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR FEDERAL AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133

The Honorable Constant Youngblood, Mayor
and the Board of Aldermen
Town of Colfax, Louisiana

Compliance

We have audited the compliance of the Town of Colfax, Louisiana, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Statement that are applicable to each of its major federal programs for the year ended June 30, 1998. The Town's federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of law, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Town's management. Our responsibility is to express an opinion on the Town's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on test basis, evidence about the Town's compliance with circumstances. We believe that our audit provided a reasonable basis for our opinion. Our audit does not provide a legal determination on the Town's compliance with those requirements.

In our opinion, the Town complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1998.

Internal Control Over Compliance

The management of the Town is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Town's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program 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 over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.



ROBERT HARRINGTON & MCKAY
Certified Public Accountants

TOWN OF COLFAX, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 1998

We have audited the financial statements of the Town of Colfax, Louisiana, as of and for the year ended June 30, 1998, and have issued our report thereon dated September 4, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 1998, resulted in an unqualified opinion.

Section I Summary of Auditors' Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control:

Material Weakness None

Reportable Conditions None

Compliance:

Compliance Material to the Financial Statements None

b. Federal Awards

Internal Control:

Material Weakness None

Reportable Conditions None

Type of Opinion On Compliance For Major Programs: Unqualified

c. Identification of Major Programs

CFOA Number: 14.228

Name of Federal Program: Community Development Block Grant/State's Program (State-Administered Small Cities Program)

**Dollar Threshold Used to Distinguish Between Type A and Type B Programs:
\$300,000**

Section II Financial Statement Findings

There were no findings related to financial statements.

Section III Federal Award Findings and Questioned Costs

There were no findings related to federal awards.

TOWN OF COLFAX, LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN
For the Year Ended June 30, 1998

SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS	
Finding - There were no findings in connection with internal control and compliance material to the financial statements.	Response - N/A
SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
Finding - There were no findings in connection with internal control and compliance material to federal awards.	Response - N/A
SECTION III - MANAGEMENT LETTER	
Finding - There was no management letter issued with this report.	Response - N/A

TOWN OF COLFAX, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended June 30, 1998

SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS	
Finding - There were no findings in connection with the internal control and compliance over the financial statements.	Response - NOA
SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
Finding - There were no findings in connection with internal control and compliance material to federal awards.	Response - NOA
SECTION III - MANAGEMENT LETTER	
Finding - There was no management letter issued with this report.	Response - NOA