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# TOWN OF ELTON LOUISIANA



## FINANCIAL STATEMENTS

FOR THE YEAR 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 auditor, or receiver, entity and other appropriate public officials. The report is available for public inspection at the Seaton Rouge office of the Legislative Auditor and, when appropriate, at the office of the parish clerk of court.

Release Date July 17, 1998



*Mason & Company*  
Professional Corporation  
P.O. Box 114, Baton Rouge, LA 70801

TOWN OF ELTON, LOUISIANA  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2000

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Mirer & Company  
A Professional Corporation

Certified Public Accountants

Member  
American Institute of Certified Public Accountants  
Division of Louisiana Certified Public Accountants  
Florida Certified Public Accountants (CFPA)

## INDEPENDENT AUDITORS' REPORT

The Honorable Herbert Sharkey, Mayor  
And Members of the Board of Aldermen  
Town of Elton, Louisiana

We have audited the accompanying general purpose financial statements of the Town of Elton, Louisiana, as of and for the year ended December 31, 1997, as listed in the table of contents. These general purpose financial statements are the responsibility of the Town of Elton, Louisiana, 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 *Governor's 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 Elton, Louisiana, as of December 31, 1997, and the results of its operations and cash flows of its proprietary fund for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Governor's Auditing Standards*, we have also limited our report dated May 28, 1998 on our consideration of the Town of Elton, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Town of Elton, Louisiana. Such information, except that portion marked "unaudited" on which we express no opinion, 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.

Mirer & Company, CPAs, APC

Mirer and Company, CPAs, APC  
May 28, 1998

**GENERAL PURPOSE FINANCIAL STATEMENTS**

TOWN OF ELTON, LOUISIANA  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
 December 31, 1997

	TOWN OF ELTON, ALL FUND TYPES			
	General	Special Purpose	Debt Service	Capital Projects
<b>ASSETS</b>				
Cash .....	\$ 21,831	\$ 149,074	\$ 184,536	\$ -
Receivables				
Taxes .....	3,777	5,822	3,879	-
Interest .....	-	-	11	-
Accounts .....	-	-	-	-
Prepaid expenses .....	-	-	-	-
Due from other funds .....	959	-	-	-
Due from other governments .....	4,526	-	-	16,540
Restricted assets:				
Cash .....	-	-	-	0
Fixed assets (net) .....	-	-	-	-
Amount available in debt service fund .....	-	-	-	-
Amount to be provided for retirement of general long-term debt .....	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 32,093</u>	<u>\$ 164,896</u>	<u>\$ 188,416</u>	<u>\$ 16,540</u>

See accompanying notes.

## EXHIBIT I

PROPRIETARY FUND TYPE	ACCOUNT GROUPS		TOTALS	
	General	General	Governmental/Disal	
	Fund	Long Term	1997	1998
Balance	Assets	Liab		
\$ 182,975	\$ -	\$ -	\$ 581,979	\$ 311,810
-	-	-	83,118	14,978
148	-	-	197	433
21,243	-	-	21,943	26,806
2,613	-	-	2,613	2,613
-	-	-	928	696
-	-	-	13,088	3,331
67,333	-	-	67,333	62,236
2,196,865	673,528	-	1,278,194	3,212,348
-	-	133,486	188,436	62,996
-	-	69,214	89,214	77,468
<u>\$ 2,189,813</u>	<u>\$ 673,528</u>	<u>\$ 212,699</u>	<u>\$ 1,866,737</u>	<u>\$ 3,793,698</u>



TOWN OF ELTON, LOUISIANA  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
 December 31, 1997

	GOVERNMENTAL FUND TYPES			
	General	Special Revenue	Debt Service	Capital Proj. &c.
<b>LIABILITIES</b>				
Accounts payable .....	\$ 4,313	\$ -	\$ -	\$ 10,542
Accrued liabilities .....	-	-	-	-
Due to other funds .....	-	-	-	224
Due to other governments .....	-	-	-	-
Payable from restricted assets:				
Current maturities of revenue				
bonds .....	-	-	-	-
Accrued interest .....	-	-	-	-
Customer deposits .....	-	-	-	-
Revenue bonds payable, long-term .....	-	-	-	-
General obligation bonds payable .....	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>\$ 4,313</u>	<u>-</u>	<u>-</u>	<u>10,766</u>
<b>FUND EQUITY</b>				
Contributed capital .....	-	-	-	-
Investment in general fixed assets .....	-	-	-	-
Retained earnings:				
Reserved for revenue bonds .....	-	-	-	-
Unreserved .....	-	-	-	-
Fund balances:				
Reserved for debt service .....	-	-	188,488	-
Reserved for rural development .....	-	-	-	-
Reserved for street improvements .....	-	165,188	-	-
Unreserved .....	36,730	20,439	-	(224)
<b>TOTAL FUND EQUITY</b>	<u>\$ 36,730</u>	<u>185,627</u>	<u>188,488</u>	<u>(224)</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 41,043</u>	<u>\$ 185,627</u>	<u>\$ 188,488</u>	<u>\$ 10,542</u>

See accompanying notes.

PROPRIETARY FUND TYPE	ACCOUNT GROUPS		TOTALS	
	General	General	Comprehensive Only	
	Fixed Assets	Long-Term Debt	1997	1998
\$ 8,885	\$ -	\$ -	\$ 25,740	\$ 19,274
-	-	-	-	-
896	-	-	928	896
1,805	-	-	1,800	1,938
18,886	-	-	18,008	18,886
1,760	-	-	1,760	1,817
27,302	-	-	27,302	25,877
165,008	-	-	165,008	164,880
-	-	218,880	228,008	118,880
<u>228,852</u>	<u>-</u>	<u>218,880</u>	<u>689,734</u>	<u>311,322</u>
3,278,347	-	-	3,278,347	3,288,888
-	671,529	-	671,529	661,879
18,066	-	-	18,066	18,342
287,791	-	-	287,791	288,718
-	-	-	188,488	49,796
-	-	-	-	-
-	-	-	167,160	100,157
-	-	-	79,568	27,938
<u>3,586,204</u>	<u>671,529</u>	<u>-</u>	<u>4,062,091</u>	<u>3,195,111</u>
<u>\$ 3,814,877</u>	<u>\$ 671,529</u>	<u>\$ 218,880</u>	<u>\$ 4,862,711</u>	<u>\$ 3,390,452</u>

TOWN OF ELTON, LOUISIANA  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES  
 Year Ended December 31, 1997

	<u>General</u>	<u>Special Revenues</u>
<b>Revenues:</b>		
Taxes .....	\$ 64,615	\$ 136,594
Licenses & permits .....	37,284	-
Intergovernmental .....	20,316	-
Fees & court cost .....	20,289	-
Fee protection fees .....	6,758	-
Interest .....	571	5,988
Miscellaneous .....	11,897	-
Use of property .....	1,086	-
<b>TOTAL REVENUES</b>	<u>181,124</u>	<u>148,572</u>
<b>Expenditures:</b>		
<b>Current:</b>		
General government .....	78,714	8,154
Public safety .....	76,468	-
Streets .....	24,022	-
Parks & recreation .....	3,382	-
Animal control .....	2,798	-
Capital outlay .....	11,698	-
<b>Debt service:</b>		
Principal retirement .....	-	-
Interest .....	-	-
<b>TOTAL EXPENDITURES</b>	<u>214,811</u>	<u>8,154</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>166,472</u>	<u>140,418</u>
<b>Other financing sources (uses):</b>		
Proceeds from certificates of indebtedness .....	-	-
Operating transfers in .....	58,518	-
Operating transfers out .....	(18,000)	(181,881)
<b>TOTAL OTHER FINANCING SOURCES (U / V)</b>	<u>40,518</u>	<u>(181,881)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<u>206,990</u>	<u>258,537</u>
<b>FUND BALANCE, BEGINNING</b> .....	<u>14,838</u>	<u>161,283</u>
<b>PRICE PERIOD ADJUSTMENT</b> .....	<u>          </u>	<u>          </u>
<b>FUND BALANCE, BEGINNING - RESTATED</b> .....	<u>14,838</u>	<u>161,283</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 201,828</u>	<u>\$ 429,820</u>

See accompanying notes.

Capital Expend	Debt Service	TOTALS	
		(Millions of Dollars)	
		1997	1998
\$ -	\$ 18,146	\$ 213,389	\$ 183,388
-	-	37,381	36,004
18,000	-	79,316	21,948
-	-	38,809	49,768
-	-	6,338	6,618
-	903	7,891	3,783
-	-	11,877	7,149
-	-	1,886	3,001
<u>18,000</u>	<u>19,049</u>	<u>387,687</u>	<u>318,732</u>
-	97	84,371	129,863
-	-	76,688	78,332
25,238	-	84,379	28,433
-	-	3,292	1,648
-	-	3,798	-
71,836	-	81,488	15,936
-	19,800	18,000	19,800
-	5,800	3,900	5,400
<u>97,836</u>	<u>25,600</u>	<u>301,662</u>	<u>268,718</u>
<u>147,836</u>	<u>3,838</u>	<u>38,395</u>	<u>41,811</u>
-	180,396	180,396	-
34,286	9,373	125,849	29,880
<u>75,680</u>	<u>(14,823)</u>	<u>115,320</u>	<u>(29,880)</u>
<u>40,836</u>	<u>144,812</u>	<u>148,715</u>	<u>-</u>
<u>(220)</u>	<u>141,888</u>	<u>127,311</u>	<u>41,811</u>
-	40,594	215,939	182,948
-	-	-	18,876
-	40,594	215,939	172,958
<u>177.1</u>	<u>2,146,436</u>	<u>2,661,240</u>	<u>2,271,928</u>

## TOWN OF ELFON, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND

## ACTUAL-GENERAL, SPECIAL, REVENUE, AND DEBT SERVICE FUNDS

Year Ended December 31, 1997

	GENERAL FUND		
	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Taxes .....	\$ 59,765	\$ 64,683	\$ 4,918
Licenses & permits .....	15,295	21,281	1,886
Intergovernmental .....	30,295	28,118	21
Fines & court cost .....	11,800	28,149	(4,891)
Fire protection fee .....	5,244	4,198	1,046
Leases .....	-	-	-
Interest .....	738	372	44
Miscellaneous .....	1,980	10,817	(8,837)
Use of property .....	886	1,020	134
	<b>TOTAL REVENUES</b>	<b>185,631</b>	<b>12,861</b>
<b>Expenditures:</b>			
General government .....	71,939	78,148	(68)
Project/contract .....	-	-	-
Public utility .....	31,089	76,438	(1,999)
Street .....	49,643	59,655	(9,612)
Parks & recreation .....	2,188	3,292	(1,102)
Animal control .....	2,688	2,769	(746)
Principal retirement .....	-	-	-
Interest .....	-	-	-
Capital outlay .....	21,618	11,669	8,928
	<b>TOTAL EXPENDITURES</b>	<b>211,811</b>	<b>(2,514)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>128,488</b>	<b>149,617</b>	<b>4,297</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Proceeds from sale/lease of intangibles .....	-	-	-
Operating transfers .....	62,000	21,979	8,028
	<b>TOTAL, OTHER FINANCING SOURCES (USES)</b>	<b>62,000</b>	<b>8,028</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<b>17,488</b>	<b>2,282</b>	<b>18,746</b>
<b>FUND BALANCE, BEGINNING</b> .....	<b>16,618</b>	<b>16,618</b>	<b>-</b>
<b>FUND BALANCE, ENDING</b>	<b>\$ 34,106</b>	<b>\$ 18,900</b>	<b>\$ 15,206</b>

See accompanying notes.

SPECIAL REVENUE FUND			DEBT SERVICE FUND		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 220,800	\$ 198,184	\$ 4,690	\$ 17,000	\$ 18,140	\$ 1,140
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,515	5,784	1,029	118	913	796
-	-	-	-	-	-
<u>225,315</u>	<u>198,178</u>	<u>3,137</u>	<u>17,118</u>	<u>19,053</u>	<u>1,935</u>
3,527	8,114	(4,607)	150	97	103
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	10,000	10,000	-
-	-	-	3,800	3,800	-
-	-	-	-	-	-
<u>3,527</u>	<u>8,114</u>	<u>(4,607)</u>	<u>18,150</u>	<u>19,050</u>	<u>900</u>
<u>228,842</u>	<u>206,292</u>	<u>3,112</u>	<u>17,300</u>	<u>19,078</u>	<u>1,778</u>
-	-	-	100,000	100,000	-
<u>199,790</u>	<u>196,292</u>	<u>3,498</u>	-	<u>13,580</u>	<u>13,580</u>
<u>199,790</u>	<u>196,292</u>	<u>3,498</u>	<u>173,300</u>	<u>193,658</u>	<u>20,358</u>
20,176	21,261	1,087	11,581	14,000	2,419
<u>181,295</u>	<u>181,295</u>	<u>-</u>	<u>40,596</u>	<u>40,596</u>	<u>-</u>
<u>\$ 199,671</u>	<u>\$ 197,575</u>	<u>\$ 2,096</u>	<u>\$ 153,896</u>	<u>\$ 157,654</u>	<u>\$ 3,758</u>

TOWN OF ELTON, LOUISIANA  
 COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND  
 CHANGES IN RETAINED EARNINGS - PROPRIETARY FUND TYPE  
 Years Ended December 31, 1997 and 1996

EXHIBIT 4

	<u>1997</u>	<u>1996</u>
Operating revenues:		
Charges for services:		
Water charges .....	\$ 113,976	\$ 103,421
Sewer service charges .....	65,700	66,653
Sanitation charges .....	33,304	33,298
Miscellaneous income .....	<u>6,413</u>	<u>1,243</u>
TOTAL OPERATING REVENUES	<u>219,393</u>	<u>204,615</u>
Operating expenses .....	<u>361,869</u>	<u>274,593</u>
OPERATING INCOME (LOSS)	<u>-142,476</u>	<u>-69,978</u>
Non-operating revenues (expenses):		
Transfer from capital projects fund .....	9,650	-
Interest income .....	1,476	7,034
Interest expense .....	<u>(12,523)</u>	<u>(68,757)</u>
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>-1,397</u>	<u>(61,723)</u>
NET INCOME (LOSS)	<u>-143,873</u>	<u>-131,701</u>
Add current year's depreciation on fixed assets acquired by funds externally financed for capital expenditures that reduce contributed capital .....	<u>11,037</u>	<u>11,700</u>
Increase (decrease) in retained earnings .....	31,797	28,700
RETAINED EARNINGS, BEGINNING .....	<u>280,686</u>	<u>214,317</u>
RETAINED EARNINGS, ENDING	<u>\$ 168,610</u>	<u>\$ 133,016</u>

See accompanying notes.

## TOWN OF ELTON, LOUISIANA

EXHIBIT 5

## INTERPLATE FUND

## UTILITY FUND

## COMPARATIVE STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE

Years Ended December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
<b>Cash Flows From Operating Activities:</b>		
Operating income (loss) .....	\$ 2,360	\$ (18,474)
Adjustments to reconcile net operating income to net cash provided by operating activities:		
Depreciation .....	79,791	58,310
(Increase) decrease in:		
Accounts receivable .....	1,461	2,808
Accrued interest receivable .....	259	(465)
Prepaid expenses .....	-	(219)
Increase (decrease) in:		
Accounts payable .....	(1,321)	4,800
Accrued liabilities .....	-	(1,498)
Accrued interest payable .....	(173)	(851)
Customer deposits .....	9,825	3,297
Due to other governments .....	(2,158)	1,521
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>82,135</u>	<u>51,621</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>		
Principal paid on bonds .....	(18,000)	(17,880)
Interest paid on bonds .....	(8,970)	(10,571)
Purchase of fixed assets .....	(1,640)	-
<b>NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>(28,610)</u>	<u>(28,451)</u>
<b>Cash Flows From Investing Activities:</b>		
Interest on investments .....	5,479	7,004
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<u>5,479</u>	<u>7,004</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>59,004</b>	<b>30,174</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING</b> .....	<u>382,518</u>	<u>311,648</u>
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	<u>\$ 441,522</u>	<u>\$ 341,822</u>

See accompanying notes.



**INTRODUCTION**

The Town of Elton was incorporated under the provisions of the Louisiana Act. The Town operates under the Mayor-Board of Aldermen form of government. There are five compensated aldermen. The Mayor and Aldermen are elected by the citizens of the Town of Elton. The Town has approximately twelve employees.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

The accompanying general purpose financial statements of the Town of Elton 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**

As the municipal governing authority, for reporting purposes, the Town of Elton is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (municipality), (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 Elton for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has six 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 municipality to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the municipality.
2. Organizations for which the municipality does not appoint a voting majority but are fiscally dependent on the municipality.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

As required by generally accepted accounting principles, these financial statements represent the Town of Elton (the primary government) and its component units. By applying the above criteria, there are no component units of the Town of Elton.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**C. FUND ACCOUNTING**

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

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

Funds of the municipality are classified into two categories: governmental and proprietary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follows:

**Governmental Funds**

Governmental funds are used to account for all or most of the municipality's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fund assets, and the servicing of general long-term debt. Governmental funds include:

1. **General Fund** - the general operating fund of the municipality and accounts for all financial resources, except those required to be accounted for in other funds.
2. **Special revenue funds** - account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
3. **Debt service fund** - account for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term obligations account group.
4. **Capital projects fund** - account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

**Proprietary Funds**

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

1. **Enterprise funds** - account for operations (a) 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, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

TOWN OF ELTORI, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
December 31, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**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. No depreciation is recorded on general fixed assets.

**General Long-Term Debt Account Group-**

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

**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 all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed 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 the 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 optional property taxes are available if they are collected within 90 days after year end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

TOWN OF ELTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
December 31, 1997

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Those revenues susceptible to accrual are property taxes, franchise taxes, special assessments, licenses, interest revenue, charges for services, and ad valorem and local taxes. Sales taxes collected and held by the parish at year end on behalf of the government also are recognized as revenues. Fines and permits are not susceptible to accrual because generally they are not measurable until received in cash.

The normal basis of accounting is utilized by proprietary fund types. Under this method, revenues are recorded when earned and expenses are recorded as the time liabilities are incurred. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are not recorded due to immateriality at December 31, 1997.

Transactions between funds that are not expected to be repaid (and any other financing sources) are accounted for as other financing sources (used) and are recorded when they occur.

**D. BUDGETS**

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general, special revenue, debt service and enterprise funds. All annual appropriations lapse at fiscal year end.

Prior to December 15, the Mayor submits a budget to the Board of Aldermen. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

The Board of Aldermen holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated or the revenue estimates must be changed by an affirmative vote of a majority of the government's council.

Expenditures may not legally exceed budgeted appropriations at the activity level.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to assure that portions of the applicable appropriation, if not employed by the Town as an extension of formal budgetary integration in the funds.

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

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturity of 90 days or less. Under state law, the municipality may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

TOWN OF BELTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
December 31, 1997

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Under state law, the municipality may invest in United States bonds, money orders, 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.

**G. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

**H. ACCRUALS RECEIVABLE**

Uncollectible amounts due for ad valorem taxes and other receivables are recognized as bad debts at the time information becomes available which would indicate that the particular receivable is not collectible. This method does not result in a change to bad debts that is materially different from the amounts that would be charged if the reserve method were used.

**I. PREPAID ITEMS**

Prepaid items consist of insurance premiums paid during the year in which a portion of the payment benefits future periods.

**J. FIXED ASSETS**

**General Fixed Assets Account Group:**

Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Group of Accounts, rather than in governmental funds.

Public domain ("infrastructure") general fixed assets including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are capitalized. No depreciation has been provided on general fixed assets.

**Proprietary Funds:**

Additions to the utility plant in service are recorded at cost or, if contributed property, at their 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 ELTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
December 31, 1997

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Interest is capitalized on proprietary fixed assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. For the current year, no interest has been capitalized.

Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Utility System and Improvements . . . . .	70-75 years
Equipment . . . . .	3-10 years

**K. STATEMENT OF CASH FLOWS**

For the purpose of the statement of cash flows, for the enterprise fund, the Town considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. The statement reflects ending cash and cash equivalents of \$485,988 which represents unrestricted and restricted amounts of \$162,175 and \$263,813, respectively.

**L. COMPENSATED ABSENCES**

Vacation and sick leave are recorded as expenditures of the period in which paid. Vacation must be taken in the year earned and cannot be carried over. Sick leave is accumulated by employees at a rate dependent upon number of years of employment. Although sick leave is available for employees when needed, it does not vest nor is it payable at termination of employment. Therefore, no liability has been recorded in the accounts as of December 31, 1997.

**M. FUND EQUITY**

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers or other funds. Reserves represent those portions of fund equity not appropriate for expenditure or legally segregated for a specific future use.

**N. TOTAL COLUMNS ON COMBINED STATEMENTS**

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

TOWN OF ELTON, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 1993

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**G. COMPARATIVE DATA**

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the government's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements overly complex and difficult to understand.

**F. USE OF ESTIMATES**

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

**NOTE 2 - PROPERTY TAXES**

For the year ended December 31, 1993, taxes of \$1.18 mills were levied on property with assessed valuations totaling \$129,548 and were allocated as follows:

General purposes .....	6.95 mills
Debt Service purposes .....	
Sewer department .....	4.13 mills
Town Sewer .....	4.00 mills

Total taxes levied were \$10,615.

Taxes receivable at December 31, 1993 was \$1,296.

All valuations listed attach as an ad valorem lien on property as of January 1 of each year. Taxes are levied by the Town in September or October and are actually billed to taxpayers in November or December. Billed taxes become delinquent on January 1 of the following year. The Town bills and collects its own property taxes using the assessed values determined by the Tax Assessor of Jefferson Davis Parish. Town property tax revenues are budgeted in the year billed.

**NOTE 3 - CASH AND CASH EQUIVALENTS**

The following is a summary of cash and cash equivalents (bank balances) at December 31, 1993:

Interest-bearing demand deposits .....	\$ 418,087
Time deposits .....	160,831
Other .....	74
	<u>\$ 578,992</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

TOWN OF ELTON, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 1997

NOTE 3 - CASH AND CASH EQUIVALENTS

At December 31, 1997, the Town has \$100,913 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of Federal Deposit Insurance and \$90,913 of pledge securities held by the municipal bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 28:1229 imposes a statutory requirement on the municipal bank to advertise and sell the pledged securities within 90 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 4 - RECEIVABLES

The following is a summary of receivables for December 31, 1997:

Class of Receivable	General	Special	Debt	Capital	Proprietary
	Funds	Funds	Funds	Funds	Funds
Taxes:					
Ad valorem	\$ 3,397	\$ -	\$ 3,399	\$ -	\$ -
Salary and use	-	7,823	-	-	-
Other	3,646	-	31	-	31,494
Intergovernmental - grants:					
Federal	-	-	-	-	-
State	-	-	-	10,543	-
Local	-	-	-	-	-
Total	<u>\$ 8,043</u>	<u>\$ 7,823</u>	<u>\$ 3,959</u>	<u>\$ 10,543</u>	<u>\$ 31,494</u>

NOTE 5 - FIXED ASSETS

A. General Fixed Assets:

A summary of changes in general fixed assets for the year ended December 31, 1997 is as follows:

	Balance	Net	Balance
	January 1,		December 31,
	1997	Additions	1997
Land .....	\$ 22,838	\$ -	\$ 22,838
Buildings .....	246,871	7,254	254,125
Equipment .....	80,843	4,405	85,248
Improvements other than buildings .....	311,276	-	311,276
	<u>\$ 863,828</u>	<u>\$ 11,659</u>	<u>\$ 875,487</u>



TOWN OF BELTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
December 31, 1997

NOTE 3 - FIXED ASSETS

B. Proprietary Fund Fixed Assets

A summary of changes in proprietary fund fixed assets for the year ended December 31, 1997 is as follows:

	Balance January 1 1997	Net Additions (Deductions)	Balance December 31 1997
<b>Water Department:</b>			
Plant and line .....	\$ 1,179,860	\$ 83,679	1,263,539
Equipment .....	38,118	3,387	41,505
Assets and tools .....	8,536	-	8,536
Office equipment .....	5,648	4,596	10,244
<b>Sewer Department:</b>			
Plant and line .....	2,179,845	-	2,179,845
Equipment .....	128,838	4,718	133,556
	3,410,608	\$ 88,122	3,498,730
Less accumulated depreciation .....	858,134		400,000
	<u>\$ 2,552,474</u>		<u>\$ 3,098,730</u>

Depreciation expense was \$29,761 for the year ended December 31, 1997.

NOTE 4 - ACCOUNTS, SALARIES, AND OTHER PAYABLES

The following is a summary of payables at December 31, 1997:

Class of Payable	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Proprietary Funds
Salaries .....	\$ -	\$ -	\$ -	\$ -	\$ -
Welfare/Steps .....	-	-	-	-	-
Accounts .....	6,315	-	-	18,540	8,885
Other .....	-	-	-	221	11,265
Total	<u>\$ 6,315</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,761</u>	<u>\$ 20,150</u>

TOWN OF ELTON, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 1997

NOTE 7 - LONG TERM DEBT

The following is a summary of long-term debt transactions of the Town for the year ended December 31, 1997:

	General Obligation <u>Bonds</u>	Certificate of Indebtedness	Revenue <u>Bonds</u>	Total
Long-term debt payable				
January 1, 1997	\$ 100,000	\$ -	\$ 280,000	\$ 380,000
Long-term debt issued	-	100,000	-	100,000
Long-term debt retired	(10,000)	-	(10,000)	(20,000)
Long-term debt payable				
December 31, 1997	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 150,000</u>	<u>\$ 350,000</u>

Long-term debt payable at December 31, 1997, is comprised of the following individual items:

General obligation bonds:

\$234,000 Sewerage District No. 1

Bonds and Senior Bonds dated October 22, 1989, due

in annual installments of \$2,000 to \$9,000 through

October 22, 2005; interest at 5 percent; payable

from ad valorem taxes .....

\$ 234,000

Certificate of Indebtedness:

\$100,000 certificate of indebtedness dated October 1, 1997;

due in annual installments of \$15,000 to \$18,000 through April 1, 2002;

interest at 5 percent; payable from sales taxes .....

\$ 100,000

Revenue bonds:

\$200,000 Water Utility Bonds

Issued October 22, 1989, due in annual installments

of \$5,000 to \$27,000 through October 22, 2005;

interest at 5 percent .....

\$ 200,000

The annual requirements to amortize all debt outstanding at December 31, 1997, including interest payments of \$76,275 are as follows:

TOWN OF ELBOA, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 1997

NOTE 7 - LONG TERM DEBT

Year ending December 31,	General	Certificate	Revenue	Total
	Obligation	of	Bonds and	
	Fixed	Notes, etc.,	Certificates	
1998 .....	\$ 15,000	\$ 16,750	\$ 28,250	\$ 60,000
1999 .....	36,000	38,000	28,250	102,250
2000 .....	36,500	37,950	28,250	102,700
2001 .....	35,700	37,875	28,150	101,725
2002 .....	37,100	37,350	28,050	102,500
2003-2005 .....	51,000	-	51,000	102,000
	<u>\$ 174,300</u>	<u>\$ 169,225</u>	<u>\$ 223,900</u>	<u>\$ 567,425</u>

NOTE 8 - INTERFUND ASSETS/LIABILITIES

Due from/to other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Enterprise Fund	\$ 696
General Fund	Capital Projects Fund	224
Total		<u>\$ 920</u>

NOTE 9 - DEDICATION OF SALES TAX PROCEEDS

Proceeds of a 1 percent sales and use tax (accounted for in the 1991 Sales Tax Fund - a special revenue fund) levied by the Town of ElboA (1997 collections \$31,866) are dedicated to the following purposes:

Opening, constructing, paving, resurfacing, and improving streets, sidewalks and bridges; constructing and purchasing street lighting facilities; constructing and improving drains, drainage canals and sub-surface drainage; constructing and purchasing fire department stations and equipment; constructing and purchasing police department stations and equipment; constructing and purchasing garbage disposal and health and sanitation equipment and facilities; constructing public buildings; purchasing, constructing and improving public parks and recreational facilities and acquiring the necessary equipment and furnishings therefor; purchasing equipment and furnishings therefor; purchasing equipment for civil districts; improving any work of permanent public improvement; and purchasing and acquiring all equipment and furnishings for the public works, building, improvements and facilities of the Town of ElboA, Louisiana, with the exception of the public works.

Proceeds of a 1 percent sales and use tax (accounted for in the 1991 Sales Tax Fund - a special revenue fund) levied by the Town of ElboA (1997 collections \$31,866) are dedicated to the following purpose:

Maintenance, repair, and upkeep of the assets in the Town of ElboA, Louisiana and payment of 1997 certificate of indebtedness.

TOWN OF ELTON, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 1997

NOTE 10 - COMPONENTS OF REVENUE AND COSTS

	Revenue From Interest	Revenue From Electricity	Revenue From Contingency	Customer Deposits	Total
Cash and Investments . . . . .	<u>\$ 9,611</u>	<u>\$ 18,348</u>	<u>\$ 11,892</u>	<u>\$ 32,400</u>	<u>\$ 62,251</u>

Revenue Bond

Under the terms of the Sewer Utility Revenue Indenture dated October 21, 1980, all income and revenues (hereinafter referred to as revenues) of every nature, earned or derived from operation of the sewer utility system, are pledged and dedicated to the retirement of said bonds, and are to be set aside into the following special funds: each month, there will be set aside into a fund called the "Bond and Interest Sinking Fund" an amount constituting 1/12 of the next maturing installment of principal and interest on the outstanding bonds. Such amounts shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due and may be used only for such payments.

There shall also be set aside into a "Sewer Utility Bond Reserve Fund" an amount equal to 2% of the amount required to be paid into the Sinking Fund during the current fiscal year with there shall have been accumulated in the reserve account an amount equal to the maximum principal and interest requirements in any one maturity year. Such amounts may be used only for the payment of maturing bonds and interest coupons for which sufficient funds are not on deposit in the Bond and Interest Sinking Fund and as to which there would otherwise be default.

Funds will also be set aside into a "Sewer Utility Contingency Fund" at the rate of \$118 each month. Money in this fund may be used for the making of extraordinary repairs or replacements to the system which are necessary to keep the system in operating condition and for which money is not available as a maintenance and operation expense. Money in this fund may also be used to pay principal or interest on the bonds falling due at any time there is not sufficient money for payment in the other fund funds.

All of the revenues received in any fiscal year and not required to be paid in each fiscal year into any of the above used funds shall be regarded as surplus and may be used for any lawful corporate purpose.

The amount of retained earnings reserved for revenue bond retirement is detailed as follows:

Restricted assets: revenue bond sinking, reserves and contingency funds . . . . .	\$ 39,631
Less:	
Current maturities of revenue bonds, payable from restricted assets . . . . .	19,800
Accrued interest, payable from restricted assets . . . . .	<u>1,761</u>
	<u>Retained Earnings Reserved</u>
	<u>\$ 17,070</u>

TOWN OF ELTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
December 31, 1997

**NOTE 11 - RETIREMENT COMMITMENTS**

All employees of the Town of Elton participate in the Social Security System. For the year ended December 31, 1997, the Town and its employees contributed a percentage of each employee's salary to the System (7.65% contributed by the Town, 7.65% by the employee). The Town's contribution during the year ended December 31, 1997, amounted to \$18,611.

**NOTE 12 - RISK MANAGEMENT**

The Town is exposed to various risks of loss related to fire; theft of; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town maintains commercial insurance coverage covering each of these risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

**NOTE 13 - INTEREST EXPENSE**

Total amount of interest charged to expense for the year ended December 31, 1997 was \$15,028.

**NOTE 14 - INTERFUND CREDIT BALANCE AND ACCOUNTABILITY**

There are a number of limitations and restrictions contained in the various bond indentures. The Town is in compliance with all significant limitations and restrictions. No material violations of finance related legal and contractual provisions occurred for the year ended December 31, 1997.

**NOTE 15 - INTERGOVERNMENTAL PAYABLE**

The following is a summary of the intergovernmental payable due other governments at December 31, 1997:

Payable to:	Interfund Fund
Act 1 Davis Parish Police Jury	\$ 1,182

**NOTE 16 - CONTRIBUTED CAPITAL**

Assets contributed to the Utility Fund for acquisition or construction of fixed assets are recognized as contributed capital. Contributed capital generated through grants externally restricted for capital acquisition is amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such grants. This depreciation is charged to the appropriate contributed capital account and is reflected as an adjustment to net income on the Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings.

TOWN OF ELTON, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 1997

**NOTE 16 - CONTRIBUTED CAPITAL**

The sources of contributed capital used to acquire and construct facilities of the enterprise fund are as follows:

	Monetary	Federal Grant	Total
Total contributed capital .....	\$ 268,323	\$ 1,961,466	\$ 2,229,789
Contributions during year .....	66,871	21,000	71,871
Less: Accumulated depreciation .....		(61,047)	(61,047)
Net contributed capital .....	<u>\$ 335,194</u>	<u>\$ 1,921,419</u>	<u>\$ 2,256,613</u>

**NOTE 17 - COMPENSATION OF TOWN OFFICIALS**

A detail of compensation paid to the Mayor and Board of Alderpersons for the year ended December 31, 1997 follows:

Robert Shirley, Mayor .....	\$ 4,800
Alderpersons:	
Pat Ditts .....	1,200
Clarence Lemaire .....	1,200
Terry Mackley .....	1,200
Donald Patterson .....	1,200
J.C. Sodian .....	1,200
	<u>\$ 10,800</u>

**NOTE 18 - WATER CONTRACT**

Under a contract dated January 1, 1988, the Town of Elton is required to purchase its water from the East Allen Parish Waterworks District until December 31, 1999. During the fiscal year ended December 31, 1997, the Town's water purchases amounted to \$93,738. These purchases included \$4,184 owed at December 31, 1997 for water purchased in the month of December.

**NOTE 19 - PRIOR PERIOD ADJUSTMENTS**

Prior period adjustments were recorded in the general and special revenue funds during 1996 to record the reversal of franchise and water tax receivable at December 31, 1996.

**NOTE 20 - AGED ACCOUNTS RECEIVABLE - ENTERPRISE FUND**

The following is a summary of the aged accounts receivable for the Enterprise Fund at December 31, 1997:

Current	0-90 Days	91-180 Days	181-360 Days	Over 360 Days	Total
\$ 2,113	\$ 362	\$ 32	\$ 35	\$ _____	\$ 2,542

TOWN OF ELTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
December 31, 1997

NOTE 20 - FUND BALANCE DEFICIT

For the year ended December 31, 1997, the Capital Projects Fund had a deficit fund balance to be covered by income from grants in 1998.

**COMBINED, INDIVIDUAL FUND  
AND ACCOUNT GROUP STATEMENTS AND SCHEDULES**



GENERAL FUND

To account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

TOWNSHIP OF ELTON, LOUISIANA  
 General Fund  
 Comparative Balance Sheet  
 December 31, 1997 and 1996

EXHIBIT A-1

	<u>1997</u>	<u>1996</u>
<b>ASSETS</b>		
Cash .....	\$ 11,800	\$ 13,776
Receivables:		
Taxes .....	3,357	3,480
Intergovernmental .....	4,528	3,251
Due from other funds .....	<u>928</u>	<u>628</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 21,613</u></b>	<b><u>\$ 21,135</u></b>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities:</b>		
Accounts payable .....	<u>\$ 6,315</u>	<u>\$ 7,868</u>
	6,315	7,868
<b>Fund Balance:</b>		
Unreserved .....	<u>15,298</u>	<u>13,267</u>
<b>TOTAL FUND BALANCE</b>	<b><u>15,298</u></b>	<b><u>13,267</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCE:</b>	<b><u>\$ 21,613</u></b>	<b><u>\$ 21,135</u></b>

See accompanying notes.

## TOWN OF ELYON, LOUISIANA

SHEET 4-1

## General Fund

Statement of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Year Ended December 31, 1997

(With Comparative Totals for Year Ended December 31, 1996)

	1997		Variance Favorable (Unfavorable)	1996
	Budget	Actual		Actual
<b>Revenues:</b>				
<b>Taxes:</b>				
Ad valorem .....	\$ 15,000	\$ 15,460	\$ 460	\$ 15,380
Public utility franchise .....	44,799	49,892	4,093	49,189
Licenses and permits .....	25,280	27,281	1,999	25,624
<b>Intergovernmental:</b>				
State revenue sharing .....	6,460	6,461	-	6,910
Tobacco & beer .....	9,954	9,289	(665)	10,317
Voting poll tax .....	-	1,880	1,880	1,296
L. & W. Gov. Davis Parole .....				
Police App. ....	3,900	3,900	-	3,900
<b>Fees:</b>				
Fees & Rentals .....	16,600	16,779	179	46,766
Court costs .....	-	19,200	19,200	-
<b>Other:</b>				
Interest .....	333	372	39	343
Fire protection fee .....	2,211	6,590	4,379	6,400
Miscellaneous .....	3,800	11,857	8,057	7,589
Use of property .....	980	1,000	20	1,000
<b>TOTAL REVENUES</b>	<b>102,821</b>	<b>182,159</b>	<b>79,338</b>	<b>173,621</b>
<b>Expenditures:</b>				
General & administrative .....	71,929	78,146	6,217	71,567
Street department .....	49,441	59,655	10,214	59,437
Police & recreation .....	3,180	3,292	1,112	3,148
Police department .....	73,089	79,688	6,599	78,382
Animal control .....	1,058	2,199	1,141	-
Capital equip. ....	21,816	11,668	(10,148)	13,528
<b>TOTAL EXPENDITURES</b>	<b>221,313</b>	<b>236,658</b>	<b>15,345</b>	<b>189,960</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(118,492)</b>	<b>(54,499)</b>	<b>6,843</b>	<b>(15,339)</b>

See accompanying notes.

## TOWN OF ELTON, LOUISIANA

EXHIBIT 4.3

## General Fund

Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual

Year Ended December 31, 1997

(With Comparative Totals for Year Ended December 31, 1996)

	1997		Variance Favorable (Unfavorable)	1996
	Budget	Actual		Actual
Other financing sources (uses):				
Operating transfers from (to):				
Special revenue fund .....	\$ 45,000	\$ 45,000	\$ -	\$ 28,000
Special revenue fund .....	(8,000)	(8,000)	-	-
Debt service fund .....	5,000	18,500	13,500	-
TOTAL OTHER FINANCING SOURCES (USES)	42,000	55,500	13,500	28,000
 EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(21,064)	2,700	18,364	6,700
 FUND BALANCE, BEGINNING .....	14,000	14,000	-	6,300
 PRIOR PERIOD ADJUSTMENT	-	-	-	3,000
 FUND BALANCE, BEGINNING - RESTATED	14,000	14,000	-	9,300
 FUND BALANCE, ENDING	\$ (7,064)	\$ 16,700	\$ 23,764	\$ 14,000

See accompanying notes.

## TOWN OF HILTON, LOUISIANA

EXHIBIT A-3

## General Fund

## Statement of Departmental Expenditures - Budget and Actual

Year Ended December 31, 1993

(With Comparative Totals for Year Ended December 31, 1994)

	1993		1994	
	Budget	Actual	Variance Favorable/Unfavorable	Actual
<b>General and administrative department:</b>				
Advertising - notice	\$ 700	\$ 540	\$ 160	\$ 700
Auto expense	1,500	2,170	670	1,660
Bad debts	-	66	(66)	-
Bank charges	30	17	17	-
Contract fees	240	200	40	100
Costs	615	600	15	615
Insurance	12,000	21,070	9,070	10,000
Inventory supplies	1,200	1,140	60	800
Legal & professional	6,770	6,844	(44)	6,800
Miscellaneous	-	-	-	30
Office	3,250	3,811	561	5,600
Payments to fire district	8,440	80,200	71,760	10,100
Payroll tax	1,740	1,761	21	1,710
Repairs & maintenance	300	304	4	500
Salaries	22,750	19,820	2,930	22,500
Telephone	1,700	1,640	60	1,970
Travel	600	320	280	470
Utilities	4,600	4,700	(100)	4,470
<b>TOTAL GENERAL AND ADMINISTRATIVE EXPENDITURES</b>	<b>\$ 71,200</b>	<b>\$ 128,440</b>	<b>\$ 57,240</b>	<b>\$ 73,180</b>
<b>Street department:</b>				
Gas, oil & fuel	\$ 800	\$ 820	\$ (20)	\$ 400
Materials & supplies	1,500	1,700	200	2,200
Miscellaneous	30	24	6	31
Payroll tax	600	473	127	-
Repairs & maintenance	15,000	71,570	56,570	10,000
Salaries	4,000	3,711	289	-
Utilities	10,700	10,664	36	10,000
<b>TOTAL STREET EXPENDITURES</b>	<b>\$ 33,330</b>	<b>\$ 89,958</b>	<b>\$ 56,644</b>	<b>\$ 20,431</b>

See accompanying notes.

## TOWN OF ELTON, LOUISIANA

EXHIBIT A-3

## General Fund

## Statement of Departmental Expenditures - Budget and Actual

Year Ended December 31, 1997

(With Comparative Totals for Year Ended December 31, 1996)

	1997		Variance Favorable (Unfavorable)	1996
	Budget	Actual		Actual
<b>Police Department:</b>				
Dog pound .....	\$ -	\$ -	\$ -	\$ 1,399
Gas, oil & repairs .....	4,940	4,966	476	4,880
Insurance .....	4,774	4,296	478	5,241
Miscellaneous .....	29	43	116	129
Payroll taxes .....	1,438	4,893	(3,455)	3,862
Repairs & maintenance .....	3,011	3,053	44	4,388
Salaries .....	54,300	52,768	1,532	48,813
Supplies .....	1,155	1,518	(373)	2,460
Telephone .....	2,179	2,293	82	2,322
Travel .....	-	626	(626)	461
Uniforms .....	882	967	85	1,200
<b>TOTAL POLICE EXPENDITURES</b>	<b>\$ 73,089</b>	<b>\$ 76,689</b>	<b>\$ (3,600)</b>	<b>\$ 79,282</b>
<b>Parks and Recreation Department:</b>				
Repairs & maintenance .....	\$ 1,180	\$ 2,493	\$ (1,313)	\$ 271
Supplies .....	88	157	71	18
Utilities .....	262	264	2	279
<b>TOTAL PARKS AND RECREATION EXPENDITURES</b>	<b>\$ 2,000</b>	<b>\$ 2,914</b>	<b>\$ (913)</b>	<b>\$ 568</b>
<b>Animal Control Department:</b>				
Payroll taxes .....	\$ 250	\$ 250	\$ -	\$ -
Salaries .....	1,800	2,008	(208)	-
Supplies .....	-	351	(351)	-
<b>TOTAL ANIMAL CONTROL EXPENDITURES</b>	<b>\$ 2,050</b>	<b>\$ 2,609</b>	<b>\$ (559)</b>	<b>\$ -</b>

See accompanying notes.

## SPECIAL REVENUE FUNDS

### 1975 Sales Tax Fund

To account for the receipt and use of proceeds of the Town's 1% sales and use tax. These taxes are dedicated to the opening, constructing, paving, resurfacing and improving streets, sidewalks and bridges; constructing and purchasing street lighting facilities; constructing and improving drains, drainage canals and sub-surface drainage; constructing and purchasing fire department stations and equipment; constructing and purchasing police department stations and equipment; constructing and purchasing garbage disposal and health and sanitation equipment and facilities; constructing public facilities; purchasing, constructing and improving public parks and recreational facilities and acquiring the *equipment* and furnishing thereof; purchasing equipment for civil defense; improving any work of permanent public improvement; and purchasing and acquiring all equipment and furnishings for the public works, buildings, improvements and facilities of the Town of Elton, Louisiana.

### 1991 Sales Tax Fund

To account for the receipt and use of proceeds of the Town's 0% sales and use tax. These taxes are dedicated to the maintenance, repair, and opening of streets in the Town of Elton, Louisiana.

## TOWN OF ELTON, LOUISIANA

EXHIBIT B-1

## Special Revenue Funds

## Combining Balance Sheet

December 31, 1997

(With Comparative Totals for Year Ended December 31, 1996)

	1997	1996	Totals	
	Sales Tax Fund	Sales Tax Fund	1997	1996
<b>ASSETS</b>				
Cash .....	\$ 18,558	\$ 181,277	\$ 199,835	\$ 154,897
Receivables				
Taxes .....	<u>2,862</u>	<u>2,811</u>	<u>2,852</u>	<u>2,518</u>
<b>TOTAL ASSETS</b>	<u>\$ 21,420</u>	<u>\$ 184,088</u>	<u>\$ 202,687</u>	<u>\$ 157,415</u>
<b>FUND BALANCE</b>				
Residual, street improvements .....	-	60,000	60,000	181,150
Unexpended .....	<u>21,420</u>	<u>-</u>	<u>21,420</u>	<u>28,562</u>
<b>FUND BALANCE</b>	<u>\$ 21,420</u>	<u>\$ 60,000</u>	<u>\$ 81,420</u>	<u>\$ 209,712</u>

See accompanying notes.



## TOWN OF CLON, LOUISIANA

EXHIBIT 14-2

## Special Revenue Funds

Consolidated Statement of Revenues, Expenditures,

and Changes in Fund Balances

Year Ended December 31, 1997

(With Comparative Totals for Year Ended December 31, 1996)

	1997	1996	Totals	
	Revenue Tax Fund	Revenue Tax Fund	1997	1996
<b>Revenues:</b>				
Taxes .....	\$ 62,297	\$ 62,297	\$ 124,594	\$ 124,594
Interest .....	<u>1,828</u>	<u>4,628</u>	<u>2,784</u>	<u>1,828</u>
<b>TOTAL REVENUES</b>	<u>\$64,125</u>	<u>\$66,925</u>	<u>127,378</u>	<u>126,422</u>
<b>Expenditures:</b>				
Professional fees .....	-	2,458	2,458	1,880
Collection fees .....	1,771	3,770	3,742	2,792
Repairs & maintenance .....	-	762	762	(3,061)
<b>TOTAL EXPENDITURES</b>	<u>1,771</u>	<u>4,990</u>	<u>4,202</u>	<u>1,611</u>
Excess (deficiency) of revenues over expenditures .....	<u>\$62,354</u>	<u>\$61,935</u>	<u>124,386</u>	<u>\$124,813</u>
<b>Other financing sources (uses):</b>				
Operating transfers from (to):				
Capital Projects fund .....	(26,000)	-	(26,000)	-
General fund .....	(45,000)	8,000	(37,000)	(24,000)
Debt Service fund .....	-	(8,125)	(8,125)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(71,000)</u>	<u>(8,125)</u>	<u>(79,125)</u>	<u>(24,000)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses .....	<u>\$ (8,646)</u>	<u>\$ (2,190)</u>	<u>(10,836)</u>	<u>\$10,813</u>
<b>FUND BALANCE, BEGINNING</b> .....	<u>19,942</u>	<u>10,115</u>	<u>10,279</u>	<u>118,798</u>
<b>PRIOR PERIOD ADJUSTMENT</b> .....	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,814</u>
<b>FUND BALANCE, BEGINNING - RESTRICTED</b> .....	<u>19,942</u>	<u>10,115</u>	<u>10,279</u>	<u>127,612</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 11,296</u>	<u>\$ 7,925</u>	<u>\$ 19,221</u>	<u>\$ 141,283</u>

See accompanying notes.

## TOWN OF ELTON, LOUISIANA

SHEET 10-1

## Special Revenue Funds - 1979 Sales Tax Fund

## Statement of Revenues, Expenditures, and

## Changes in Fund Balance - Budget and Actual

Year Ended December 31, 1979

(With Comparative Totals for Year Ended December 31, 1978)

	1979		Variance Favorable (Unfavorable)	1978
	Budget	Actual		Actual
<b>Revenues:</b>				
Sales tax revenues .....	\$ 41,953	\$ 40,397	\$ 1,556	\$ 35,866
Interest income .....	1,280	1,107	(173)	797
<b>TOTAL REVENUES</b>	<u>\$ 43,233</u>	<u>\$ 41,504</u>	<u>\$ 1,729</u>	<u>\$ 36,663</u>
<b>Expenditures:</b>				
Professional fees .....	-	-	-	300
Collection fees .....	1,283	1,171	(112)	1,158
<b>TOTAL EXPENDITURES</b>	<u>1,283</u>	<u>1,171</u>	<u>(112)</u>	<u>1,458</u>
Excess (deficiency) of revenues over expenditures .....	<u>\$ 41,950</u>	<u>\$ 40,333</u>	<u>\$ 1,617</u>	<u>\$ 35,205</u>
<b>Other Financing Sources (Uses)</b>				
Operating transfer from (to):				
Capital Projects fund .....	(56,500)	(56,500)	-	-
General fund .....	115,800	115,000	-	120,000
<b>TOTAL OTHER FINANCING SOURCES (USE)</b>	<u>\$ 59,300</u>	<u>\$ 58,500</u>	<u>\$ -</u>	<u>\$ 120,000</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses .....	<u>\$ 102,250</u>	<u>\$ 98,833</u>	<u>\$ 3,417</u>	<u>\$ 21,205</u>
FUND BALANCE, BEGINNING .....	29,942	29,942	-	28,228
PRIOR PERIOD ADJUSTMENT .....	-	-	-	4,987
FUND BALANCE, BEGINNING - RESTATED ..	<u>29,942</u>	<u>29,942</u>	<u>-</u>	<u>33,215</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 130,178</u>	<u>\$ 128,475</u>	<u>\$ 1,703</u>	<u>\$ 129,543</u>

See accompanying notes.

## TOWN OF ELTON, LOUISIANA

EXHIBIT 5-4

Special Revenue Funds - 1998 Sales Tax Fund  
Statement of Revenues, Expenditures, andChanges in Fund Balance - (Budget and Actual)  
Year Ended December 31, 1997

(With Comparative Totals for Year Ended December 31, 1996)

	1997		Variance Favorable (Unfavorable)	1996
	Budget	Actual		Actual
<b>Revenues:</b>				
Sales tax revenues	\$ 41,832	\$ 47,187	\$ 5,355	\$ 41,888
Interest income	3,471	4,078	1,261	3,473
<b>TOTAL REVENUES</b>	<u>45,303</u>	<u>51,265</u>	<u>4,546</u>	<u>45,361</u>
<b>Expenditures:</b>				
Professional fees	-	2,458	(2,458)	588
Collection fees	1,281	1,371	(79)	1,158
Repairs & maintenance	841	582	1	48,867
<b>TOTAL EXPENDITURES</b>	<u>2,122</u>	<u>4,411</u>	<u>(2,339)</u>	<u>50,513</u>
Excess (deficiency) of revenues over expenditures	<u>43,181</u>	<u>46,854</u>	<u>2,818</u>	<u>1,568</u>
<b>Other financing sources (uses):</b>				
Operating transfer from (to):				
Debt Service fund	4,744	(5,175)	(1,031)	-
General fund	2,089	8,600	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>1,733</u>	<u>3,425</u>	<u>(1,031)</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>44,914</u>	<u>50,279</u>	<u>1,887</u>	<u>1,568</u>
<b>FUND BALANCE, BEGINNING</b>	<u>81,573</u>	<u>84,345</u>	<u>-</u>	<u>84,478</u>
<b>FROM PRIOR YEAR ADJUSTMENT</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,702</u>
<b>FUND BALANCE, BEGINNING - RESTATED</b>	<u>81,573</u>	<u>84,345</u>	<u>-</u>	<u>89,180</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 126,487</u>	<u>\$ 134,624</u>	<u>\$ 11,867</u>	<u>\$ 131,151</u>

See accompanying notes.

**DEBT SERVICE FUND**

**Public Improvement Bonds dated 10/21/88**

To accumulate monies for payment of the 1990 \$234,000 Public Improvement Sewer Bonds. Debt Service is financed by the levy of a specific ad valorem tax.

**Certificate of Indebtedness, series 1997**

To accumulate monies for payment of the 1997 \$190,000 Certificate of Indebtedness. Debt service is financed by the levy of a 1% sales and use tax.

## TOWN OF ELTON, LOUISIANA

EXHIBIT C-3

Debt Service Fund

Comparative Balance Sheet

December 31, 1997 and 1996

(With Comparative Totals for Year Ended December 31, 1996)

	1997 Fund	1997 Con- of Indebtedness	Totals	
			1997	1996
<b>ASSETS</b>				
Cash .....	\$ 29,694	\$ 144,842	\$ 174,536	\$ 56,500
Accrued taxes receivable .....	3,508	-	3,508	4,243
Interest receivable .....	11	-	11	28
<b>TOTAL ASSETS</b>	<b><u>\$ 41,613</u></b>	<b><u>\$ 144,842</u></b>	<b><u>\$ 178,055</u></b>	<b><u>\$ 60,771</u></b>
<b>FUND BALANCE:</b>				
Reserved for debt service .....	<u>\$ 41,613</u>	<u>\$ 144,842</u>	<u>\$ 178,055</u>	<u>\$ 60,771</u>

See accompanying notes.

## TOWN OF ELTON, LOUISIANA

EXHIBIT C-2

## Debt Service Fund

## Statement of Revenues, Expenditures,

## and Changes in Fund Balance

Year Ended December 31, 1993

(With Comparative Totals for Year Ended December 31, 1992)

	1993	1992 Cont.	Totals	
	Fund	of Indebtedness	1993	1992
<b>Revenues:</b>				
Ad valorem taxes .....	\$ 18,140	\$ -	\$ 18,140	\$ 18,870
Interest .....	922	39	962	1,938
<b>TOTAL REVENUES</b>	<u>19,062</u>	<u>39</u>	<u>19,072</u>	<u>20,808</u>
<b>Expenditures:</b>				
General government:				
Professional fees .....	-	-	-	258
Bad debts .....	97	-	97	68
<b>TOTAL GENERAL GOVERNMENT</b>	<u>97</u>	<u>-</u>	<u>97</u>	<u>326</u>
Debt Service:				
Principal retirement .....	10,880	-	10,880	10,000
Interest .....	3,298	-	3,298	5,400
<b>TOTAL DEBT SERVICE</b>	<u>14,178</u>	<u>-</u>	<u>14,178</u>	<u>15,400</u>
<b>TOTAL EXPENDITURES</b>	<u>14,275</u>	<u>-</u>	<u>14,275</u>	<u>15,726</u>
Excess (Deficiency) of revenues over expenditures: ..	<u>4,787</u>	<u>39</u>	<u>4,826</u>	<u>5,082</u>
Other financing sources/(uses):				
Proceeds from certificates of indebtedness .....	-	158,398	158,398	-
Operating transfers from (to):				
General fund .....	-	(14,819)	(14,819)	-
Special Revenue fund .....	-	9,315	9,315	-
<b>TOTAL OTHER FINANCING SOURCES/(USES)</b>	<u>-</u>	<u>143,584</u>	<u>143,584</u>	<u>-</u>
Excess (Deficiency) of revenues & other sources over expenditures and other uses .....	<u>4,787</u>	<u>144,042</u>	<u>147,890</u>	<u>5,082</u>
<b>FUND BALANCES, BEGINNING</b> .....	<u>40,286</u>	<u>-</u>	<u>40,286</u>	<u>38,702</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 45,073</u>	<u>\$ 144,042</u>	<u>\$ 189,115</u>	<u>\$ 43,784</u>

See accompanying notes.

TOWNS OF ELTON, LOUISIANA  
 Debt Service Fund - 1980 Bond  
 Statement of Revenues, Expenditures,  
 and Changes in Fund Balance - Budget and Actual  
 Year Ended December 31, 1990  
 (With Comparative Totals for Year Ended December 31, 1989)

EXHIBIT C-3

	1990		Variance Favorable	1989
	Budget	Actual		
<b>Revenues:</b>				
Ad valorem taxes .....	\$ 17,000	\$ 18,140	\$ 1,140	\$ 15,850
Interest .....	500	587	87	1,316
<b>TOTAL REVENUES</b>	<u>17,500</u>	<u>18,727</u>	<u>1,227</u>	<u>17,166</u>
<b>Expenditures:</b>				
General Government:				
Professional fees .....	200	-	200	200
Bad debts .....	-	87	(87)	60
<b>TOTAL GENERAL GOVERNMENT</b>	<u>200</u>	<u>87</u>	<u>113</u>	<u>260</u>
<b>Debt Service:</b>				
Principal retirement .....	10,000	10,000	-	10,000
Interest .....	2,000	1,980	20	6,330
<b>TOTAL DEBT SERVICE</b>	<u>12,000</u>	<u>11,980</u>	<u>20</u>	<u>16,330</u>
<b>TOTAL EXPENDITURES</b>	<u>12,200</u>	<u>12,067</u>	<u>133</u>	<u>16,590</u>
Excess (Deficiency) of revenues over expenditures and other items .....	5,300	6,660	1,360	6,676
Fund Balance, Beginning .....	40,200	40,200	-	36,200
<b>Fund Balance, Ending</b>	<u>\$ 45,500</u>	<u>\$ 46,860</u>	<u>\$ 1,360</u>	<u>\$ 42,876</u>

See accompanying notes.

TOWN OF ELIDON, LOUISIANA  
 Debt Service Fund - 1997 Certificate of Indebtedness  
 Statement of Revenue, Expenditures,  
 and Changes in Fund Balance - Budget and Actual  
 Year Ended December 31, 1997

EXHIBIT C-4

	1997		Variance Favorable (Disadvantage)
	Budget	Actual	
<b>Revenue:</b>			
Ad valorem taxes .....	\$ -	\$ -	\$ -
Interest .....	_____	_____ 28	_____ 28
<b>TOTAL REVENUES</b>	_____	_____ 28	_____ 28
<b>Expenditures:</b>			
<b>General Government:</b>			
Professional fees .....	-	-	-
Real estate .....	_____	_____	_____
<b>TOTAL GENERAL GOVERNMENT</b>	_____	_____	_____
<b>Debt Service:</b>			
Principal retirement .....	-	-	-
Interest .....	_____	_____	_____
<b>TOTAL DEBT SERVICE</b>	_____	_____	_____
<b>TOTAL EXPENDITURES</b>	_____	_____	_____
Excess (Deficiency) of revenues over expenditures .....	-	_____ 28	_____ 28
<b>Other financing sources (uses):</b>			
Proceeds from certificate of indebtedness .....	150,000	150,000	-
Operating transfers from (to):			
General fund .....	-	(14,875)	(14,875)
Special Revenue fund .....	_____	_____ 9,375	_____ 9,375
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	_____ 150,000	_____ 145,125	_____ (4,875)
Excess (Deficiency) of revenues and other sources over expenditures and other uses .....	150,000	145,125	(4,875)
<b>FUND BALANCE, BEGINNING</b> .....	_____	_____	_____
<b>FUND BALANCE, ENDING</b>	<u>\$ 150,000</u>	<u>\$ 140,250</u>	<u>\$ (4,750)</u>

See accompanying notes.



## CAPITAL PROJECTS FUND

To account for financial resources to be used for the repairs of various streets within the Town and the expenditures to the water tower for the Town.

TOWN OF ELTON, LOUISIANA  
 Capital Projects Fund  
 Balance Sheet  
 December 31, 1997

SHEET 1A

	<u>1996</u>	<u>1997</u>	<u>Total</u> <u>1997</u>
ASSETS			
Due from other governmental units .....	\$ 18,542	\$ .....	\$ 18,542
TOTAL ASSETS	<u>18,542</u>	<u>.....</u>	<u>18,542</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Accounts payable .....	10,541	-	10,541
Due to other funds .....	<u>791</u>	<u>-</u>	<u>791</u>
TOTAL LIABILITIES	<u>11,332</u>	<u>-</u>	<u>11,332</u>
FUND BALANCE:			
Unreserved .....	<u>720</u>	<u>-</u>	<u>720</u>
TOTAL FUND BALANCE	<u>720</u>	<u>-</u>	<u>720</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 18,542</u>	<u>\$ .....</u>	<u>\$ 18,542</u>

See accompanying notes.

## TOWN OF BELTON, LOUISIANA

EXHIBIT D-2

## Capital Projects Fund

## Statement of Revenues, Expenditures, and Changes in Fund Balance

Year Ended December 31, 1993

	1993	Water Revenue	Total 1993
<b>Revenues:</b>			
Grant revenue .....	\$ 21,000	\$ 21,000	\$ 21,000
<b>TOTAL REVENUES</b>	<u>21,000</u>	<u>21,000</u>	<u>21,000</u>
<b>Expenditures:</b>			
Administration .....	13,640	-	13,640
Engineering .....	11,584	-	11,584
Repairs & maintenance .....	-	71,820	71,820
<b>TOTAL EXPENDITURES</b>	<u>25,224</u>	<u>71,820</u>	<u>97,044</u>
Deficiency of Revenues over Expenditures .....	<u>(4,224)</u>	<u>(50,820)</u>	<u>(55,044)</u>
<b>Other financing sources (uses):</b>			
Operating transfers from (to):			
Enterprise fund .....	-	17,620	(17,620)
Special Revenue fund .....	-	36,336	36,336
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>53,956</u>	<u>18,716</u>
<b>Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses .....</b>	<b>(4,224)</b>	<b>-</b>	<b>(4,224)</b>
<b>FUND BALANCE, BEGINNING .....</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE, ENDING</b>	<b><u>\$ (4,224)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (4,224)</u></b>

See accompanying notes.

## ENTERPRISE FUND

### Utility Fund

To account for the provision of water, sewerage and sanitation (garbage) services to residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing related debt service, and billing and collection.

## TOWN OF ELTON, LOUISIANA

## Exemptive Fund

## Comparative Balance Sheet

December 31, 1997

(With Comparative Totals for Year Ended December 31, 1996)

	<u>Totals</u>	
	<u>1997</u>	<u>1996</u>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash .....	\$ 102,175	\$ 897,262
Receivables:		
Accounts .....	23,340	26,806
Accrued interest .....	198	408
Prepaid expenses .....	2,652	2,811
<b>TOTAL CURRENT ASSETS</b>	<u>128,365</u>	<u>927,287</u>
<b>Restricted assets:</b>		
Bond and interest redemptions:		
Cash .....	8,621	9,149
Bond reserves:		
Cash .....	18,348	18,900
Depreciation and contingency:		
Cash .....	11,852	18,328
Customer deposit account:		
Cash .....	21,481	26,977
<b>TOTAL RESTRICTED ASSETS</b>	<u>60,302</u>	<u>63,354</u>
<b>Fixed assets, at cost, net of accumulated</b>		
depreciation (1997 - \$809,883, 1996 - \$856,134) .....	<u>2,596,862</u>	<u>2,588,423</u>
<b>TOTAL ASSETS</b>	<u>\$ 2,825,529</u>	<u>\$ 2,179,064</u>

See accompanying notes.

	<u>Total</u>	
	<u>1997</u>	<u>1996</u>
<b>LIABILITIES AND FUND EQUITY</b>		
<b>Liabilities:</b>		
<b>Current liabilities (payable from current assets):</b>		
Accounts payable .....	\$ 8,800	\$ 12,306
Due to other funds .....	896	896
Due to other governments .....	<u>1,805</u>	<u>3,318</u>
<b>TOTAL CURRENT LIABILITIES</b>		
(PAYABLE FROM CURRENT ASSETS)	<u>11,501</u>	<u>16,520</u>
<b>Current liabilities (payable from restricted assets):</b>		
Revenue bonds payable, current portion .....	19,880	19,880
Accrued interest .....	1,784	1,977
Customer deposits .....	<u>31,580</u>	<u>31,807</u>
<b>TOTAL CURRENT LIABILITIES (PAYABLE</b>		
<b>FROM RESTRICTED ASSETS)</b>	<u>53,244</u>	<u>53,664</u>
<b>Long-term liabilities:</b>		
Revenue bonds payable, net of current portion .....	<u>185,008</u>	<u>184,008</u>
<b>TOTAL LIABILITIES</b>	<u>259,749</u>	<u>258,192</u>
<b>Fund equity:</b>		
<b>Contributed capital:</b>		
Municipality .....	718,932	588,128
Federal grants, net of accumulated depreciation .....	<u>1,984,415</u>	<u>1,982,460</u>
<b>Retained earnings:</b>		
Reserved for revenue bonds .....	19,266	16,347
Unreserved .....	<u>287,781</u>	<u>286,738</u>
<b>TOTAL FUND EQUITY</b>	<u>2,008,394</u>	<u>2,073,673</u>
<b>TOTAL LIABILITIES</b>		
<b>AND FUND EQUITY</b>	<u>\$ 2,268,147</u>	<u>\$ 2,331,865</u>

TOWN OF ELTON, LOUISIANA

Statement of Revenues, Expenses, and

Changes in Retained Earnings - Budget and Actual

Year Ended December 31, 1997

(With Comparative Totals for Year Ended December 31, 1996)

EXHIBIT E-2

	1997		Variance Favorable (Unfavorable)	1996
	Budget	Actual		Actual
<b>Operating revenues:</b>				
Charges for services:				
Water charges .....	\$ 112,073	\$ 112,976	\$ 1,903	\$ 112,420
Sewer service charges .....	81,080	95,708	8,728	96,055
Sanitation charges .....	51,106	53,160	791	52,106
Miscellaneous income .....	882	4,412	3,530	2,112
<b>TOTAL OPERATING REVENUES</b>	<b>295,141</b>	<b>266,256</b>	<b>-6,885</b>	<b>262,693</b>
Operating expenses .....	296,812	261,468	34,941	274,175
<b>OPERATING INCOME (LOSS)</b>	<b>-2,671</b>	<b>4,788</b>	<b>34,262</b>	<b>(18,172)</b>
<b>Non-operating revenues (expenses):</b>				
Transfers from Capital Projects Fund .....	-	9,418	9,418	-
Interest income .....	4,588	5,478	870	7,014
Interest expense .....	(12,128)	(9,418)	2,710	(18,125)
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>(7,540)</b>	<b>5,478</b>	<b>11,740</b>	<b>(11,111)</b>
<b>NET GAIN (LOSS)</b>	<b>(10,211)</b>	<b>10,266</b>	<b>48,007</b>	<b>(29,283)</b>
<b>Add current year's depreciation on</b>				
fixed assets acquired by funds				
annually restricted for capital				
expenditures that reduce				
contributed capital .....	41,000	40,642	42	40,000
Increase (decrease) in retained				
earnings .....	3,249	53,797	48,552	24,768
<b>RETAINED EARNINGS, BEGINNING</b>	<b>261,966</b>	<b>263,668</b>	<b>-</b>	<b>114,247</b>
<b>RETAINED EARNINGS, ENDING</b>	<b>\$ 264,505</b>	<b>\$ 316,465</b>	<b>\$ 45,232</b>	<b>\$ 209,964</b>

See accompanying notes.

## TOWN OF ELTON, LOUISIANA

EXHIBIT 6-3

## Water Department

## Schedule of Operating Expenses - Budget and Actual

Year Ended December 31, 1997

(With Comparative Totals for Year Ended December 31, 1996)

	1997		Variance Favorable (Unfavorable)	1996
	Budget	Actual		Actual
<b>Operating expenses</b>				
Bad debts .....	\$ 864	\$ -	\$ 864	\$ 251
Bank charges .....	-	156	(156)	95
Depreciation .....	45,800	27,088	18,712	36,841
Insurance .....	1,268	2,980	(1,712)	2,882
Legal & professional fees .....	2,800	3,220	(420)	3,684
Miscellaneous .....	327	664	(337)	1,834
Office .....	2,234	2,888	(654)	3,889
Payroll tax .....	2,820	2,618	202	2,187
Repairs & maintenance .....	19,421	8,120	11,301	11,680
Salaries .....	36,728	36,868	140	29,241
Supplies .....	183	228	(45)	190
Taxes .....	75	77	(2)	698
Utilities .....	779	676	103	602
Water purchases .....	35,626	47,532	(11,906)	31,841
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 138,180</b>	<b>\$ 117,536</b>	<b>\$ 20,644</b>	<b>\$ 138,982</b>

See accompanying notes.



## TOWN OF ELTON, LOUISIANA

ACCOUNT 5-4

## Sewer Department

## Schedule of Operating Expenses - Budget and Actual

Year Ended December 31, 1997

(With Comparative Totals for Year Ended December 31, 1996)

	1997		Variance Favorable (Unfavorable)	1996
	Budget	Actual		Actual
<b>Operating expenses</b>				
Bad debts	\$ 1,284	\$ 1,179	\$ (905)	\$ 984
Bank charges	150	161	(19)	17
Depreciation	10,588	11,871	(1,770)	12,890
Insurance	4,581	3,900	681	3,692
Legal & professional fees	2,623	2,388	407	1,800
Licenses & permits	1,628	830	178	-
Miscellaneous	1,366	158	1,208	1,685
Office	70	55	15	442
Payroll tax	1,289	1,232	57	1,379
Repairs & maintenance	1,379	4,586	2,793	14,709
Supplies	2,890	2,358	1,083	1,613
Utilities	16,797	16,438	289	17,075
Sewer analysis	1,788	1,788	48	-
Travel	30	349	(321)	82
Utilities	10,024	18,581	8,243	18,844
Water purchase	7,632	18,168	17,333	-
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 83,460</b>	<b>\$ 87,427</b>	<b>\$ 4,161</b>	<b>\$ 81,723</b>

See accompanying notes.

## TOWN OF ELSON, LOUISIANA

## Sanitation Department

## Schedule of Operating Expenses - Budget and Actual

Year Ended December 31, 1997

(With Comparative Totals for Year Ended December 31, 1996)

EXHIBIT 04

	1997		Variance Favorable (Unfavorable)	1996
	Budget	Actual		Actual
Operating expenses:				
Bad debts .....	\$ 802	\$ 1,152	\$ (350)	\$ 680
Bank charges .....	188	302	(114)	27
Collection fee .....	55,211	56,508	(997)	49,623
Miscellaneous .....	31	31	-	-
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 56,232</b>	<b>\$ 58,053</b>	<b>\$ (1,821)</b>	<b>\$ 50,330</b>

See accompanying notes.

## TOWN OF ELTON, LOUISIANA

EXHIBIT 10-6

Emergency Fund

Utility Fund

Schedule of Changes in Assets Restricted for Revenue Bond Debt Service

Year Ended December 31, 1997

	Interest Received	Receipts	Depreciation and Continuance	Total
Cash, beginning of period .....	<u>\$ 5,145</u>	<u>\$ 16,802</u>	<u>\$ 18,028</u>	<u>\$ 39,975</u>
<b>Cash Receipts:</b>				
Transfer from Utility Fund				
Opening Fund .....	28,125	1,000	1,416	30,546
Interest .....	117	881	208	1,806
Total Cash Receipts	<u>28,242</u>	<u>1,881</u>	<u>1,624</u>	<u>31,747</u>
<b>Cash Disbursements:</b>				
Principal payments .....	15,000	-	-	15,000
Interest payments .....	30,180	-	-	30,180
Total Cash Disbursements	<u>45,180</u>	<u>-</u>	<u>-</u>	<u>45,180</u>
Cash, end of Period .....	<u>\$ 8,607</u>	<u>\$ 18,683</u>	<u>\$ 19,652</u>	<u>\$ 46,942</u>

See accompanying notes.

**GENERAL FUND ASSETS ACCOUNT GROUP**

TOWN OF ELTON, LOUISIANA  
 Comparative Schedule of General Fixed Assets - By Source  
 December 31, 1997 and 1996

EXHIBIT F

	<u>1997</u>	<u>1996</u>
<b>General Fixed assets:</b>		
Land .....	\$ 22,858	\$ 22,858
Buildings .....	266,115	266,871
Equipment .....	15,750	80,843
Improvements, other than buildings .....	<u>211,290</u>	<u>311,286</u>
<b>TOTAL GENERAL FIXED ASSETS</b>	<b><u>\$ 516,013</u></b>	<b><u>\$ 681,858</u></b>
<b>Investments in general fixed assets by source:</b>		
General fund .....	\$ 128,348	\$ 188,601
Special revenue fund .....	12,458	12,458
Debt service fund .....	25,000	25,000
Federal grants .....	8,167	8,167
State grants .....	226,619	226,619
Federal revenue sharing .....	39,854	39,854
Special assessments .....	111,811	111,811
Private gifts .....	<u>18,995</u>	<u>34,862</u>
<b>TOTAL INVESTMENT IN GENERAL FIXED ASSETS</b>	<b><u>\$ 631,532</u></b>	<b><u>\$ 861,876</u></b>

**GENERAL LONG-TERM DEBT  
ACCOUNT GROUP**

TOWN OF ELTON, LOUISIANA  
 Combining Statement of General Long-Term Debt  
 December 31, 1997 and 1996

EXHIBIT C

	<u>1997</u>	<u>1996</u>
<b>AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE RETIEMENT OF GENERAL LONG-TERM DEBT</b>		
Amount available in debt service fund . . . . .	\$ 189,486	\$ 40,000
Amount to be provided for general long-term debt . . . . .	<u>48,314</u>	<u>77,804</u>
	<u>\$ 237,800</u>	<u>\$ 117,804</u>
<b>GENERAL LONG-TERM DEBT PAYABLE:</b>		
Bonds payable . . . . .	<u>\$ 238,800</u>	<u>\$ 118,000</u>

**INDEPENDENT AUDITORS' REPORTS SECTION**





**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL (IF APPLICABLE) FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS) PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Herbert Stirling, Mayor  
and the Board of Aldermen  
Town of Elton, Louisiana

We have audited the financial statements of the Town of Elton as-of and for the year-ended December 31, 1991, and have issued our report thereon dated May 13, 1992. 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 Elton'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 instances of noncompliance that are required to be reported under *Government Auditing Standards*. They are:

**FACT:**

**Condition** - Expenditures for contract labor over \$400 to individuals were not reported to the IRS on Form 1099 to two instances.

**Cause of Condition** - Administrative oversight.

**Effect of Condition** - Town was not in compliance with federal law and could face stiff penalties.

**Recommendation** - The Town should issue 1099's to the appropriate individuals and closely monitor this situation in the future.

We also noted certain insubstantial instances of noncompliance, which we have reported to management of the Town of Elton, Louisiana in a separate letter dated May 13, 1992.

Item 4.1.1.1 of Open Financial Reporting

In planning and performing our audit, we considered the Town of Ethna'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. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters relating to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Town of Ethna's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable conditions are:

97-1 (MC)

**Condition -** The Town does not have adequate segregation of duties within its internal control structure, however, because of the Town's size and resources, proper segregation of duties is not feasible.

97-2 (MC)

**Condition -** Supporting documentation provided for disbursements for contract labor services could not be found.

**Cause of Condition -** Administrative oversight.

**Effect of Condition -** Expenditures were paid without adequate support.

**Recommendation -** The Town must take greater precautions in the creation of invoices.

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 misstatements 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider Item 97-2 (MC) to be a material weakness. We also noted other matters involving the internal control over financial reporting, which we have reported to management of the Town of Ethna, Louisiana in a separate letter dated May 28, 1999.

This report is intended for the information of management, the Board of Aldermen, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

*Miles and Company, CPAs, APC*

Miles and Company, CPAs, APC  
May 28, 1999



#### OTHER SUPPLEMENTARY INFORMATION

**TOWN OF ELTON, LOUISIANA**  
 Enterprise Fund  
 Utility Fund  
 Schedule of Number of Utility Customers  
 (Thousands)  
 December 31, 1997

Receipt maintained by the Town indicated the following number of customers were being serviced during the month of December 31, 1997 and 1996.

<u>Department</u>	<u>1997</u>	<u>1996</u>
Water (retail)	536	554
Sewerage	580	498
Garbage	498	494

**TOWN OF ELTON, LOUISIANA**  
**Schedule of Insurance in Force**  
**(Unaudited)**  
**December 31, 1997**

Description of Coverage	Period		Coverage Amount
	From	To	
Workers's compensation:			
Employer's liability	01/01/97	12/31/99	\$ 100,000
All risk coverage on water tower	11/08/97	12/31/98	100,000
Storage equipment coverage	04/28/97	04/30/98	250,187
Automobile coverage:			
General liability, aggregate	10/10/97	09/30/98	500,000
Bodily injury and property damage			1,000
Uninsured motorist			50,000
Law enforcement and office liability:			
All coverage (other than products - completed operations and errors and omissions injury) aggregate	02/01/97	10/1/98	500,000
Errors or omissions, aggregate			500,000
Staffy bonds:			
Mayor	01/01/97	09/30/98	20,000
Town Clerk	10/01/97	10/01/98	20,000
Assistant Clerk	10/01/97	10/01/98	7,000
Fire and wind coverage on Town of Elton Buildings:			
Senior Citizens building	06/04/97	06/30/98	15,000
City Hall and Police Station			210,000
Concrete of City Hall and Police Station			15,000

**TOWN OF ELTON, LOUISIANA  
CORRECTIVE ACTION PLAN  
For the Year Ended December 31, 1997**

**Reportable Condition RI-1 (OC1) (material weakness)**

**Condition:** The Town does not have adequate supervision of debts within its internal control.

**Cause of Condition:** The Town does not have adequate financial resources to alleviate this condition.

**Management Response:** The Town's mayor and aldermen will continue to have an active role in the daily operations of the Town.

**Reportable Condition RI-2 (OC2)**

**Condition:** Supporting documentation (invoices) for two disbursements could not be found.

**Cause of Condition:** Administrative oversight.

**Management Response:** Invoices will be required from all individuals seeking payment and no disbursements will be made without supporting documentation.

**Noncompliance (OC-102)**

**Condition:** Expenditures for contract labor over \$600 to individuals were not reported to the IRS on Form 1099 in two instances.

**Cause of Condition:** Administrative oversight.

**Management Response:** The Town will issue 1099's to the appropriate individuals and will review disbursements at the year end for the preparation of 1997's.

**TOWN OF BLOSS, LOUISIANA**  
**SUMMARY OF PRIOR YEAR FINDINGS**  
For the Year Ended December 31, 1997

- 1996**            **Reportable Condition (Material Weakness)**  
The condition existed that the Town does not have adequate segregation of duties within its internal control structure. As noted, due to the Town's size and resources, this condition cannot be resolved. We note that the Mayor and Aldermen take a very active role in the daily operations of the Town in an effort to lessen the effect of this condition.
- 1996**            **Noncompliance with L.A. Rev. Statute 98:2733, the public bid law.**  
The Town was in full compliance with the public bid law for the year ended December 31, 1997.
- 1996**            **Noncompliance with LSA R.S. 32:2193, written investment policy.**  
The Town adopted a written investment policy during the year ended December 31, 1997.
- 1996**            **Noncompliance with LSA R.S. 39:1118, actual expenditures exceeded budget by more than 5% in one instance. The Town's expenditures did not exceed budget by more than 5% in any instance for the year ended December 31, 1997.**



**Mirex & Company**  
*A Professional Corporation*

**Certified Public Accountants**

Member  
American Institute of Certified Public Accountants  
Member of International Board of Standards and Practices  
Accountants Association (IBCFIA)

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Honorable Herbert Skelley, Mayor  
and the Board of Aldermen  
Town of Elton, Louisiana  
Elton, Louisiana

In planning and performing our audit of the general purpose financial statements of the Town of Elton, Louisiana, for the year ended December 31, 1997, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control. However, we noted certain matters involving the internal control and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of internal control that, in our judgment, could adversely affect the Town of Elton, Louisiana's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

#### General:

For three of the twelve months during 1997, deposits to the bond reserve, sinking and contingency funds for the general obligation bond were late. The bond indenture specifies that deposits are to be made by the 20th of the month.

#### Management Response:

Deposits to these funds will be made by the required date in the future.

#### Comment:

During our audit of disbursements, we noted several expenditures for travel that we believe should not be allowed. We believe that the following disbursements should not be allowed in the future: a) movies charged to motel room and paid by the Town, b) liquor charged to the room and paid by the Town, c) spouse's meals paid by the Town.

We recommend that the Town institute a written policy on travel detailing what is an allowable expense; limits on cost of meals; and stating that a valid receipt must be presented if reimbursements are to be made.

This policy should be distributed to all Town employees and officials.



Honorable Herbert Shirley, Mayor  
and the Board of Aldermen  
Town of Elton, Louisiana  
Page 2

Management Response:

The Town will institute a written policy on travel expenditures during the current year.

Comment:

We recommend that the Town improve its policy on reimbursements for the use of officials' personal vehicles while on Town duties. We recommend that a valid receipt for fuel be presented along with a schedule showing mileage, nature of business, dates, and times of occurrence. This should be reviewed by the board of aldermen before payment is made.

Management Response:

The Town will take this recommendation under advisement.

Comment:

We recommend that an alderman that does not sign checks review all invoices before payment. That person should initial and date each invoice, signifying that it has been reviewed. We feel this will strengthen control over expenditures, unnecessary expenditures, and increases in expenditures.

Management Response:

The Town will take this comment under advisement.

This report is intended solely for the information and use of management, Board of Aldermen, and the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit distribution of this report, which is a matter of public record.

*Miles & Company, CPA, PC*  
Miles & Company, CPA, PC  
May 28, 1998

