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VILLAGE OF GRAYSON

Grayson, Louisiana

AUDIT REPORT

As of and For the Year Ended December 31, 1992

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

Release Date: 12-7-96

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VILLAGE OF COLAYSON
 Gayton, Louisiana
General Purpose Financial Statements As of and For the Year Ended
December 31, 1993
 With Supplemental Information Schedules

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1
 <u>General Purpose Financial Statements:</u>	
Combined Balance Sheet (All Fund Types and Account Groups)	2
 <i>Governmental Funds:</i>	
Statement of Revenues, Expenditures and Changes in Fund Balance- General Fund, All Governmental Fund Types	3
Statement of Revenues, Expenditures and Changes in Fund Balance- General Fund-Budget (GAAP Basis) Actual	4
 <i>Proprietary Funds:</i>	
Combined Statement of Revenues, Expenses and Changes in Retained Earnings	5
Combined Statement of Cash and Cash Equivalents Flows	6
Notes to the Financial Statements	7 - 17
 <u>Supplemental Information:</u>	
Supplemental Information -- Enterprise Fund	18
Combining Balance Sheet -- Enterprise Fund	19
Combining Schedule of Revenues, Expenses and Changes in Retained Earnings -- Enterprise Fund	20
Combining Schedule of Cash Flows -- Proprietary Fund Type -- Enterprise Fund	21

Other Supplemental Information:

Schedule of Compensation Paid to the Mayor and Aldermen/Mayors	22
Schedule of Federal Financial Assistance	23
Independent Auditor's Report on Schedule of Federal Financial Assistance	24

Other Independent Auditor's Reports:

Independent Auditor's Report on Internal Control Structure Based on an Audit of General Purpose Financial Statements Performed in Accordance With Government Auditing Standards	25 - 26
Independent Auditor's Report on Compliance With Laws & Regulations Based on an Audit of General Purpose Financial Statements Performed in Accordance With Government Auditing Standards	27
Independent Auditor's Report on Internal Control Structure Used in Administering Federal Financial Assistance Programs	28 - 30
Independent Auditor's Report on Compliance With the General Requirements Applicable to Federal Financial Assistance Programs	31
Independent Auditor's Report on Compliance with Specific Requirements Applicable to Major Federal Financial Assistance Program Transactions	32
Independent Auditor's Report on Compliance with Specific Requirements Applicable to Non-Major Federal Financial Assistance Program Transactions	33
Schedule of Findings	34
Management Recommendations	35

INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying general purpose financial statements of the Village of Grayson, Louisiana, as of and for the year ended December 31, 1993, as listed in the table of contents. These general purpose financial statements are the responsibility of the Village of Grayson's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

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

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Village of Grayson, Louisiana, as of December 31, 1993, and the results of its operations and the cash flows of its proprietary fund for the year ended in conformity with generally accepted accounting principles.

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplementary schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Village of Grayson, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

In accordance with Government Auditing Standards, I have also issued a report dated June 17, 1996 on my consideration of Village of Grayson's internal control structure and a report dated June 17, 1996, on its compliance with laws and regulations.



JIMMIE SELF
CERTIFIED PUBLIC ACCOUNTANT

June 17, 1996

VILLAGE OF BRAYTON, LOUISIANA
 ALL FUND TYPES AND ACCOUNTS
 COMBINED BALANCE SHEET DECEMBER 31, 2009

	GOVERNMENTAL	PROPRIETARY	ACTIVITY	TOTAL
	FUNDS	FUNDS	GRANTS (FUNDS)	
	GENERAL FUNDS	ENTERPRISE FUNDS	FUND ASSETS	PRIMEVON (FUNDS)
ASSETS AND OTHER DEBITS				
ASSETS				
CASH AND EQUIVALENTS	\$ 489	\$ 9,659	\$	\$ 10,147
RECEIVABLES (NET OF ALLOWANCES FOR UNCOLLECTIBLES)	1,094	12,175		13,269
RESTRICTED ASSETS				
CASH SURPLUSAGE - COURT FUND		15,680		15,680
CASH - CUSTOMER DEPOSITS	0	11,680		11,680
LANDS, BUILDINGS AND EQUIPMENT, NET OF DEPR. APPLICABLE, OR ACCUMULATED DEPRECIATION	0	0	17,640	17,640
		167,122		167,122
TOTAL ASSETS AND OTHER DEBITS	\$ 1,583	\$ 1,794,734	\$ 17,640	\$ 1,815,957
LIABILITIES, EQUITY, AND OTHER CREDITS				
LIABILITIES				
ACCOUNTS PAYABLE (A)	\$ 437	\$ 3,172	\$	\$ 3,609
PAYABLE FROM RESTRICTED ASSETS				
CUSTOMER DEPOSITS		11,680		11,680
RENTALS, BONDS PAYABLE - CURRENT		4,760		4,760
ACCOUNTS RECEIVABLE PAYABLE		5,885		5,885
RETIRED BONDS PAYABLE		62,867		62,867
		87,192		87,192
TOTAL LIABILITIES	437	93,689		94,126
EQUITY AND OTHER CREDITS				
CURRENT FUND CAPITAL		11,647,979		11,647,979
DEFERRED OR ORIGINAL FUND ASSETS			17,640	17,640
FUND BALANCES - UNAPPORTIONED	1,743			1,743
RETAINED EARNINGS - RESTRICTED		42,860		42,860
RETAINED EARNINGS - UNRESTRICTED		14,673		14,673
		118,512		118,512
TOTAL EQUITY AND OTHER CREDITS	1,743	118,512	17,640	137,895
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	\$ 1,583	\$ 1,794,734	\$ 17,640	\$ 1,815,957

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THE ACCOMPANYING NOTES ARE AN ESSENTIAL PART OF THIS STATEMENT.

VILLAGE OF GRAYSON, LOUISIANA
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 2000

	GENERAL FUND
REVENUES:	
PROPERTY TAXES	\$ 5,000
FINES	2,000
LICENSES & PERMITS	26,119
FRANCHISE FEES	8,178
TOBACCO TAX	2,862
MISCELLANEOUS	1,470
TOTAL REVENUES	<u>45,629</u>
EXPENDITURES:	
GENERAL GOVERNMENT	46,675
TOTAL EXPENDITURES	<u>46,675</u>
EXCESS(DIFFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,993)</u>
OTHER FINANCING SOURCES(USES):	
TRANSFER IN	1,500
GRANT INCOME	284,134
CAPITAL EXPENDITURES	<u>(284,134)</u>
TOTAL OTHER FINANCING SOURCES	<u>1,500</u>
EXCESS(DIFFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>1,500</u>
FUND BALANCE AT BEGINNING OF YEAR:	<u>1,179</u>
FUND BALANCE AT END OF YEAR:	<u>\$ 1,782</u>

as shown

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

VILLAGE OF GRATON, LOUISIANA
 STATEMENTS OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
 GOVERNMENTAL FUND TYPE - GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 1993

	BUDGET	ACTUAL	VARIANCE (FAVORABLE) (UNFAVORABLE)
REVENUES:			
PROPERTY TAXES	\$ 4,587	\$ 5,690	\$ 1,103
FINES	2,880	2,988	0
LICENSES & PERMITS	16,579	16,519	60
FRANCHISE FEES	8,175	8,175	1
TORRAGED TAX	2,880	2,880	0
MISCELLANEOUS INCOME	10,985	7,271	(3,714)
TOTAL REVENUES:	<u>45,906</u>	<u>43,679</u>	<u>(2,227)</u>
EXPENDITURES:			
GENERAL GOVERNMENT	49,622	46,679	2,943
TOTAL EXPENDITURES	<u>49,622</u>	<u>46,679</u>	<u>2,943</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES:	<u>(3,716)</u>	<u>(3,000)</u>	<u>716</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS IN		1,500	1,500
GRANT INCOME		264,158	264,158
CAPITAL EXPENDITURES		(264,158)	(264,158)
TOTAL OTHER FINANCING SOURCES (USES)	<u>0</u>	<u>1,500</u>	<u>1,500</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES		<u>1,500</u>	<u>1,500</u>
FUND BALANCE AT BEGINNING OF YEAR:	<u>3,624</u>	<u>5,124</u>	<u>(1,500)</u>
FUND BALANCE AT END OF YEAR:	<u>\$ 0</u>	<u>\$ 1,524</u>	<u>\$ 1,524</u>

BUDGET

THE ACCOMPANYING NOTES ARE INTEGRAL PART OF THIS STATEMENT.

YELLAND OF GRAYTON, LOUISIANA
PROPOSED CLASS FUND-TYPE - INVESTMENT FUND
COMPARISON STATEMENT OF REVENUES, EXPENSES AND
FINANCIAL RESULTS EARNINGS
FOR THE YEAR ENDED OCTOBER 31, 2000

OPERATING REVENUES:		
CHARGES FOR SERVICES	5	15,156
MISCELLANEOUS REVENUE		7,114
		<hr/>
(STATE OPERATING INCOME)		22,270
OPERATING EXPENSES:		
SALARIES		22,500
UTILITIES		2,111
REPAIRS & MAINTENANCE		2,107
COMMERCIAL WATER EXPENSE		1,923
INSURANCE		11,011
MATERIALS & SUPPLIES		11,711
TRAVEL EXPENSE		140
OTHER EXPENSE		2,201
RETIREMENT		661
POSTAGE		1,800
PAYROLL TAXES		2,753
EQUIPMENT RENTAL		511
CEREBRAL FEE		741
TELEPHONE		617
SALERTAX		6,632
LITIGATION		11,200
MOBILE CLASSIFICATION		1,800
DEPRECIATION		46,111
CEREBRAL FEE		4,801
TOTAL OPERATING EXPENSES:		<hr/>
OPERATING INCOME (LOSS):		15,247
		<hr/>
		7,023
NON-OPERATING REVENUES (EXPENSES):		
INTEREST INCOME		1,364
OTHER NET INCOME		22,111
NET TRANSFER		(1,500)
REAL ESTATE DEVELOPMENT GRANT		10,000
TOTAL NON-OPERATING REVENUES (EXPENSES):		<hr/>
		30,075
NET INCOME (LOSS):		40,322
RETAINED EARNINGS (DEFICIT) BALANCE AT BEGINNING OF YEAR:		
RETAINED EARNINGS - DEFICIT		(24,417)
RETAINED EARNINGS - (DEFICIT)		<hr/>
		15,905
RETAINED EARNINGS (DEFICIT) BALANCE AT END OF YEAR:		
RETAINED EARNINGS - DEFICIT		5,949
RETAINED EARNINGS - (DEFICIT)	5	<hr/>
		21,854

SEE ACCOMPANYING NOTES AND SUPPLEMENTAL PART OF THIS STATEMENT.

OPERATING EXPENSE

VILLAGE OF GRAYSON, LOUISIANA
 PROPRIETARY FUND - ENTERPRISE FUND
 COMBINED STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 1995

Cash Flows from Operating Activities	
Net income from operations	\$ (28,596)
Adjustments to reconcile net income to net cash	
Depreciation	68,101
Changes in assets and liabilities:	
Increase/Decrease in accounts receivable	42
Increase/Decrease in payables	484
Net cash provided (used) by operating activities	<u>40,027</u>
Cash Flows from Capital and Related Financing Activities	
Payments of Long-term debt	(3,758)
Rural Development Grant	80,000
Grant Transfer	(1,588)
Acquisition and Construction of Capital Assets	<u>(21,287)</u>
Net Cash Provided (Used) for Capital and Related Financing Activities	(3,593)
Cash Flows from Investing Activities	
Interest Income	1,904
Interest Expense	<u>(22,113)</u>
Net Cash Provided (Used) by Investing Activities	<u>(20,209)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,594
Cash and Cash Equivalents at Beginning of Year	74,013
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 75,607</u>

The accompanying notes are an integral part of this statement.

B/A COMB RACT

VILLAGE OF GRAYSON
GRAYSON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Grayson was incorporated under the provision of the Louisiana Act (Louisiana Revised Statutes [LSA - R.S.] 33:331 - 467) and operates under a Mayor/Board of Aldermen/Women form of government. It provides the following services to its residents: public safety (police), highways and streets, gas, water, sewer, and sanitation facilities through the utility fund, culture/recreation, and general administrative services.

The accounting and reporting policies of the municipality conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:107 and to the industry audit guide, Audits of State and Local Governmental Units.

A. REPORTING ENTITY

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

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

1. Appointing a voting majority of an organization's governing body, and
 - A. The ability of the municipality to impose its will on that organization and its
 - 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.

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

VILLAGE OF GRAYSON
GRAYSON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1994

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

B. FUND ACCOUNTING

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

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

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

Governmental Funds

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

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

Proprietary Funds

Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary funds include:

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

VILLAGE OF GRAYSON
GRAYSON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1985

C. BASIS OF ACCOUNTING

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

Revenues

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

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

The year ended December 31, 1985, taxes of 3.88 mills were levied on property with assessed valuations totaling \$59,244 and were collected as follows:

General corporate purposes	3.88 mills
----------------------------	------------

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

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

Expenditures

Salaries are recorded as expenditures when earned by employees.

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

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

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

VILLAGE OF GRAYSON
GRAYSON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1985

D. BUDGETS

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

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

E. ENCUMBRANCES

Encumbrance accounting is not used.

F. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Village of Grayson may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

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

G. RESTRICTED ASSETS

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

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

H. FIXED ASSETS

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

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

Depreciation of all depreciable fixed assets used by the proprietary fund operations is charged as an expense against operations. Depreciation on assets acquired by grants is accreted to retained earnings and amortized against contributed capital. Depreciation of property, plant and equipment has been provided over the estimated useful life using the straight-line method of 5-40 years.

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

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

I. LONG - TERM OBLIGATIONS

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

J. COMPENSATED ABSENCES

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

K. FUND EQUITY

Contributed Capital

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

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

Reserves

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

Designated Fund Balances

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

L. TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, result 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.

NOTE 2. EXPENDITURES/EXPENSES ACTUAL AND BUDGET

The following individual funds have actual expenditures/expenses over budgeted expenditures/expenses for the year ended December 31, 1995.

FUND	BUDGET	ACTUAL	(UNFAVORABLE) VARIANCE
General	48,602	88,875	2,907
Grant income	264,134	264,134	0
TOTAL	312,736	349,809	2,907

NOTE 3 - LEVIED TAXES

Authorized Millage 5.88 ; Levied Millage 5.88

NOTE 4 - CASH AND CASH EQUIVALENTS

The following is a summary of cash and cash equivalents (bank balances) at December 31, 1995, the Village had cash totaling \$95,332, as follows:

Demand Deposits	34,463
Restricted Assets (Cash)	50,869
Total	\$85,332

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank.

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

in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at December 31, 1995 are accrued as follows:

Bank Balances	175,000
Federal Deposit Insurance	100,000
Pledged Securities	-0-
Total	<u>275,000</u>

The remaining balance of \$30,448 is not accrued by the pledge of securities and is a violation of state law.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 38:1228 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 5 - RECEIVABLES

The receivables of 17,112 at December 31, 1995, are as follows:

General Fund	1,934
Enterprise Fund	15,179
Total	<u>17,112</u>

No allowance for Doubtful Accounts has been established.

NOTE 6 - CHANGES IN FIXED ASSETS

A summary of changes to general fixed assets follows.

	Balance 12-31-94	Additions	Retirements	Balance 12-31-95
GENERAL FIXED ASSETS				
Land	0	3,800	0	3,800
Building	8,700	240,550	0	249,250
Equipment	4,000	0	0	4,000
Auto	1,200	0	0	1,200
TOTAL	<u>15,114</u>	<u>244,350</u>	<u>0</u>	<u>279,414</u>

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

Actual:	
Employers	5% 1,510
Employer	3% 1,095
Total	<u>8% 2,705</u>
Actuarially required (Fiscal year ended December 31, 1995):	
Employers	5% 1,510
Employer	3% 987
Total	<u>8% 2,517</u>
Per cent of employer's actuarially required contribution to all participating employees	<u>1.2%</u>

* % 3.35 first 2 Qtrs.
 3.0 last 2 Qtrs.

The "pension benefit obligation" is a standardized measure of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going-concern basis, assess programs made in accumulating sufficient assets to pay benefits when due, and make comparisons among Public Employee Retirement Systems and employees. The System does not make separate measurements of assets and pension benefit obligations for individual employees.

* Figures for MERS plan

DECEMBER 31, 1995
 (In Millions)

Pension Benefit Obligation	Net Assets Available for Benefits	Unfunded Pensions Benefit Obligation
48,581,543	54,345,340	5,795,845

NOTE 8 - ACCOUNTS, SALARIES, AND OTHER PAYABLES OF \$7,367 ARE AS FOLLOWS:

The following is a summary of payables at December 31, 1995:

Accounts Payable - General Fund	4,227
Accounts Payable - Enterprise Fund	<u>3,170</u>
Total	<u>7,397</u>

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

NOTE 9 - LONG - TERM DEBT

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

202,500	Seven Revenue Bond (Bond R-1) dated August 4, 1988, due in annual installments of \$12,500, due August 4, 1991-2029, interest at 5%	202,500
277,500	Seven Revenue Bond (Bond R-2) dated August 4, 1988, due in annual installments of \$13,950, due August 4, 1991-2029, interest at 5%	277,500
		<u>480,000</u>
	Less Current Portion	<u>(44,245)</u>
	Net Long-Term Portion of Long-Term Debt	435,755

The annual requirements to amortize all long-term debt outstanding as of December 31, 1995, including interest payments of \$514,813 are as follows:

Year	Revenue Bonds
1996	26,458
1997	16,458
1998	26,458
1999	26,458
2000	26,458
2001-2029	767,288

Under the terms of the bond indenture on outstanding sewer revenue bonds, dated August 4, 1988, all income and revenues (hereinafter referred to as revenues) of every nature, earned or derived from operations of the sewer system are pledged and dedicated to the retirement of said bonds, and are to be set aside in the following funds:

- Each month there will be set aside into a fund called the "Sinking Fund" an amount constituting 1/12 of the next maturing installment of principal and interest on the outstanding bonds. Such transfers shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due, and may be used only for such payments.

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

PERIOD	MONTHLY DEPOSITS
08-01-88 through 07-31-90	\$ 2,268.86

- There shall also be set aside in a Reserve Fund an amount equal to 5% of the principal and interest payments required during the month until there shall have been accumulated in the Reserve Account an amount equal to \$42,794.

VILLAGE OF GRAYSON
 GRAYSON, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 1985

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

PERIOD	MONTHLY DEPOSITS
08-28-80 through 03-30-81	\$136.13 per month must be deposited into the fund until \$42,284 has been accumulated.

- a. Monthly deposits of \$112 should also be made for the period of August 26, 1980 through July 28, 2009 to the Contingency Fund.

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

The Village of Grayson has no retired employees as of December 31, 1985.

NOTE 11 - SEGMENT INFORMATION - ENTERPRISE FUNDS

The Village maintains two Enterprise Funds, of which one provides water service and the other sewer services. Segment information as of and for the year ended December 31, 1985, was as follows:

	WATER FUND	SEWER FUND	TOTALS
Operating Revenues	\$9,982	46,373	136,257
Depreciation	16,352	51,789	68,137
Operating Income (Loss)	\$9,378	113,676	1,602
Net Income	18,438	186,543	178,181
Property, Plant & Equipment	222,797	1,449,458	1,672,255
Net Working Capital	30,159	42,949	63,684
Total Assets	262,876	1,492,883	1,755,759
Liabilities Payable from Operating Revenues	0	428,293	428,293
Total Equity	262,876	1,064,590	1,327,466

NOTE 12 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Litigation

According to the Village's attorney there were no pending litigations or claims against the Village as of December 31, 1985.

Federal Assisted Programs

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

NOTE 13 - LEASES

There are no leases.

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

Supplemental Information Schedules
Proprietary Fund Types

VILLAGE OF GRAYSON
GRAYSON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1993

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VILLAGE OF GRAYSON
SUPPLEMENTAL INFORMATION
For the Year Ended December 31, 1993

ENTERPRISE FUNDS:

Sewer Fund

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

Water System Fund

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

VILLAGE OF CLAYTON
 ENTERPRISE FUND
 COMBINED BALANCE SHEET
 DECEMBER 31, 1991

	1991		1990	
	GALE FUND	SEWER FUND	GALE FUND	SEWER FUND
ASSETS				
CURRENT ASSETS				
CASH	\$ 1,209	\$ 857	\$ 1,209	\$ 857
RECEIVABLES	8,624	4,375	8,624	4,375
INVENTORY OTHER FUNDS	0	0	0	0
RESTRICTED ASSETS				
CASH ON HAND - TRUST FUNDS	0	2,880	0	2,880
CASH ON HAND - DEPOSITS	0	2,480	0	2,480
LAND, BUILDINGS & EQUIPMENT (NET OF ACCUMULATED DEPRECIATION)	10,791	1,440,000	10,791	1,440,000
TOTAL ASSETS	<u>\$ 20,424</u>	<u>\$ 1,444,512</u>	<u>\$ 20,424</u>	<u>\$ 1,444,512</u>
LIABILITIES AND FUND EQUITY				
LIABILITIES				
CURRENT LIABILITIES				
ACCOUNTS PAYABLE	\$ 0	\$ 440	\$ 0	\$ 440
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS				
DEFERRED DEPOSITS	2,480	0	2,480	0
REVENUE BONDS PAYABLE	0	4,340	0	4,340
ACCRUED INTEREST PAYABLE	0	800	0	800
REVENUE BONDS PAYABLE	0	2,000	0	2,000
TOTAL LIABILITIES	<u>\$ 2,480</u>	<u>\$ 7,580</u>	<u>\$ 2,480</u>	<u>\$ 7,580</u>
FUND EQUITY				
COMBINED CAPITAL	16,154	763,432	16,154	763,432
RESERVED FOR DEBT - SECURED	15,000	0	15,000	0
RESERVED FOR DEBT - UNSECURED	5,000	0	5,000	0
TOTAL EQUITY & FUND EQUITY	<u>\$ 27,154</u>	<u>\$ 763,432</u>	<u>\$ 27,154</u>	<u>\$ 763,432</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 29,634</u>	<u>\$ 1,444,512</u>	<u>\$ 29,634</u>	<u>\$ 1,444,512</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

VILLAGE OF ORAYSON
 FINANCIAL STATEMENTS
 FOLLOWING IS A STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN RETIRED-EMPLOYEES' BALANCES
 FOR THE YEAR ENDED DECEMBER 31, 2002

	WATER (2002)	SEWER (2002)	TOTAL (2002)
OPERATING REVENUES			
WATER SALES REVENUES	\$	\$	\$
SEWER SALES REVENUES	6,982	46,125	53,107
MISC. LAUNDER REVENUES	5,629	750	6,379
TOTAL OPERATING REVENUES	<u>12,611</u>	<u>46,875</u>	<u>59,486</u>
OPERATING EXPENSES			
DEPRECIATION	(2,139)	5,890	3,751
UTILITIES	2,139	0	2,139
REPAIRS & MAINTENANCE	2,167	0	2,167
FRESHWATER WATER PURCHASE	4,031	0	4,031
SOLARACT	8,638	1,475	10,113
MATERIALS & SUPPLIES	6,215	2,468	8,683
TRAVEL & EXPENSE	140	0	140
OTHER EXPENSE	467	1,149	1,616
RETIREMENTS	80	80	160
POSTAGE	1,029	0	1,029
PROPERTY TAXES	2,670	274	2,944
EQUIPMENT PURCHASE	85	0	85
CLEANING FEES	247	0	247
TRAINING	407	0	407
INSURANCE	4,632	0	4,632
UTILITIES	9,125	2,944	12,069
RETIRED-EMPLOYEES' EXPENSE	1,862	0	1,862
DEPRECIATION	6,640	14,768	21,408
TOTAL OPERATING EXPENSES	<u>57,025</u>	<u>44,241</u>	<u>101,266</u>
OPERATING INCOME (LOSS)	(44,414)	(1,366)	(45,780)
NONOPERATING REVENUES (EXPENSES)			
INTEREST INCOME	648	1,394	2,042
REPAIRS & REPLACEMENT GRANT	2,680	0	2,680
INTEREST EXPENSE	0	(22,111)	(22,111)
FINANCIAL EXPENSE	(1,280)	0	(1,280)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>2,048</u>	<u>(20,717)</u>	<u>(18,669)</u>
NET INCOME (LOSS)	(42,366)	(22,081)	(64,447)
RETIREES' LIABILITY BALANCES AT BEGINNING OF YEAR			
RETIREES' LIABILITY - BLENDED	42,947	0	42,947
RETIREES' LIABILITY - UNBLENDED	26,128	152,572	178,720
RETIREES' LIABILITY BALANCES AT END OF YEAR			
RETIREES' LIABILITY - BLENDED	5,581	0	5,581
RETIREES' LIABILITY - UNBLENDED	<u>1</u>	<u>111,861</u>	<u>111,862</u>

THIS ACCOMPANYING NOTE IS AN INTEGRAL PART OF THESE STATEMENTS.

VILLAGE OF ORANGE, ILLINOIS
 PRIMARY FUND - WATERFUND FUNDS
 COMBINED STATEMENT OF CASH FLOWS
 FORTHE YEAR ENDED FALRUARY 28, 2007

	2007 vs. 2006 INCREASE (DE)		
	WATER DEPT	SEWER DEPT	TOTAL
Cash Flow from Operating Activities			
Net income from operations	\$ (94,708)	(1,127)	(95,835)
Adjustments to reconcile net income to net cash operations:			
Depreciation	16,850	5,285	22,135
Changes in assets and liabilities:			
Inventories	280	(249)	41
Accounts receivable	771	(289)	482
Accounts payable	(1,390)	(1,000)	(2,390)
Net cash provided (used) by operating activities	<u>1,013</u>	<u>3,684</u>	<u>4,697</u>
Cash Flow from Capital and Related Financing Activities			
Payment of long-term debt		(1,739)	(1,739)
Bond Development Costs	20,000		20,000
Bonds Issued	(1,000)		(1,000)
Acquisition and Construction of Capital Assets	(2,287)		(2,287)
Net Cash Provided (Used) for Capital and Related Financing Activities	<u>16,713</u>	<u>(1,739)</u>	<u>14,974</u>
Cash Flow from Investing Activities			
Interest Income	600	1,284	1,884
Interest Expense		(2,414)	(2,414)
Net Cash Provided (Used) by Investing Activities	<u>600</u>	<u>(1,130)</u>	<u>(530)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>1,613</u>	<u>1,514</u>	<u>3,127</u>
Cash and Cash Equivalents at Beginning of Year	51,599	41,214	92,813
CASH AND CASH EQUIVALENTS at END OF YEAR	<u>\$ 53,212</u>	<u>\$ 42,728</u>	<u>\$ 95,940</u>

The accompanying notes are an integral part of this statement.

LAURENCE W.

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

VILLAGE OF GRAYSON
Schedule of Compensation Paid to the Mayor and Aldermen/Women
For the Year Ended December 31, 1995

Mayor Bill Baskin, Jr.	2,100
Alderman Gerald Rushing	900
Aldresswoman Ann Meyer	900
Alderman Raymond Crain	900
TOTAL	<u>4,900</u>

VILLAGE OF GRAYSON
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED DECEMBER 31, 1995

<u>Federal Agency or Department</u>	<u>CFDA No.</u>	<u>Grant Number</u>	<u>Federal Award Amount</u>	<u>1995 Program Assistance Received</u>	<u>1995 Expenditures</u>	<u>Total Program Expenditures to December 31, 1995</u>
United States Department of Housing and Urban Development - State of Louisiana, Division of Administration, Louisiana Development Bank Grant Program	14.209	181-587	\$ 292,877	\$ 264,134	\$ 264,134	\$ 264,134
TOTAL FEDERAL FINANCIAL ASSISTANCE	**		<u>292,877</u>	<u>264,134</u>	<u>264,134</u>	<u>264,134</u>

TOTAL FHA BACKED LOANS AT 12-31-95 ** 3428,500

** DENOTES MAJOR PROGRAM

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**Independent Auditor's report on
Schedule of Federal Financial Assistance**

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

I have audited the general purpose financial statements of the Village of Grayson, Louisiana, as of and for the year ended December 31, 1995, and have issued my report thereon dated June 17, 1996. These general purpose financial statements are the responsibility of the Village of Grayson, Louisiana's, management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

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

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

Jimmie Self, CPA

JIMMIE SELF
CERTIFIED PUBLIC ACCOUNTANT

June 17, 1996

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

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

I have audited the general purpose financial statements of the Village of Grayson, Louisiana as of and for the year ended December 31, 1995, and have issued my report thereon dated June 13, 1996.

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

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

In planning and performing my audit of the general purpose financial statements of the Village of Grayson, Louisiana for the year ended December 31, 1995, I obtained an understanding of the internal control structure. With respect to the internal control structure I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

I noted a certain matter involving the internal control structure and its operation that I considered to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgment, could adversely affect the entities ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

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

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

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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



JIMMIE SELF
CERTIFIED PUBLIC ACCOUNTANT

June 17, 1998

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

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

I have audited the general purpose financial statements of the Village of Grayson, Louisiana, as of and for the year ended December 31, 1993, and have issued my report thereon dated June 17, 1994.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards and GAO Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

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

The results of my tests disclosed the following instances of noncompliance that are required to be reported herein under Government Auditing Standards, for which the ultimate resolution cannot presently be determined. Accordingly, no provision for any liability that may result has been recognized in the Village of Grayson's 1993 financial statements:

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

I considered this instance of noncompliance in forming my opinion on whether the Village of Grayson's 1993 general purpose financial statements are presented fairly, in all material aspects, in conformity with generally accepted accounting principles, and this report does not affect my report dated June 17, 1994, on those general purpose financial statements.

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


JIMMIE SELF
CERTIFIED PUBLIC ACCOUNTANT

June 17, 1994

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

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

I have audited the general purpose financial statements of the Village of Grayson, Louisiana, as of and for the year ended December 31, 1995 and have issued my report thereon dated June 17, 1996. I have also audited the compliance of Village of Grayson, with requirements applicable to major federal financial assistance programs and have issued my report thereon dated June 17, 1996.

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

In planning and performing my audit for the year ended December 31, 1995, I considered the internal control structure of Village of Grayson, in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements of Village of Grayson, Louisiana, and on the compliance of Village of Grayson, with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses my consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. I have addressed internal control structure policies and procedures relevant to my audit of the general purpose financial statements in a separate report dated June 17, 1996.

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

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

- Budget.
- Cash.
- Revenues/Receipts - service revenues and receivables - proprietary fund.
- Expenditures/Disbursements/purchasing.
- Payroll/personnel.
- Property, plant and equipment, and capital expenditures.
- Budgeting/budgetary financing.
- Tax collection/distributions.
- Single Audit and similar grant programs.
- Debt and debt service.

General Requirements

- Political activity.
- Davis Bacon Act.
- Civil rights.
- Cost management.
- Relatives assistance and real property acquisition.
- Federal financial reports.
- Allowable cost/cost principles.
- Drug - free Workplace Act.
- Administrative requirements.

Specific Requirements

- Types of services allowed or not allowed.
- Eligibility.
- Matching, level of effort, or cost-sharing.
- Reporting.
- Special requirements, if any.
- Claims for Advances and Reimbursements.
- Awards Claimed or Used for Matching.

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

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

Department of Administration, Passed through state Department of Community Development
Community Development Block Grant-State Program #14.219.

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

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

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

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

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

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

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



JIMMIE SELF
CERTIFIED PUBLIC ACCOUNTANT

June 17, 1996

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

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

I have audited the general purpose financial statements of the Village of Grayson, Louisiana, as of and for the year ended December 31, 1995, and have issued my report thereon dated June 17, 1996.

I have applied procedures to test the Village of Grayson's compliance with the following requirements applicable to its Federal financial assistance programs, which are identified in the Schedule of Federal Assistance, for the year ended December 31, 1995: Political Activity, Davis-Bacon Act, Civil Rights, Cash Management, Federal Financial Reports, Allowable Cost/Cost Principles, Drug-Free Workplace Act, and Administrative Requirements, eligibility, and environmental certification and reviews.

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

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

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



JIMMIE SELF
CERTIFIED PUBLIC ACCOUNTANT

June 17, 1996

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

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

I have audited the general purpose financial statements of the Village of Grayson, Louisiana, as of and for the year ended December 31, 1995, and have issued my report thereon dated June 17, 1996.

I have also audited Village of Grayson's compliance with the requirements governing types of services allowed or unallowed, eligibility, matching, level of effort, or cost-sharing; reporting; claims for advances and reimbursements; and amounts claimed or used by matching that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance, for the year ended December 31, 1995. The management of Village of Grayson, Louisiana, is responsible for the Village of Grayson, Louisiana's, compliance with these requirements. My responsibility is to express an opinion on compliance with these requirements based on my audit.

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

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

In my opinion, Village of Grayson, Louisiana, complied, in all material respects, with the requirements governing types of services allowed or unallowed, eligibility, matching, level of effort, or cost-sharing; reporting; claims for advances and reimbursements; and amounts claimed or used by matching that are applicable to each of its major federal financial assistance programs for the year ended December 31, 1995.

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



JIMMIE SCLF
CERTIFIED PUBLIC ACCOUNTANT

June 17, 1996

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

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

I have audited the general purpose financial statements of the Village of Grayson, Louisiana, as of and for the year ended December 31, 1995, and have issued my report thereon dated June 17, 1996.

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

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

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


JIMMIE SELF
CERTIFIED PUBLIC ACCOUNTANT

June 17, 1996

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Schedule of Findings

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

This failure was due to:

The mayor not being aware of this requirement. It has now been corrected.

JIMMIE SELF
CERTIFIED PUBLIC ACCOUNTANT

JUNE 17, 1996

Management Recommendations

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

The prior year audit findings:

Corrected, except for finding #1 - inadequate segregation of duties, which has been noted as not cost-beneficial to correct.

During my audit, the following came to my attention:

- (1) The Town, because it is cost-prohibitive can not solve the problem of inadequate segregation of duties.
- (2) The Town was not in compliance with the law pertaining to security deposits. When the mayor was advised of this, immediately it was corrected. This is not a financial statement effect, but a compliance violation.