

TOWN OF CLINTON, LOUISIANA
 GOVERNMENTAL FUNDS - DEBT SERVICE FUND
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 1998

(Statement 3)

	Debt Service Fund		Variance Favorable- (Unfavorable-)
	Budget	Actual	
REVENUES			
Property taxes	\$.00	\$.00	\$.00
Total Revenues	<u>.00</u>	<u>.00</u>	<u>.00</u>
EXPENDITURES			
Bonds paid	8,800.00	8,800.00	.00
Interest expense	1,265.00	1,265.00	.00
Total Expenditures	<u>9,265.00</u>	<u>9,265.00</u>	<u>.00</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(9,265.00)	(9,265.00)	.00
FUND BALANCE AT BEGINNING OF YEAR	119,031.26	119,031.26	.00
FUND BALANCE AT END OF YEAR	109,766.26	109,766.26	.00

The accompanying notes are an integral part of this statement.

TOWN OF CLINTON, LOUISIANA
NOTICE TO THE FINANCIAL STATEMENTS - CONTINUED
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2006

F. INSURANCE

The Town does not use an insurance system.

G. CASH AND CASH EQUIVALENTS

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 maturities 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.

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

Proprietary Funds

Cash and Equivalents on Financial Statement

Cash and cash equivalents	293,633.95
Cash - restricted	182,532.62
Total Cash at Year end	376,166.57

H. SHORT-TERM INTERFERD 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.

I. ADVANCES TO OTHER FUNDS

Recurrent portions of long-term interfund loan receivables are reported as advances and are offset equally by a fund balance-reserved account, which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

J. INVESTMENTS

There are no investments that should be reported on the accompanying financial statements.

TOWN OF CLIFTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1998

D. BUDGETS

The primary government uses the following budget practices:

1. A budget is prepared by the Town Clerk and submitted to the Mayor and Board of Aldermen. The budget for the year ended December 31, 1998, was adopted at the January 18, 1998, meeting. The public notice of the budget hearings are published in the local paper.
2. All budgetary appropriations lapse at the end of each year.
3. Outstanding bills that are to be paid in January of the following year are reported in accounts payable at year end.
4. Budgets are prepared, though not required by law, for the Enterprise funds.
5. The level of administrative authority to make changes to amendments within the various budget classifications is the Board of Aldermen. The original budget was amended and is reflected in the budget comparison.
6. The following schedule reconciles the cash-basis budget actual amounts shown on Schedule C to the amounts (GAAP Basis) shown on Schedule B.

GENERAL FUND

	Statement B GAAP Basis	Adjustments	Statement C Cash Basis
Income			
Building permits	192.00		192.00
Fines & forfeitures	16,433.00		16,433.00
Franchises	65,896.00	2,642.00	67,748.00
Interest income	520.00		520.00
Occupational licenses	74,748.00		74,748.00
Police grant	8,165.00		8,165.00
Property taxes	44,058.00	176,803	43,502.00
Rear tax	8,488.00		8,488.00
Tobacco tax	8,905.00		8,905.00
State Revenue Sharing	13,882.00		13,881.00
Street tax	821.00		827.00
Miscellaneous	517.00		517.00
Video poker	34,405.00		34,405.00
Sale of equipment	8,002.00		8,002.00
	<u>303,109.00</u>	<u>2,566.00</u>	<u>306,815.00</u>

Mayor Norman Berich
and Members of the
Board of Aldermen
January 31, 1987
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is presented for the purpose of additional analysis and is not a required part of the general purpose financial statements of the Town of Clinton, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued a report dated January 31, 1987 on our consideration of the Town of Clinton's internal control structure and a report dated January 31, 1987 on its compliance with laws and regulations.

J. H. Butler
John H. Butler & Company
A Professional Accounting Corporation

JOHN D. BUTLER & COMPANY
A PROFESSIONAL ACCOUNTING CORPORATION
P. O. BOX 10
DART, LOUISIANA 70548
1981 75-4982

INDEPENDENT AUDITOR'S REPORT

January 31, 1987

Honorable Mayor Norman Birch
and Members of the Board
of Aldermen
Town of Clinton, Louisiana

We have audited the accompanying general purpose financial statements of the Town of Clinton, Louisiana, and the combined, individual fund, and account group financial statements as of and for the year ended December 31, 1986, as listed in the table of contents. These financial statements are the responsibility of the entity's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Governmental Auditing Standards issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial 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 Clinton, Louisiana as of December 31, 1986, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles. The accompanying supplemental information schedule listed in the table of contents

TOWN OF CLANTON, LOUISIANA
CLANTON, LOUISIANA

General Purpose Financial Statements
As of and for the Year Ended December 31, 1994
With Supplemental Information Schedules

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TERM OF EXPIRES

GENERAL FINANCIAL STATEMENTS

OCTOBER 31, 1936

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewer, civilly 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 JUN 14 1937

JOHN H. HAYES & COMPANY
A PROFESSIONAL ACCOUNTING CORPORATION
NEW ORLEANS, LOUISIANA

TOWN OF CLINTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1994

C. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust 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, expendable trust funds, and agency funds. The governmental funds and expendable trust funds use the following practices in recording revenues and expenditures:

Revenues - are recognized when available and measurable. Revenues that are accrued include property taxes, sales taxes collected by the Police Jury on behalf of the Town prior to year end and interest. Revenues that are not considered susceptible to accrual include occupation licenses, permits, fines, forfeitures and other taxes.

Expenditures - other than interest on long-term debt, are recorded when the liability is incurred.

Other financing sources (uses) - transfers between funds that are not expected to be repaid for any other type, such as capital lease transactions, sales of fixed assets, debt extinguishment, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur. No transfers were noted on the accompanying financial statements.

Deferred Revenues - no deferred revenues are recorded on the accompanying Governmental Funds.

All proprietary funds and non-expendable trust funds are accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The proprietary funds and non-expendable trust funds use the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred.

TOWN OF CLINTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1994

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

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 fixed 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 Fund** - account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The sales tax revenues are restricted to expenditures for streets.
3. **Debt Service Funds** - 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.

PROPRIETARY FUNDS

Proprietary funds are used to 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 measurement of equity, is an important financial indicator. The proprietary fund of the town is an enterprise (utility) fund.

Enterprise Fund - 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 be 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 CLINTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1998

1. Appointing a voting majority of an organizations 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 facts 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 would include the Town of Clinton and any component units, however the Town has concluded that there are no component units that need to be considered part of the Town of Clinton, Louisiana as required by GASB.

Considered in the determination of component units of the reporting entity were the East Feliciana Parish Police Jury, Sheriff, Clerk of Court, Assessor, and School Board, and the District Attorney and Judges for the 28th Judicial District. It was determined that these governmental entities are not component units of the Town of Clinton, Louisiana reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of the Town of Clinton, Louisiana.

B. 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 aggregating 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.

TOWN OF CLINTON, LOUISIANA
NOTICE TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1996

INTRODUCTION

The Town of Clinton, Louisiana, was incorporated March 9, 1882, under the provisions of the Special Charter Act 123 of 1882. The Town operates under a Mayor-Board of Aldermen form of government. The charter was amended in 1988 to allow larger firms to be assessed by the Mayor's court.

The Town provides its citizens with fire and police protection, street maintenance, and gas, water and sewer utility systems.

There are five Aldermen, elected each four years, and they are compensated for their time.

The Town is located in East Feliciana Parish, Louisiana and is approximately two square miles in area. It maintains approximately fifteen miles of streets.

The last population count by Louisiana Tech University was 2,800. The utility system serves approximately 915 households.

Other than the Mayor and Board of Aldermen, there are thirteen full time employees and two part-time employees.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

As the municipal governing authority, for reporting purposes, the Town of Clinton, Louisiana is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government, Town of Clinton, Louisiana (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 Clinton, Louisiana for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

TOWN OF CLINTON, LOUISIANA
 PROPRIETARY FUND
 STATEMENT OF CASH (AND CASH EQUIVALENTS) FLOW - CONTINUED
 FOR THE YEAR ENDING DECEMBER 31, 1996

PAGE 000000_E

Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 9,475.44
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	167,496.88
Changes in assets and liabilities:	
Decrease in accounts receivable	6,197.08
(Increase) accounts payable	15,447.23
Increase in deposits due others	3,288.44
(Increase) in prepaid insurance	-16,325.88
Total adjustments	183,322.75
Net cash provided by operating activities	192,798.19

The accompanying notes are an integral part of this statement.

TOWN OF CLINTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1994

J. PREPAID ITEMS

Insurance policies paid for future coverages are shown in the accompanying financial statements as prepaid insurance.

K. RESTRICTED ASSETS

The Bond indenture for the 1973 Bond Issue in the Utility Fund requires the Town to have a reserves account for \$20,280 and a replacement and extension account for \$20,000. These amounts are shown in the financial statements as restricted assets.

L. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available. The historical cost has been recorded in prior years so no fixed asset costs have been estimated.

Fixed assets used in the proprietary fund operations are included on the balance sheet of the funds net of accumulated depreciation. Depreciation of all exhaustible fixed assets used by proprietary fund operations is charged as an expense against operations. Depreciation is computed using the following methods, straight line method with useful lives of 1 - 33 years.

M. COMPENSATED ABSENCES

Compensated absences are accounted for in the accompanying financial statements. Vacation and sick leave are not accumulative.

GAAP statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

- a. The employees' rights to receive compensation are attributable to services already rendered.
- b. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

TOWN OF CLINTON, LOUISIANA
 PROPRIETARY FUNDS
 STATEMENT OF REVENUE, EXPENSES AND
 CHANGE IN FUNDING EQUITIES
 FOR THE YEAR ENDING DECEMBER 31, 1996

Statement 8

OPERATING REVENUES	
Gas sales	\$319,856.68
Power fees	88,288.00
Water sales	123,388.82
Miscellaneous revenue	8,257.74
Connecting & re-connecting fees	1,713.00
Total operating revenues	<u>541,503.24</u>
OPERATING EXPENSES	
Gas debt	6,475.57
Bank charges	721.40
Drug testing program	714.80
Fees	808.20
Electricity	31,458.54
Engineering services	2,700.80
Gas purchases	189,437.74
Insurance & bonds	14,861.72
Laboratory fees	3,873.80
Maintenance, material & supplies	43,774.87
Medicare tax	902.98
Miscellaneous expenses	1,996.83
Printing & office supplies	4,882.83
Property fees	436.58
Repairs & improvements	4,768.73
Safety & odor inspection fee	488.00
Salaries	49,886.04
Gas. seo. tax expense	3,859.31
Truck expense	8,927.40
Wages	47,638.14
Depreciation	187,935.38
Total Operating Expenses	<u>581,378.29</u>
OPERATING INCOME (LOSS)	5,124.95
NON-OPERATING REVENUES (EXPENSES)	
Interest income	8,611.82
Interest expenses	(28,788.70)
Total Non-Operating Revenues (Expenses)	<u>(20,176.88)</u>
NET INCOME (LOSS)	(15,051.93)
RETAINED EARNING BALANCE AT BEGINNING OF YEAR	<u>687,908.31</u>
RETAINED EARNING BALANCE AT END OF YEAR	672,856.38

The accompanying notes are an integral part of this statement.

TRANSMITTAL LETTER
ANNUAL FINANCIAL STATEMENTS

January 31, 1957

Office of Legislative Auditor
Attention: Mr. Dorothy Milner
1008 North Third
Post Office Box 94357
Baton Rouge, Louisiana 70884-9357

Dear Mr. Milner:

In accordance with Louisiana Revised Statute 24:514, enclosed are the annual financial statements for the term of Clinton, Louisiana, as of and for the fiscal year ended December 31, 1956. This report includes all funds under the control and oversight of the municipality.

The accompanying general purpose financial statements have been prepared in accordance with generally accepted accounting principles.

Sincerely,

Mr. Holly Holtzoy

Enclosure

Special Revenue Funds

Budget	Actual	Variance Favorable (Unfavorable)
\$.00	\$.00	\$.00
.00	.00	.00
.00	.00	.00
<u>900.00</u>	<u>9,048.00</u>	<u>(7288.00)</u>
109,200.00	63,272.00	39,928.00
.00	47,284.00	47,284.00
<u>283,200.00</u>	<u>243,886.00</u>	<u>.00</u>
283,200.00	283,180.00	47,284.00

TOWN OF CLAYTON, LOUISIANA
 GOVERNMENTAL FUNDS - GENERAL AND SPECIAL REVENUE FUNDS
 COMBINED STATEMENTS OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - CONTINUED
 BUDGET (NON-GRAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 1996

Statement C

	General Fund		
	Budget	Actual	Variance Favorable (Disfavorable)
EXPENDITURES (Con't)			
Police supplies	\$ 12,500.00	\$ 8,814.00	3,686.00
Court Costs	800.00	787.00	13.00
Retirement - Police	7,500.00	7,186.00	314.00
Street expenses	<u> .00</u>	<u> .00</u>	<u> .00</u>
Total Expenditures	<u>20,800.00</u>	<u>17,887.00</u>	<u>2,913.00</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	41,759.00	33,527.00	(8,232.00)
FUND BALANCE AT BEGINNING OF YEAR	<u>421,545.00</u>	<u>421,545.00</u>	<u> .00</u>
FUND BALANCE AT END OF YEAR	463,304.00	455,072.00	(8,232.00)

The accompanying notes are an integral part of this statement.

Special Revenue Funds

Budget	Actuals	Variance Favorable (Unfavorable)
\$.00	\$.00	\$.00
.00	.00	.00
.00	.00	.00
6,280.00	7,888.00	1,408.00
.00	.00	.00
.00	.00	.00
.00	.00	.00
.00	.00	.00
.00	.00	.00
.00	.00	.00
.00	.00	.00
.00	.00	.00
.00	.00	.00
.00	.00	.00
97,800.00	102,800.00	5,000.00
100,200.00	110,800.00	7,300.00
.00	.00	.00
.00	.00	.00
.00	.00	.00
.00	.00	.00
.00	.00	.00
3,800.00	18,723.00	(14,723.00)
.00	.00	.00
34,365.00	7,408.00	26,788.00
305.00	208.00	(97.00)
.00	.00	.00
.00	30.00	(30.00)
.00	.00	.00
80,880.00	20,704.00	29,396.00
.00	.00	.00
840.00	873.00	(33.00)
.00	.00	.00
.00	.00	.00
13,508.00	14,073.00	(573.00)
.00	.00	.00

TOWN OF CLINTON, LOUISIANA
 GOVERNMENTAL FUNDS - GENERAL AND SPECIAL REVENUE FUNDS
 COMBINED STATEMENTS OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 BUDGET (MAY-DECEMBER) PAID AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 1994

SCHEDULE C

General Fund

	Budget	Actual	Variance (Unfavorable)
REVENUES			
Building permits	\$.00	\$ 192.00	\$ 192.00
Fines & forfeitures	17,000.00	18,433.00	(547.00)
Fees/charges	87,572.00	87,788.00	(60.00)
Interest income	300.00	528.00	228.00
Occupational license	76,000.00	74,788.00	(210.00)
Miscellaneous	800.00	517.00	(283.00)
Property taxes	44,800.00	43,982.00	(818.00)
Beer tax	7,000.00	8,489.00	1,489.00
Tobacco tax	0,000.00	0,000.00	0.00
State revenue sharing	13,824.00	13,993.00	169.00
Street tax	850.00	827.00	(23.00)
cop grant	0,185.00	0,185.00	.00
Sale of equipment	0,000.00	0,000.00	.00
Video poker	10,000.00	14,485.00	4,485.00
Sales tax	.00	.00	.00
Total Revenues	300,780.00	385,075.00	5,814.00
EXPENDITURES			
Contractor's fee	1,200.00	1,100.00	100.00
Fees & subscriptions	637.00	627.00	.00
Electricity	27,700.00	28,680.00	(980.00)
Fire dept. appropriation	1,800.00	1,800.00	.00
Fire dept. expense	3,000.00	2,370.00	630.00
Insurance & bonds	36,000.00	48,373.00	(11,373.00)
Legal services	4,850.00	4,433.00	417.00
Maintenance expense	3,500.00	3,187.00	313.00
Marshall's expense	14,000.00	12,843.00	1,157.00
Medicare tax expense	2,500.00	2,170.00	330.00
Miscellaneous	1,700.00	1,820.00	(120.00)
Printing & office supplies	7,500.00	7,157.00	343.00
Repairs & improvements	2,500.00	2,366.00	134.00
Salaries	122,304.00	130,314.00	(7,010.00)
soc. sec. tax expense	4,200.00	4,358.00	(158.00)
Telephone	2,000.00	2,709.00	(709.00)
Travel expense	1,000.00	982.00	18.00
Wages	1,500.00	1,300.00	200.00
Unemployment insurance	1,500.00	1,540.00	(40.00)

Continued

TOWN OF CLINTON, LOUISIANA
 GOVERNMENTAL AND EXPENDABLE TRUST FUNDS
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - CONTINUED
 FOR THE YEAR ENDED DECEMBER 31, 2004

Statement 2

	GOVERNMENTAL FUNDS			Total Memorandum Only
	General Fund	Special Revenue Fund	Debt Service Fund	
EXPENDITURES (Cont.)				
Bonds paid	\$.00	\$.00	\$ 8,000.00	\$ 8,000.00
Interest expense	.00	.00	1,260.00	1,260.00
Police expense	18,505.24	.00	.00	18,505.24
Retirement police	7,188.26	.00	.00	7,188.26
Court costs	706.36	.00	.00	706.36
Street expense	.00	1,827.80	.00	1,827.80
Total Expenditures	256,814.21	11,654.80	9,265.00	277,734.01
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	46,871.16	57,874.42	19,245.00	123,990.58
FUND BALANCE AT BEGINNING OF YEAR	282,541.21	243,858.23	118,834.26	645,233.70
FUND BALANCE AT END OF YEAR	329,412.37	301,732.65	138,079.26	769,224.28

The accompanying notes are an integral part of this statement.

TOWN OF CLETON, LOUISIANA
 GOVERNMENTAL AND EXPENDABLE TRUST FUNDS
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED DECEMBER 31, 1994

Statement 2

	Governmental Funds			Total (Memorandum Only)
	General Fund	Special Revenue Fund	Debt Service Fund	
REVENUES				
Building permits	\$ 192.08	\$.00	\$.00	\$ 192.08
Fines & forfeitures	16,431.08	.00	.00	16,431.08
Franchise	85,997.84	.00	.00	85,997.84
Interest income	828.78	8,514.26	.00	9,343.04
Occupational license	74,788.43	.00	.00	74,788.43
Police grants	8,164.53	.00	.00	8,164.53
Property taxes	44,057.65	.00	.00	44,057.65
Beer tax	8,488.01	.00	.00	8,488.01
Tobacco tax	9,988.20	.00	.00	9,988.20
State revenue sharing	13,881.80	.00	.00	13,881.80
Street tax	827.80	.00	.00	827.80
Miscellaneous	517.80	.00	.00	517.80
Video Poker	24,404.72	.00	.00	24,404.72
Sale of Equipment	4,888.80	.00	.00	4,888.80
Sales tax	.80	182,188.22	.00	182,189.02
Total Revenues	303,346.89	113,698.40	.00	417,045.29
EXPENDITURES				
Customer's fee	1,558.00	.00	.00	1,558.00
Dues & subscriptions	627.00	.00	.00	627.00
Electricity	26,132.17	.00	.00	26,132.17
Fire dept. appropriation	1,888.00	.00	.00	1,888.00
Fire dept. expense	2,858.16	.00	.00	2,858.16
Insurance & bonds	24,834.80	8,210.86	.00	33,045.66
Legal services	4,631.00	.00	.00	4,631.00
Maintenance expense	3,147.33	5,844.88	.00	9,092.21
Marshal's expense	13,881.14	.00	.00	13,881.14
Medicare tax expense	3,175.80	384.11	.00	3,560.00
Miscellaneous expense	1,888.83	48.23	.00	1,937.06
Printing & office supplies	7,312.28	.00	.00	7,312.28
Repairs & improvements	2,366.15	22,788.33	.00	25,154.48
Salaries	130,314.23	.00	.00	130,314.23
Exc. ser. tax expense	4,370.38	872.04	.00	5,242.42
Telephone	2,345.40	.00	.00	2,345.40
Truck expense	1,332.83	.00	.00	1,332.83
Wages	1,360.88	14,872.88	.00	16,233.76
Unemployment insurance	1,348.84	.00	.00	1,348.84

Continued

Proprietary Fund Enterprise Fund	Account Groups		Total (Memorandum Only)
	General Fixed Assets	General Long-Term Obligations	
\$ 25,888.88	\$.00	\$.00	\$ 25,888.88
376,572.78	.00	.00	452,720.23
31,048.34	.00	.00	31,048.34
336,578.73	.00	.00	336,578.73
<u>328,988.00</u>	<u>.00</u>	<u>18,000.00</u>	<u>346,988.00</u>
1,482,265.95	.00	18,000.00	1,795,379.34
410,937.43	.00	.00	410,937.43
.00	213,208.51	.00	213,208.51
466,810.28	.00	.00	466,810.28
.00	.00	88,768.36	88,768.36
<u>.00</u>	<u>.00</u>	<u>.00</u>	<u>.00</u>
<u>1,076,727.71</u>	<u>213,208.51</u>	<u>88,768.36</u>	<u>2,368,667.54</u>
2,368,667.54	213,208.51	188,768.36	4,005,860.48

ALL OTHERS REPORTED IN MEMORANDUM ONLY

TOWN OF CLINTON, LOUISIANA
 ALL FUND TYPES AND ACCOUNTS GROUPED
 COMBINED BALANCE SHEET - CONTINUED
 DECEMBER 31, 1998

Statement A

	Governmental Funds		
	General Fund	Special Revenue Fund	Debt Service Fund
LIABILITIES, EQUITY AND OTHER CREDITS			
Liabilities:			
Accounts, salaries & other payables	\$ 8,100.30	\$ 430.15	\$.00
Prepaid payables	78,780.53	388.92	.00
Deposits due others	.00	.00	.00
Loans payable	.00	.00	.00
Bonds payable	.00	.00	.00
	88,880.83	819.07	.00
Total Liabilities	88,880.83	819.07	.00
Equity and other credits:			
Contributed capital	.00	.00	.00
Investment in external fixed assets	.00	.00	.00
Retained earnings	.00	.00	.00
Fund balances:			
Unassigned	868,438.37	301,780.43	100,700.00
Designated	.00	.00	.00
	868,438.37	301,780.43	100,700.00
Total Equity & Other Credits	868,438.37	301,780.43	100,700.00
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	868,438.37	301,780.43	100,700.00

The accompanying notes are an integral part of this statement.

Proprietary Fund Not a Capital Fund	Account Groups		Total (Memorandum Only)
	General Fixed Assets	General Long-Term Obligations	
\$291,053.95	\$.00	\$.00	\$105,513.83
102,553.63	.00	.00	102,553.63
137,308.78	.00	.00	101,537.14
.00	.00	.00	460,320.23
.00	.00	.00	6,872.63
7,603.68	.00	.00	35,153.47
3,330,470.63	213,304.51	.00	3,443,875.13
.00	.00	109,766.26	109,766.26
.00	.00	.00	.00
2,748,983.68	213,304.51	109,766.26	4,055,840.48

TOWN OF CLINTON, LOUISIANA
 ALL FUND TYPES AND ACCOUNT GROUPS
 COMBINED BALANCE SHEET
 DECEMBER 31, 1998

Statement A

Governmental Funds

	General Fund	Special Revenue Fund	Debt Service Fund
ASSETS AND OTHER DEBITS			
Assets:			
Cash and cash equivalents	\$ 35,003.35	\$208,430.46	\$ 34,570.72
Cash - Restricted	.00	.00	.00
Receivables (net of allowances for uncollectibles)	97,117.73	7,105.68	.00
Interfund receivables	375,833.70	.00	74,180.53
Intergovernmental receivables	6,872.49	.00	.00
Other assets	16,560.83	11,837.38	.00
Land, building, and equipment (net, where applicable, of accumulated depreciation)	.00	.00	.00
Other debits			
Amount available in debt service funds	.00	.00	.00
Amount to be provided for retirement of general long- term obligations	.00	.00	.00
	<u>.00</u>	<u>.00</u>	<u>.00</u>
TOTAL ASSETS AND OTHER DEBITS	551,958.29	303,571.50	108,964.26

Continued

TOWN OF CLAYTON, LOUISIANA
 PROPRIETARY FUND
 STATEMENT OF CASH AND CASH EQUIVALENTS FLOW
 FOR THE YEAR ENDING DECEMBER 31, 2008

Statement E

Cash Flows from Operating Activities:	
Cash received from customers	\$500,380.15
Cash payments to suppliers for goods and services	(269,288.01)
Cash payments to employees for services	(21,628.10)
Net Cash Provided by Operating Activities	199,464.04
Cash Flows from Non-capital Financing Activities:	
Operating transfer from other funds	13,899.01
Net Cash Provided by Non-capital Financing Activities	13,899.01
Cash Flows from Capital and Related Financing Activities:	
Principal paid on revenue bond maturities	(88,000.00)
Interest paid on revenue bonds	(28,766.10)
Payments on bank loan	(25,722.15)
Net Cash Used in Capital and Related Activities	(142,488.25)
Cash Flows from Investing Activities:	
Interest earned	7,193.08
Net Cash Provided by Investing Activities	7,193.08
Net Increase in Cash and Cash Equivalents	28,418.74
Cash and Cash Equivalents at Beginning of Year	321,209.94
Cash and Cash Equivalents at End of Year	349,628.68

Continued

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

The following pages contain reports on internal control structure and compliance with laws and regulations required by Government Auditing Standards, issued by the Comptroller General of the United States. The report on internal control structure is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses. The report on compliance with laws and regulations is, likewise, based solely on the audit of the presented financial statements and presents, where applicable, compliance matters that would be material to the presented financial statements.

TOWN OF CLINTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1994

Designated Fund Balances

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

F. INTERFUND TRANSACTIONS

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

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

G. SALES TAX

The Parish has a 4% sales tax that is collected by the Police Jury. After deducting the Solid Waste, School Board and collection fee from the gross, the Town of Clinton then receives 12.8833% of the balance. These taxes are dedicated to the Special Revenue Fund for street maintenance and improvements.

H. TOTAL COLUMN OF 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, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

I. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying disclosures. Although these estimates are based on management's best knowledge of current events and actions the Town may undertake in the future, actual results ultimately may differ from the estimates.

2. FUND DEFICITS

No individual funds have deficit balances.

TOWN OF CLINTON, LOUISIANA
NOTICE TO THE FINANCIAL STATEMENTS - CONTINUED
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1994

3. EXPENDITURES - ACTUAL AND BUDGET

The following individual funds had actual expenditures/expenses over budgeted expenditures/expenses for the year ended December 31, 1994.

Fund	Budget	Actual	Variance
General Fund	\$150,431	\$272,148	\$(121,717)

4. LEVIED TAXES

The ad valorem taxes authorized and levied is 6.75 mills. These taxes go into the general fund without any dedication. The millage is set annually.

The following are the principal taxpayers for the municipality:

TAXPAYER	type of business	assessed valuation	percentage of total assessed valuation
Pelicans Bank & Trust	bank	552,688	0.25
Clinton Bank & Trust	bank	482,328	2.37
BallSouth Telecom.	utilities	382,182	0.45
EMergy, Inc.	utilities	81,988	1.38
Partners Bar/In	bdy sup.	181,768	1.48
Ligon, Werry, Gross	apt. rents	67,558	1.12
Ferry's Hardware	grocery	44,978	.78
Pelicans Farmers Coop	coop	42,258	.63
J.S. Johnson Estate	individual	48,718	.81
LeBlanc's Drive Inn	restaurant	31,728	.53

5. CASH AND CASH EQUIVALENTS

As December 31, 1994, the Town has cash and cash equivalents totaling \$228,482.52 as follows:

	Bank	Bank
Demand Deposits	\$124,485.98	\$124,485.98
Time Deposits	482,482.52	482,482.52
Total	606,968.50	606,968.50

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by Federal deposit insurance or the pledge of securities owned by the fiscal agent.

TOWN OF CLINTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
AS OF AND FOR THE YEAR ENDING DECEMBER 31, 1996

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. At December 31, 1996, the Town has \$822,466.39 in deposits. These deposits are secured free risk by \$200,000 of federal deposit insurance and \$622,466 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GAAP category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GAAP Statement 3, Louisiana Revised Statute 29:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 15 days of being notified by the Town that the fiscal agent has failed to pay deposited funds upon demand.

6. INVESTMENTS

At December 31, 1996, the Town does not hold any investments other than certificates of deposit.

7. RECEIVABLES

The receivables of \$201,837.58 and intergovernmental receivables of \$8,872.69 at December 31, 1996, are as follows:

Class Receivable	General Fund	Special Revenue Funds	Proprietary Funds	Total
Taxes:				
franchise	14,569.83			14,569.83
ad valorem	81,371.34			81,371.34
Sales and use		7,300.48		7,300.48
Intergovernmental- grants:				
Local	6,872.69			6,872.69
Accounts Receivable less allowance for doubtful accounts			195,165.86	195,165.86
	140,838.85	7,300.48	195,165.86	343,305.19
Total	63,590.43	7,300.48	195,165.86	266,056.77

TOWN OF CLINTON, LOUISIANA
 MOVES TO THE FINANCIAL STATEMENTS - CONTINUED
 AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1990

6. FIXED ASSETS

A summary of proprietary property, plant and equipment follows:

Item	Interpreting Fund		
	Balance	Additions	Balance
Land	11,970.00		11,970.00
Buildings	-0-		-0-
Furniture & fixtures	10,483.02		10,483.02
Other (water, gas, sewer)	2,188,917.88	-0-	2,188,917.88
Total	2,210,470.90	-0-	2,210,470.90

7. PENSION PLANS

Full-time employees of the Town are covered under FICA. The Town matches their contribution. Part-time employees and the Board members are not covered.

Municipal Police Employees Retirement System of Louisiana (System)

Plan Description. All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire on or after age 54 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 percent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or jointed months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefits accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or awarded by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-3258, or by calling (584) 929-7411.

Funding Policy. Plan members are required by state statute to contribute 7.5 percent of their annual covered salary and the Town of Clinton, Louisiana is required to contribute at an

TOWN OF CLINTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1996

actuarially determined rate. The current rate is 5.0 percent of annual covered payroll. The contribution requirements of plan members and the Town of Clinton, Louisiana are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:303, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of Clinton, Louisiana contributions to the System for the year ended December 31, 1996 was \$7,388.98, equal to the required contribution for the year.

10. OTHER POSTRETIREMENT BENEFITS

The Town does not provide any post retirement benefits.

11. ACCOUNTS, SALARIES AND OTHER PAYABLES

The payables of \$33,631.60 December 31, 1996, are as follows:

	General Fund	Special Revenue Fund	Special Debt Fund	Proprie- tary	Total
Hireholdings	5,986.83				5,986.83
Accounts	2,346.76	438.15		23,888.06	26,673.07
Sales taxes				3,738.80	3,738.80
Total	8,333.59	438.15	-0-	23,888.06	33,661.60

12. LEASES

The Town does not have any leases as of December 31, 1996.

13. STAPLES IN SPECIAL LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended December 31, 1996:

General Long-Term Obligations

All bonds outstanding at December 31, 1996, in the amount of \$19,800.00, are general obligation bonds with maturities from 1997 to 1998, at the interest rate of 5 1/2 per cent. Bond principal and interest payable in the next fiscal year are \$9,800 and \$900, respectively. The individual issues are as follows:

Bond Issue	Origin- al Issue	Inter- est Rates	Final Payment Due	Inter- est due to Maturity	Principal standing
Public Improvement Refunding Bond	120,800	5.5	1998	900	19,800

TOWN OF CLINTON, LOUISIANA
NOTICE TO THE FINANCIAL STATEMENTS - CONTINUED
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1996

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the Town. At December 31, 1996, the Town has accumulated \$30,579.73 in the debt service funds for future debt requirements. The bonds are due as follows:

Year Ending December 31, 1992	Principal Payments	Interest Payments	Total
1997	5,000	550	5,550
1998	10,000	-0-	10,000
Total	15,000	550	15,550

In accordance with Louisiana Revised Statutes, the Town is legally restricted in the amount of long-term bonded debt that may be issued. At December 31, 1996, the statutory limit is \$125,000, and outstanding bonded debt totals \$10,880.

Enterprise Fund

The enterprise fund long-term obligations are composed of the following items:

Bonds Payable:	Date	Principal	Interest
	1997	40,880.00	10,880.00
	1998	45,880.00	16,880.00
	1999	45,880.00	13,350.00
	2000	45,880.00	10,850.00
	2001	50,880.00	7,880.00
	2002	50,880.00	4,880.00
	2003	55,880.00	1,880.00
total		318,080.00	71,080.00

Loans Payable:

Clinton Bank & Trust Co.	571,624.49
State of Louisiana - 8090	888,955.30
	990,579.77

The loan at Clinton Bank & Trust Co. is an interim construction loan that was refinanced in February of 1993. The final amount of construction cost of \$491,479.90 was financed for 120 months at \$4,457.25 per month. The amounts due are as follows:

TOWN OF CLINTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1996

<u>year</u>	<u>principal</u>	<u>interest</u>
1997	28,283.52	16,283.98
1998	40,558.83	17,827.17
1999	43,061.47	18,425.53
2000	45,717.41	7,748.58
2001	48,537.26	4,848.88
2002	51,539.84	1,758.16
2003	<u>4,435.20</u>	<u>22.18</u>
total	272,645.33	63,345.88

The amounts advanced by the Department of Transportation and Development are due to the State of Louisiana under Act 319 when the Legislative Auditor in a special report dated May 2, 1991 stated that the Town was not able to repay the \$1,325,000 for location of the utility lines on the state project no. 061-45-35. This amount, shown as a liability to the DOTD, has not been set up with an amortization schedule.

14. INTERFUND ACCOUNTS/LIABILITIES

Due from/to others:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	340.83
Debt Service Fund	General Fund	74,386.63
General Fund	Waterprice Fund	<u>175,532.28</u>
Total		450,229.74

15. INTERGOVERNMENTAL RECEIVABLE/PAYABLE

The following is a summary of the intergovernmental receivable from other governments at December 31, 1996:

<u>Receivable from</u>	<u>General Fund</u>
Police Jury	\$ 6,872.68
total	<u>6,872.68</u>

There were no intergovernmental payables due at December 31, 1996.

TOWN OF CLINTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1996

16. RESERVED AND DESIGNATED RETAINED EARNINGS/FUND BALANCES

There are no reserved or designated fund balances at December 31, 1996.

17. RELATED-PARTY TRANSACTIONS

There are no related-party transactions.

18. LITIGATION AND CLAIMS

There are no litigation or claims as of December 31, 1996.

19. SUBSEQUENT EVENTS

There were no subsequent events that would affect the accompanying financial statements.

20. CHANGES IN CONTRIBUTED CAPITAL

The following is a summary of changes in contributed capital:

The total state share of the project on May, 18 for the year ended December 31, 1996, was \$412,917.43.

Balance at 12/31/90	\$100,106.78
Increase - 1992 to 1996	320,321.65
Balance at 12/31/96	420,528.43

The depreciable property acquired through the above Capital Grant from the State is accounted for in a manner similar to all other depreciable property, that is, depreciation expense and accumulated depreciation are recorded and the depreciation expense is presented as an operating expense and closed along with other operating expenses directly to retained earnings.

TOWN OF CLAYTON, LOUISIANA
NOTICE TO THE FINANCIAL STATEMENTS - CONTINUED
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1996

OPBM Statement No. 14 provides that a liability for sick leave should be accrued using one of the following termination approaches:

- a. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken or forgiven due to illness or other circumstances, such as medical appointments and funerals.
- b. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

Only the current portion of the liability for compensated absences should be reported in the fund. The current portion is the amount left unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. The remainder of the liability should be reported in the general long-term obligations account group.

H. 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 those funds.

G. FUND EQUITY

Fund equity includes the following:

Contributed Capital

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

Reserves

Reserves represent those portions of fund equity not appropriate for expenditures or legally segregated for a specific future use. There are no reserves of fund equity in the accompanying financial statements.

OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS

TOWN OF CLINTON, LOUISIANA
CLINTON, LOUISIANA

General Purpose Financial Statements
As of and for the Year Ended December 31, 1998
With Supplemental Information Schedule

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Mayor Norman Borch
and Members of the Board
of Aldermen
January 31, 1997
page 2

It appears that the Town is not including certain employees in the social security program. The Town entered into a Section 119 agreement with the Social Security Administration in 1981, to exclude certain types of employees. However, since there were no other retirement systems in place at that time, only part-time employees with less than 160 hours work and less than \$94 pay per quarter were exempt from social security coverage.

We considered these instances of non-compliance in forming our opinion on whether the Town of Clinton, Louisiana's 1994 general purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our report dated January 31, 1997, on those general purpose financial statements.

We noted certain immaterial instances of noncompliance that we have reported to the management of the Town of Clinton, Louisiana in a separate letter dated May 14, 1997.

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

Asst. Auditor
January 31, 1997

JIM/jc

JOHN D. BUTLER & COMPANY
A PROFESSIONAL ACCOUNTING CORPORATION
P O BOX 30
BATE, LOUISIANA, 70544-0030

(504) 774-4863

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

January 31, 1997

Honorable Dorman Burch
and Members of the Board of Aldermen
Town of Clinton, Louisiana

We have audited the general purpose financial statements of the Town of Clinton, Louisiana, as of and for the year ended December 31, 1996, and have issued my report thereon dated January 31, 1997.

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

The management of the Town of Clinton, Louisiana is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting

Mayor Norman Bush
and the Members of the
Board of Aldermen
January 31, 1997
page 7

principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the Town of Clinton, Louisiana, for the year ended December 31, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure 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 the internal control structure that, in our judgement, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

The Town computerized the utility billing in March, 1996. The meter readings are entered into the computer and an invoice is generated. However, since the books are kept using the cash basis of accounting, the beginning balances were not recorded and no control account is available with which to reconcile the detail accounts.

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.

Mayor Norman Branch
and the Members of the
Board of Aldermen
January 31, 1937
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Our 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, we noted the following matter involving the internal control structure and its operation that we considered to be material weaknesses as defined above. These conditions were considered in determining the nature, timing and extent of the procedures to be performed in our audit of the financial statements of the Town of Clinton, Louisiana for the year ended December 31, 1936.

The lack of a control account over the utility receivables, as outlined above, is considered a material weakness due to the possibility of an account becoming lost or misplaced and would not be detected within a timely period by employees in the normal course of performing their assigned functions.

We also noted other matters involving the internal control structure and its operation that we have reported to the management of the Town of Clinton, Louisiana, in a separate letter dated May 14, 1937.

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

Del. L. B. + S.
January 31, 1937

JMB/jc

JOHN D. BUTLER & COMPANY
A PROFESSIONAL ACCOUNTING CORPORATION
P. O. BOX 30
MONTE, LOUISIANA 70562
(504) 775-4884

May 14, 1997

Honorable H.H. Bunch and
Members of the Board of Aldermen
Town of Clinton, Louisiana

In connection with our audit of the Town of Clinton, Louisiana as of and for the year ended December 31, 1996, we observed the following items that we believe need to be brought to your attention:

Compliance Items

Legal Property Taxes -

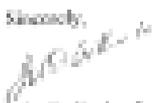
As reported in the prior audit, ad valorem property taxes are in arrears. Approximately 50% of the taxes receivable are in excess of one year old. As outlined in your letter to the Legislative Audit Advisory Council dated August 13, 1993, you noted that legal action would be taken after a specific period of time. We suggest that a review be made of the past due accounts and action taken as deemed necessary.

Minutes of the Board of Aldermen -

We noted that some of the Board's minutes of their meetings were not signed as outlined to by the Mayor. We suggest that the Mayor also sign the minutes timely.

The above and foregoing items are presented to you with the thought of helping the Town and is meant to be constructive in nature. If you have any questions concerning those, please let us know.

Sincerely,


John D. Butler & Co.
A Professional Accounting Corp.

JDB/vms

H. TOULIN RITCHNER, Mayor
P.O. Box 10117
Baton Rouge, Louisiana
70804-0117
Tel. 848-4444
Fax. 848-4444

Town of Clinton

P.O. BOX 513
CLINTON, LOUISIANA 70520

BOARD OF ALDERMEN
MEMBERS: MURRAY BOYD
W. W. CARTER, JR.
C. W. GIBSON, JR.
ALBERTA HAYNES
JACK McCOMBS

June 4, 1997

Office of the Legislature Building
Auditor Advisory Council
P. O. Box 94307
Baton Rouge, Louisiana 70804-9187

In connection with the audit of the Town of Clinton, Louisiana for the period ending December 31, 1996, an exit conference was held with our auditors on Tuesday, June 3, 1997. The following items were discussed, and we are offering the following responses:

Compliance

Finding-The Town is not including certain employees in the social security program.

The Town entered into a Service FIA agreement with the Social Security Administration in 1951, which we felt covered our current actions. However, we have begun to investigate this further. A Seminar is being given on Thursday, June 12, 1997, by the Louisiana Department of the Treasury covering social security and/or medicare coverage. Our auditors are attending and will forward any pertinent information to us. Beginning immediately, however, Mr. Bentley will begin withholding medicare taxes on part time employees.

Internal Control

Finding-There is no control account for reconciling utility receivables.

The Town computerized the utility billing in 1994, but this did not include any other accounting procedures. However, the Town has contracted with a local computer expert to see up the entire accounting process on the system. He asked that we wait until this was done. During this process, the reconciliation of utility billing to the general ledger will be resolved.

Material Instances of Non-Compliance

Finding-44 valence property are in arrears for more than one year in many instances.

We are aware of this problem and will discuss it at our next Aldermen's meeting. The suggestion will be made to begin the process of selling property for non-payment of taxes.

John S. Bentley, CPA

H. TOLIN BAYCHEM, Mayor
504-738-1174
Secretary-Treasurer
41 Oak Hill Road
Bayou Meto and Oak Dale

Town of Clinton

P.O. BOX 613
CLINTON, LOUISIANA 70722

BOARD OF ALDERMEN
MORGAN MONTGOMERY
WYL CARTER, JR.
CHARLES F. HINES
ALVIN MATHIAS
JACK B. CROUSE

Office of the Legislative Auditor
June 4, 1997
Page Two

Finding-The minutes of the Board of Aldermen meetings were not signed by the Mayor.

In the future, all minutes will be signed by the Mayor prior to the next meeting.

This covers all items presented both in the Town's audit report and management letter. If you have any questions/comments concerning our findings, please feel free to contact us.

Sincerely,


Philip Haskins
Secretary-Treasurer
for: Honorable D. B. Beach

SUPPLEMENTARY INFORMATION

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

Honorable Mayor Dorman March
and Members of the Board of Aldermen
Town of Clinton, Louisiana

We have audited the general purpose financial statements of the Town of Clinton, Louisiana, as of and for the year ended December 31, 1996, and have issued our report thereon dated January 31, 1997.

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

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

The results of our tests disclosed the following instances of noncompliance that are 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 Town of Clinton, Louisiana's 1996 financial statements.