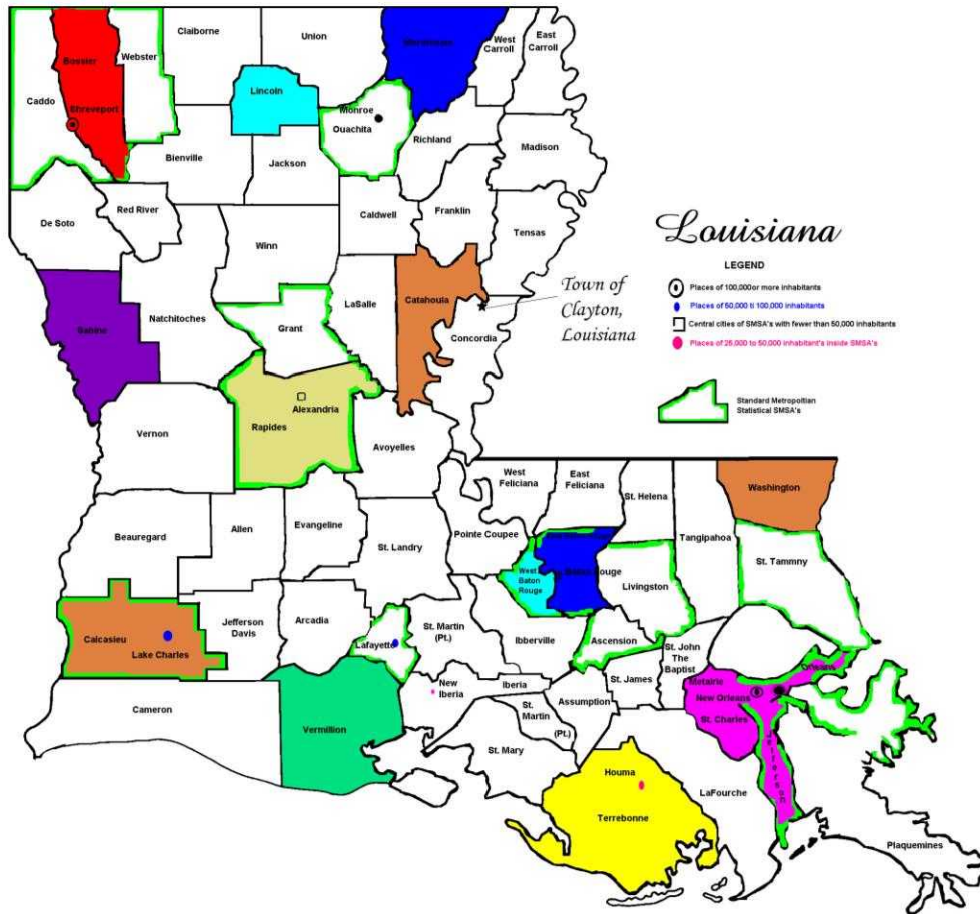


**VILLAGE OF CLAYTON, LOUISIANA**

**Annual Financial Statements**

**JUNE 30, 2021**

# VILLAGE OF CLAYTON, LOUISIANA



✓ The Village of Clayton was incorporated under the Lawrason Act, and operates under the Mayor-Board of Alderman form of government. The Village provides the following significant services to its residents as provided by its charter: public safety (police and fire), highways and streets, utilities (water and sewer services) and general administrative functions, including coordination of related services with parish, state and federal governing bodies.

**Village of Clayton, Louisiana**  
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**June 30, 2021**

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### MEMBERS

American Institute of  
Certified Public Accountants

Society of Louisiana  
Certified Public Accountants

Association of  
Certified Fraud Examiners

### **INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

The Honorable Wilbert Washington, Mayor  
& Members of the Board of Aldermen  
Clayton, Louisiana

We have reviewed the accompanying financial statements of the governmental activities and the business-type activities of the Village of Clayton, Louisiana, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of the Village of Clayton, Louisiana. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

#### **Management's Responsibility for the Financial Statements**

The management of the Village of Clayton, Louisiana, is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

#### **Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Village of Clayton and to meet out other ethical responsibilities, in accordance with the relevant ethical requirements to our review.

### **Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (MD&A) and Budget to Actual Statement be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The information is the representation of management. We have not audited or reviewed such required supplementary information, and, accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on it.

### **Supplemental Information**

The Schedule of Compensation Benefits and Other Payments to Agency Head or Chief Executive Officer and Justice System Funding Schedule have not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but it has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and accordingly, we do not express an opinion or provide any assurance on such supplementary information.

### *The Vercher Group*

Jena, Louisiana  
November 10, 2021

# Village of Clayton

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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As management of the Village, we offer readers of the Village of Clayton's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with the Village's financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999.

### FINANCIAL HIGHLIGHTS

#### *Governmental Funds*

- The assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$345,200 (*net position*). This is a \$11,094 decrease from last year.
- The Village had total revenue of \$172,781. This is a \$76,665 increase from last year's revenues, mainly due to an increase in reimbursements in the amount of \$45,864.
- The Village had total expenditures of \$221,792, which is a \$38,522 decrease from last year, mainly due a decrease in police expense in the amount of \$39,608.

#### *Enterprise Fund*

- The assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$2,256,059 (*net position*). This is a \$110,581 decrease from last year.
- The Village had total revenue of \$301,420. This is a \$13,889 increase from last year, mainly due to an increase in water sales in the amount of \$7,411.
- The Village had total expenses of \$325,958. This is a \$41,059 increase from last year, mainly due to an increase in cost of sales and services expense in the amount of \$39,105.

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## MD&A

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### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements consist of two components: 1) fund financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The Village is a special-purpose entity engaged only in governmental activities. Accordingly, only fund financial statements are presented as the basic financial statements.

### FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### USING THIS ANNUAL REPORT

The Village's annual report consists of financial statements that show information about the Village's funds, enterprise funds and governmental funds.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the basic financial statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the other information included in this report. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

### REPORTING THE VILLAGE'S MOST SIGNIFICANT FUNDS

The Village's financial statements provide detailed information about the most significant funds. The Village may establish other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other money. The Village's enterprise fund uses the following accounting approach:

All of the Village's services are reported in an enterprise fund. They are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The focus of proprietary funds is on income measurement, which, together with the maintenance of equity, is an important financial indication.

## MD&A

### Governmental Funds

Comparative Statement of Net Position as of June 30, 2021:

	2020	2021	% Change
<b>Assets</b>			
Cash & Investments	\$ 38,358	\$ 83,108	116.7
Receivables (Net)	7,684	3,231	-58.0
Restricted Cash	1,315	1,656	25.9
Restricted Receivables	901	930	3.2
Capital Assets, Net of Accumulated Depreciation	625,711	568,262	-9.2
<b>Total Assets</b>	<u>673,969</u>	<u>657,187</u>	-2.5
<b>Liabilities &amp; Net Position</b>			
Accounts, Salaries, & Other Payables	82,869	86,504	4.4
Bonds/Notes Payable	234,806	225,483	-4.0
<b>Total Liabilities</b>	<u>317,675</u>	<u>311,987</u>	-1.8
<b>Net Position</b>			
Investment in Capital Assets	390,905	342,779	-12.3
Restricted	2,216	2,586	16.7
Unrestricted	(36,827)	(165)	-99.6
<b>Total Net Position</b>	<u>\$ 356,294</u>	<u>\$ 345,200</u>	-3.1

Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances for the year ended June 30, 2021:

	2020	2021	% Change
<b>Revenues</b>			
Taxes	\$ 26,865	\$ 34,153	27.1
License & Permits	2,600	6,090	134.2
Charges for Services	41,615	50,252	20.8
Fines & Forfeits	24,458	25,450	4.1
Interest Income	3	4	33.3
Grants	-0-	716	100.0
Other	575	56,116	9,659.3
<b>Total Revenues</b>	<u>96,116</u>	<u>172,781</u>	79.8
<b>Expenditures</b>			
General Government	113,692	90,182	-20.7
Public Safety:			
Police	90,904	51,296	-43.6
Fire	-0-	3,923	100.0
Street Sanitation	55,718	61,491	10.4
Debt Service	22,250	14,900	-33.0
Capital Outlay	-0-	-0-	0.0
<b>Total Expenditures</b>	<u>260,314</u>	<u>221,792</u>	-14.8
<b>Excess (Deficiency) of Revenues Over Under Expenditures</b>	<u>(164,198)</u>	<u>(49,011)</u>	-70.2
<b>Other Financing Sources (Uses)</b>			
Transfers In/(Out)	142,322	86,043	-39.5
<b>Total Other Financing Sources (Uses)</b>	<u>142,322</u>	<u>86,043</u>	-39.5
<b>Net Change in Fund Balance</b>	(21,876)	37,032	269.3
<b>Fund Balances - Beginning</b>	<u>(12,735)</u>	<u>(34,611)</u>	171.8
<b>Fund Balances - Ending</b>	<u>\$ (34,611)</u>	<u>\$ 2,421</u>	107.0



## MD&A

### Enterprise Fund

Comparative Statement of Net Position as of June 30, 2021:

Assets	2020	2021	% Change
Cash	\$ 19,120	\$ 62,490	226.8
Receivables (Net)	49,118	67,269	37.0
Restricted Assets	31,182	29,044	-6.9
Capital Assets, Net of Accumulated Depreciation	2,362,586	2,202,128	-6.8
<b>Total Assets</b>	<b>2,462,006</b>	<b>2,360,931</b>	<b>-4.1</b>
<b>Liabilities &amp; Net Position</b>			
Accounts, Salaries, & Other Payables	45,070	51,675	14.7
<b>Total Current Liabilities</b>	<b>45,070</b>	<b>51,675</b>	<b>14.7</b>
<b>Current Liabilities Payable from Restricted Assets</b>			
Customer Deposits	50,296	53,197	5.8
<b>Total Current Liabilities Payable from Restricted Assets</b>	<b>50,296</b>	<b>53,197</b>	<b>5.8</b>
<b>Total Liabilities</b>	<b>95,366</b>	<b>104,872</b>	<b>10.0</b>
<b>Net Position</b>			
Net Investment in Capital Assets	2,362,586	2,202,128	-6.8
Restricted	-0-	-0-	0.0
Unrestricted	4,054	53,931	1,230.3
<b>Total Net Position</b>	<b>\$ 2,366,640</b>	<b>\$ 2,256,059</b>	<b>-4.7</b>

Comparative Statement of Revenues, Expenses & Changes in Net Position for the year ended June 30, 2021:

Operating Revenues	2020	2021	% Change
Charges for Services:			
Water Sales	\$ 173,396	\$ 180,807	4.3
Sewer Charges	42,991	47,220	9.8
Gas Sales	59,648	64,200	7.6
Other Operating Revenue	11,494	9,187	-20.1
<b>Total Operating Revenues</b>	<b>287,529</b>	<b>301,414</b>	<b>4.8</b>
<b>Operating Expenses</b>			
Cost of Sales & Services	103,685	142,790	37.7
Administration	15,421	22,710	47.3
Depreciation	165,793	160,458	-3.2
<b>Total Operating Expenses</b>	<b>284,899</b>	<b>325,958</b>	<b>14.4</b>
<b>Operating Income (Loss)</b>	<b>2,630</b>	<b>(24,544)</b>	<b>-1,033.2</b>
<b>Nonoperating Revenue (Expenses)</b>			
Interest Earnings	2	6	200.0
<b>Total Nonoperating Revenue (Expenses)</b>	<b>2</b>	<b>6</b>	<b>200.0</b>
<b>Income Before Contributions &amp; Transfers</b>	<b>2,632</b>	<b>(24,538)</b>	<b>-1,032.3</b>
<b>Transfers In/(Out)</b>	<b>(142,322)</b>	<b>(86,043)</b>	<b>-39.5</b>
<b>Capital Contributions</b>	<b>-0-</b>	<b>-0-</b>	<b>0.0</b>
<b>Change in Net Position</b>	<b>(139,690)</b>	<b>(110,581)</b>	<b>-20.8</b>
<b>Total Net Position - Beginning</b>	<b>2,506,330</b>	<b>2,366,640</b>	<b>-5.6</b>
<b>Total Net Position - Ending</b>	<b>\$ 2,366,640</b>	<b>\$ 2,256,059</b>	<b>-4.7</b>

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## MD&A

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### CAPITAL ASSETS

#### *Capital Assets – Governmental Funds*

At June 30, 2021, the Village had \$568,262 invested in capital assets, including the following:

<b>Capital Assets at Year-End</b>		
	<u>2020</u>	<u>2021</u>
Land (Not Depreciated)	\$ 8,425	\$ 8,425
Capital Assets	1,532,371	1,532,371
Accumulated Depreciation	(915,085)	(972,534)
<b>Total</b>	<u>\$ 625,711</u>	<u>\$ 568,262</u>

#### *Capital Assets – Enterprise Funds*

At June 30, 2021, the Village had \$2,202,128 invested in capital assets, including the following:

<b>Capital Assets at Year-End</b>		
	<u>2020</u>	<u>2021</u>
Water & Gas System	\$ 2,466,090	\$ 2,466,090
Sewer System	3,205,522	3,205,522
Accumulated Depreciation	(3,309,026)	(3,469,484)
<b>Total</b>	<u>\$ 2,362,586</u>	<u>\$ 2,202,128</u>

### **CONTACTING THE VILLAGE’S FINANCIAL MANGEMENT:**

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Village’s finances and to show the Village’s accountability for the money it receives. If you have questions about this report or need additional information, contact Mayor Wilbert Washington at the Village Hall, phone number (318) 757-8540.

## **Basic Financial Statements**

**Village of Clayton, Louisiana**  
**Statement of Net Position**  
**June 30, 2021**

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>Assets</b>			
Cash & Cash Equivalents	\$ 83,108	\$ 62,490	\$ 145,598
Receivables, Net	3,231	67,269	70,500
Restricted Assets:			
Cash	1,656	29,044	30,700
Receivables – Sales Tax	930	-0-	930
Capital Assets, Net	568,262	2,202,128	2,770,390
<b>Total Assets</b>	657,187	2,360,931	3,018,118
<b>Current Liabilities</b>			
Accounts & Other Payables	86,504	51,675	138,179
Meter Deposits	-0-	53,197	53,197
Loan Payable	225,483	-0-	225,483
<b>Total Liabilities</b>	311,987	104,872	416,859
<b>Net Position</b>			
Net Investment in Capital Assets	342,779	2,202,128	2,544,907
Restricted	2,586	-0-	2,586
Unrestricted	(165)	53,931	53,766
<b>Total Net Position</b>	\$ 345,200	\$ 2,256,059	\$ 2,601,259

See accompanying notes and independent accountant's review report.

**Village of Clayton, Louisiana**  
**Statement of Activities**  
**For the Year Ended June 30, 2021**

	PROGRAM REVENUES				NET REVENUES (EXPENSES) & CHANGES OF PRIMARY GOVERNMENT		
	Expenses	Charges for Services	Capital Grants	Net (Expenses) Revenue	Governmental Activities	Business Type Activities	Total
<b>Governmental Activities</b>							
General Government	\$ (93,123)	\$ -0-	\$ 716	\$ (92,407)	\$ (92,407)		\$ (92,407)
Public Safety:							
Police	(53,278)	-0-	-0-	(53,278)	(53,278)		(53,278)
Fire	(5,676)	-0-	-0-	(5,676)	(5,676)		(5,676)
Street and Sanitation	(112,264)	50,252	-0-	(62,012)	(62,012)		(62,012)
Interest Expense	(5,577)	-0-	-0-	(5,577)	(5,577)		(5,577)
<b>Total Governmental Activities</b>	<u>(269,918)</u>	<u>50,252</u>	<u>716</u>	<u>(218,950)</u>	<u>(218,950)</u>		<u>(218,950)</u>
<b>Business Type Activities</b>							
Water, Sewer, Gas	(325,958)	292,227	-0-	(33,731)		\$ (33,731)	(33,731)
<b>Total Business Type Activities</b>	<u>(325,958)</u>	<u>292,227</u>	<u>-0-</u>	<u>(33,731)</u>		<u>(33,731)</u>	<u>(33,731)</u>
<b>Total Primary Government</b>	<u>\$ (595,876)</u>	<u>\$ 342,479</u>	<u>\$ 716</u>	<u>\$ (252,681)</u>			<u>(252,681)</u>
			<b>General Revenues</b>				
			Fines		25,450	-0-	25,450
			Taxes:				
			Ad Valorem Taxes		10,078	-0-	10,078
			Franchise Taxes		11,799	-0-	11,799
			Road Taxes		11,039	-0-	11,039
			Other Taxes		1,237	-0-	1,237
			License and Permits		6,090	-0-	6,090
			Interest Income		4	6	10
			Miscellaneous		56,116	9,187	65,303
			Transfers		86,043	(86,043)	-0-
			<b>Total General Revenues</b>		<u>207,856</u>	<u>(76,850)</u>	<u>131,006</u>
			<b>Change in Net Position</b>		(11,094)	(110,581)	(121,675)
			<b>Net Position - Beginning</b>		356,294	2,366,640	2,722,934
			<b>Net Position - Ending</b>		<u>\$ 345,200</u>	<u>\$ 2,256,059</u>	<u>\$ 2,601,259</u>

See accompanying notes and independent accountant's review report.

**Village of Clayton, Louisiana**  
**Balance Sheet, Governmental Funds**  
**June 30, 2021**

	<b>GENERAL</b>	<b>PUBLIC WORKS FUND</b>	<b>TOTAL</b>
<b>Assets</b>			
Cash	\$ 83,108	\$ -0-	\$ 83,108
Cash, Restricted	-0-	1,656	1,656
Receivables:			
Accounts Receivable	3,231	-0-	3,231
Sales Tax, Restricted	-0-	930	930
<b>Total Assets</b>	86,339	2,586	88,925
<b>Liabilities</b>			
Accounts & Other Payables	86,504	-0-	86,504
<b>Fund Balance</b>			
Restricted For Roads	-0-	2,586	2,586
Unassigned	(165)	-0-	(165)
<b>Total Fund Balance</b>	(165)	2,586	2,421
<b>Total Liabilities &amp; Fund Balance</b>	\$ 86,339	\$ 2,586	\$ 88,925

See accompanying notes and independent accountant's review report.

**Village of Clayton, Louisiana**  
**Reconciliation of the Government Funds Balance Sheet**  
**to the Government-Wide Financial Statement of Net Position**  
**June 30, 2021**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund Balance, Total Governmental Funds (Statement C)	\$ 2,421
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	568,262
Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Other	<u>(225,483)</u>
Net Position of Governmental Activities (Statement A)	<u>\$ 345,200</u>

See accompanying notes and independent accountant's review report.

**Village of Clayton, Louisiana**  
**Statement of Revenues, Expenditures &**  
**Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2021**

	<u>GENERAL</u>	<u>PUBLIC WORKS FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b>Revenues</b>			
Taxes:			
Ad Valorem Taxes	\$ 10,078	\$ -0-	\$ 10,078
Franchise Taxes	11,799	-0-	11,799
Road Taxes	-0-	11,039	11,039
Other Taxes	1,237	-0-	1,237
Licenses & Permits	6,090	-0-	6,090
Garbage-Police Jury	50,252	-0-	50,252
Fines & Forfeits	25,450	-0-	25,450
Interest Income	4	-0-	4
Intergovernmental – Capital Grants	716	-0-	716
Reimbursements	45,864	-0-	45,864
Other	10,252	-0-	10,252
<b>Total Revenues</b>	<u>161,742</u>	<u>11,039</u>	<u>172,781</u>
<b>Expenditures</b>			
General Government	90,182	-0-	90,182
Public Safety:			
Police	51,296	-0-	51,296
Fire	3,923	-0-	3,923
Street & Sanitation	50,318	11,173	61,491
Recreation	-0-	-0-	-0-
Debt Service	14,900	-0-	14,900
Capital Outlay	-0-	-0-	-0-
<b>Total Expenditures</b>	<u>210,619</u>	<u>11,173</u>	<u>221,792</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(48,877)</u>	<u>(134)</u>	<u>(49,011)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In/(Out)	85,539	504	86,043
<b>Total Other Financing Sources (Uses)</b>	<u>85,539</u>	<u>504</u>	<u>86,043</u>
<b>Net Change in Fund Balance</b>	36,662	370	37,032
<b>Fund Balances - Beginning</b>	<u>(36,827)</u>	<u>2,216</u>	<u>(34,611)</u>
<b>Fund Balances - Ending</b>	<u>\$ (165)</u>	<u>\$ 2,586</u>	<u>\$ 2,421</u>

See accompanying notes and independent accountant's review report.



**Village of Clayton, Louisiana**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**& Changes in Fund Balances of Governmental Funds**  
**To the Statement of Activities**  
**For the Year Ended June 30, 2021**

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total Governmental Funds, Statement E		\$ 37,032
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>		
	Capital Purchases	-0-
	Depreciation Expense	(57,449)
		(57,449)
<p>The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
	Debt Issued	-0-
	Principal Paid	9,323
		9,323
Changes in Net Position of Governmental Activities, Statement B		\$ <u>(11,094)</u>

See accompanying notes and independent accountant's review report.

**Village of Clayton, Louisiana**  
**Statement of Net Position, Proprietary Funds**  
**June 30, 2021**

	<u><b>Enterprise Fund</b></u>
<b>Current Assets</b>	
Cash & Cash Equivalents	\$ 62,490
Receivables (Net of Allowances For Uncollectibles)	67,269
<b>Total Current Assets</b>	<u>129,759</u>
<b>Non-Current Assets</b>	
Restricted Cash – Customer Deposits	29,044
Capital Assets (Net of Accumulated Depreciation)	2,202,128
<b>Total Non-Current Assets</b>	<u>2,231,172</u>
<b>Total Assets</b>	<u>2,360,931</u>
<b>Current Liabilities</b>	
Accounts, Salaries, & Other Payables	51,675
<b>Total Current Liabilities</b>	<u>51,675</u>
<b>Current Liabilities Payable From Restricted Assets</b>	
Customer Deposits	53,197
<b>Total Current Liabilities Payable From Restricted Assets</b>	<u>53,197</u>
<b>Total Current Liabilities</b>	<u>104,872</u>
<b>Total Liabilities</b>	<u>104,872</u>
<b>Net Position</b>	
Net Investment in Capital Assets	2,202,128
Restricted	-0-
Unrestricted	53,931
<b>Total Net Position</b>	<u>\$ 2,256,059</u>

See accompanying notes and independent accountant's review report.

**Village of Clayton, Louisiana**  
**Statement of Revenues, Expenses & Changes in Net Position**  
**Proprietary Funds**  
**June 30, 2021**

	<b>Enterprise Fund</b>
<b>Operating Revenues</b>	
Charges for Services:	
Water Sales	\$ 180,807
Sewer Charges	47,220
Gas Sales	64,200
Other Operating Revenue	9,187
<b>Total Operating Revenues</b>	301,414
<b>Operating Expenses</b>	
Cost of Sales & Services	142,790
Administration	22,710
Depreciation	160,458
<b>Total Operating Expenses</b>	325,958
<b>Operating Income (Loss)</b>	(24,544)
<b>Nonoperating Revenues (Expenses)</b>	
Interest Earnings	6
<b>Total Nonoperating Revenues (Expenses)</b>	6
<b>Income Before Contributions &amp; Transfers</b>	(24,538)
Transfers In/(Out)	(86,043)
Capital Contributions	-0-
<b>Change in Net Position</b>	(110,581)
<b>Total Net Position - Beginning</b>	2,366,640
<b>Total Net Position - Ending</b>	\$ 2,256,059

See accompanying notes and independent accountant's review report.

**Village of Clayton, Louisiana**  
**Statement of Cash Flows**  
**Proprietary Fund**  
**June 30, 2021**

	<b>Enterprise Fund</b>
<b>Cash Flows From Operating Activities</b>	
Receipts From Customers & Users	\$ 286,164
Payments to Suppliers	(136,185)
Payments to Employees	(22,710)
<b>Net Cash Provided (Used) by Operating Activities</b>	127,269
<b>Cash Flows From NonCapital Financing Activities</b>	
Transfers to Other Funds	(86,043)
<b>Net Cash Provided (Used) by NonCapital Financing Activities</b>	(86,043)
<b>Cash Flows From Capital &amp; Related Financing Activities</b>	
Capital Grants	-0-
Acquisition and Construction of Capital Assets	-0-
<b>Net Cash Provided (Used) by Capital &amp; Related Financing Activities</b>	-0-
<b>Cash Flows From Investing Activities</b>	
Interest and Dividends Received	6
<b>Net Cash Provided (Used) by Investing Activities</b>	6
<b>Net Increase (Decrease) in Cash &amp; Cash Equivalents</b>	41,232
<b>Cash &amp; Cash Equivalents, Beginning of Year</b>	50,302
<b>Cash &amp; Cash Equivalents, End of Year</b>	91,534
<b>Reconciliation to Balance Sheet</b>	
Cash & Cash Equivalents	62,490
Restricted Cash – Customer Deposits	29,044
<b>Total Cash and Cash Equivalents</b>	91,534
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities</b>	
Operating Income (Loss)	(24,544)
Depreciation Expense	160,458
(Increase) Decrease in Accounts Receivable	(18,151)
Increase (Decrease) in Accounts Payables	6,605
Increase (Decrease) in Customer Deposits	2,901
<b>Total Adjustments</b>	151,813
<b>Net Cash Provided (Used) by Operating Activities</b>	\$ 127,269

See accompanying notes and independent accountant's review report.

**Notes To The Basic  
Financial Statements**

## VILLAGE OF CLAYTON, LOUISIANA

### NOTES TO THE BASIC FINANCIAL STATEMENTS

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Clayton is a municipal corporation governed by an elected mayor.

1. The Village of Clayton, Louisiana was incorporated under provisions of the Lawrason Act as a Village in 1962.
2. The purpose of a municipality is to provide utility services, public safety (police and fire), street sanitation, and general administrative services.
3. The Board of Aldermen consists of five elected members; four members are paid \$325 per month, and one is paid \$150 per month.
4. The Village of Clayton is located in the northeastern portion of Concordia Parish, Louisiana. Concordia Parish is located in northeastern Louisiana.
5. The population of Clayton is approximately 884.
6. The Village of Clayton has two full time employees and two part time employees.
7. The Village of Clayton has approximately 810 utility customers.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the municipality is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the municipality may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes, set rates or charges, and issue bonded debt.

The accounting and reporting policies of the Village of Clayton conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

## **TOWN OF CLAYTON, LOUISIANA**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED**

#### **A. GOVERNMENT-WIDE & FUND FINANCIAL STATEMENTS**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Changes in Net Position) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meetings the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

#### **B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, & FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

## VILLAGE OF CLAYTON, LOUISIANA

### NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The municipality reports the following major governmental funds:

- **General Fund:**  
The General Fund is the municipality's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- **Public Works Fund:**  
The Public Works Fund is a Special Revenue (sales tax) dedicated for constructing, hard surfacing, improving and/or maintaining public roads and streets in the district, including acquiring, maintaining and operating equipment for such purposes and providing incidental drainage.

The municipality reports the following major proprietary funds:

- Water Activities
- Sewer Activities
- Gas Activities

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Principal operating revenues are utility billings. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Village has a policy of applying expenses to restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.



## VILLAGE OF CLAYTON, LOUISIANA

### NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED

#### C. EQUITY CLASSIFICATIONS

In the government-wide financial statements, equity is classified as Net Position and displayed in three components as applicable. The components are as follows:

Net Investment in Capital Assets- Capital assets including restricted capital assets, when applicable, net of accumulated depreciation.

Restricted Net Position- Net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position- All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies restricted resources first. The policy concerning which to apply first varies with the intended use and legal requirements. The decision is typically made by management at the incurrence of the expense.

In the Fund Financial Statements, governmental fund equity is classified as a fund balance. The District has implemented GASB Statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions.” This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance – amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance – amounts constrained to specific purposes by a government itself using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- d. Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

**VILLAGE OF CLAYTON, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
CONTINUED**

**D. CASH, CASH EQUIVALENTS, & INVESTMENTS – (C.D.’S IN EXCESS OF 90 DAYS)**

***Custodial Credit Risk***

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Entity that the fiscal agent bank has failed to pay deposit funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Entity’s name.

***Deposits***

It is the Village’s policy for deposits (demand checking accounts, savings accounts, and certificate of deposits) to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The Village’s deposits are categorized to give an indication of the level of risk assumed by the Village at year end. The categories are described as follows:

- ***Category 1*** – Insured or collateralized with securities held by the Village or by its agent in the Village’s name.
- ***Category 2*** – Collateralized with securities held by the pledging financial institution’s trust department or agent in the Village’s name.
- ***Category 3*** – Uncollateralized.

	<b>Delta Bank</b>	<b>Concordia Bank</b>	<b>Total</b>
<b>Bank Balances</b>	\$ 28,550	\$ 123,280	\$ 151,830
<b><i>Secured As Follows</i></b>			
FDIC ( <i>Category 1</i> )	28,550	123,280	151,830
Securities ( <i>Category 2</i> )	-0-	-0-	-0-
Uncollateralized ( <i>Category 3</i> )	-0-	-0-	-0-
<b>Total</b>	\$ 28,550	\$ 123,280	\$ 151,830

All deposits were fully secured as of June 30, 2021.

**VILLAGE OF CLAYTON, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
CONTINUED**

**E. INVENTORIES**

Inventories of materials and supplies are considered to be expenditures at the time purchased. Amounts on hand at the financial statement date are considered immaterial and therefore not included on the statements of assets and liabilities.

**F. ACCOUNTS RECEIVABLE & ALLOWANCES FOR BAD DEBTS**

Uncollectable amounts due for customers' utility receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectables of the receivable. Below is a summary of accounts receivable and allowance for bad debts by funds:

	<b>Governmental Fund</b>	<b>Enterprise Fund</b>	<b>Total</b>
Accounts Receivable	\$ 3,231	\$ 76,499	\$ 79,730
Accounts Receivable - Restricted	930	-0-	930
Allowances for Bad Debt	-0-	(9,230)	(9,230)
<b>Total</b>	<b>\$ 4,161</b>	<b>\$ 67,269</b>	<b>\$ 71,430</b>

**G. FIXED ASSETS**

For the year ended June 30, 2021, no interest costs were capitalized for construction of fixed assets. The Village of Clayton has a capitalization policy of \$1,500.

Depreciation of all exhaustible fixed assets is charged as an expense against its operations. Accumulated depreciation is reported on the proprietary fund balance sheet and governmental fund statement of activities. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Vehicles and Equipment	5-10 years
Streets	20 years
Buildings	40 years

**H. LONG-TERM OBLIGATIONS**

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

**VILLAGE OF CLAYTON, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
CONTINUED**

**I. FUND EQUITY**

In the fund equity statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plan that are subject to change.

**2. AD VALOREM TAXES**

The entity levies taxes on real and business personal property located within its boundaries. The entity utilizes the services of the Concordia Parish Tax Assessor to assess the property values and prepare the entity's property tax roll. The entity bills and collects its own property taxes.

**Property Tax Calendar**

Assessment Date	January 1
Levy Date	No Later Than June 1
Tax Bills Mailed	On or About October 15
Total Taxes Are Due	December 31
Penalties and Interest are Added	January 1
Lien Date	January 1

For the year ended June 30, 2021, taxes of 3.64 mills were levied against property having a valuation of some \$1,322,700 which produced some \$4,815 in revenue.

Ad Valorem Taxes are broken down as follows:

	<b>Mills</b>
General Alimony	<u>3.64</u>
<b>Total</b>	<u><u>3.64</u></u>

**3. RESTRICTED ASSETS**

Restricted assets represent resources that must be expended in a specific manner. Restrictions of this nature are imposed by various contractual obligations including grant agreements and bond covenants. In situations where it is permissible to spend restricted resources, the Village typically depletes the available restricted resources before consuming unrestricted resources. Restricted assets were applicable to the following at June 30, 2021:

Utility Fund:	
Customer Deposits	\$ 29,044
Governmental Fund:	
Road Maintenance – Cash	1,656
Road – Sales Tax Receivables	<u>930</u>
<b>Total</b>	<u><u>\$ 31,630</u></u>

**VILLAGE OF CLAYTON, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
CONTINUED**

**4. CHANGES IN FIXED ASSETS – PROPRIETARY FUNDS**

A summary of enterprise fund plant and equipment at June 30, 2021, follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Water & Gas System	\$ 2,466,090	\$ -0-	\$ -0-	\$ 2,466,090
Sewer System	3,205,522	-0-	-0-	3,205,522
<b>Total Fixed Assets</b>	<u>5,671,612</u>	<u>-0-</u>	<u>-0-</u>	<u>5,671,612</u>
Less: Accumulated Depreciation	(3,309,026)	(160,458)	-0-	(3,469,484)
<b>Net Fixed Assets</b>	<u>\$ 2,362,586</u>	<u>\$ (160,458)</u>	<u>\$ -0-</u>	<u>\$ 2,202,128</u>

**5. CHANGES IN GENERAL FIXED ASSETS – GOVERNMENTAL FUNDS**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Fixed Assets*	\$ 1,540,796	\$ -0-	\$ -0-	\$ 1,540,796
Accumulated Depreciation	(915,085)	(57,449)	-0-	(972,534)
<b>Net Fixed Assets</b>	<u>\$ 625,711</u>	<u>\$ (57,449)</u>	<u>\$ -0-</u>	<u>\$ 568,262</u>

\*Land in the amount of \$8,425 is included in the fixed assets and is not being depreciated.

Depreciation expense of \$57,449 for the year ended June 30, 2021, was charged to the following governmental functions:

General Government	\$ 2,941
Public Safety:	
Police	1,982
Fire	1,753
Public Works:	
Streets	<u>50,773</u>
<b>Total Depreciation</b>	<u>\$ 57,449</u>

**6. CHANGES IN DEBT**

The following is a summary of short-term obligation transactions of the Village of Clayton for the year ended June 30, 2021.

	<u>Notes Payable</u>	<u>Total</u>
Bonds & Notes Payable - Beginning	\$ 234,806	\$ 234,806
Additions	-0-	-0-
Principal Retirements	(9,323)	(9,323)
<b>Total</b>	<u>\$ 225,483</u>	<u>\$ 225,483</u>

VILLAGE OF CLAYTON, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
CONTINUED

Notes payable at June 30, 2021, are comprised of the following issues:

***Certificate of Indebtedness Series 2017***

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Financing obtained through the State Bond Commission and Concordia Bank & Trust for general operating expenses with one principal and interest payment of \$255,625 in March of 2018.	\$ <u>225,483</u>
<b>Total</b>	<b>\$ <u>225,483</u></b>

**7. COMPENSATED ABSENCES**

Each full-time employee is credited with one day of vacation leave for each month worked. The employee's vacation leave will begin to accumulate upon finishing a six-month probation period. Employees are allowed five days of sick leave up until his or her first anniversary date arrives. After his or her first anniversary, the employee shall earn sick leave at the rate of ten days per anniversary date. In accordance with GASB Statement No. 16, the Village had no accrued compensated absences as of June 30, 2021.

**8. RISK MANAGEMENT**

The Village is exposed to certain risks of losses such as property damage, liability issues, and other potential losses that may occur. The Village minimizes its losses by purchase of commercial insurance. The Village's exposure over the amount of insurance is considered to be immaterial.

**9. RETIREMENT COMMITMENTS**

The Village of Clayton employees are all members of the social security system and are members of no other retirement plan. The expense of the social security is reflected in payroll taxes in the various statements of income.

**10. TRANSFERS BETWEEN FUNDS**

	<u>Governmental Funds</u>	<u>Enterprise Fund</u>
Transfers In (Out)	\$ <u>86,043</u>	\$ <u>(86,043)</u>

Transfers were made for operational purposes.

**VILLAGE OF CLAYTON, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
CONTINUED**

**11. ELECTED OFFICIAL'S**

<u>Name</u>	<u>Term</u>	<u>Title</u>
Wilbert Washington	2020-2024	Mayor
Willie Evans	2020-2024	Alderman
Michelle D. Bethea	2020-2024	Alderman
Carl R. Thompson	2020-2024	Alderman
David K. Mitchell	2020-2024	Alderman
Abdul R. Sabir	2020-2024	Alderman

**12. WATER, SEWER, & GAS RATES**

<u>Water:</u>	<u>Minimum Charge</u>	<u>Next</u>
Commercial	\$50.00 for 1 <sup>st</sup> 2,000 gals. water used	\$9.00 per thousand all other
Residential	\$36.00 for 1 <sup>st</sup> 2,000 gals. water used	\$8.00 per thousand all other
<b>Sewer:</b>		
Residential	\$15.00 for 1 <sup>st</sup> 2,000 gals. water used	
<b>Gas:</b>		
Commercial	<b>Flexible</b> \$53.44 for 1 <sup>st</sup> 1,000 used	\$16.09 per next 1,000 cu. ft. \$15.96 per next 1,000 cu. ft. \$15.82 over 2,000 cu. ft.
Residential	\$22.80 for 1 <sup>st</sup> 1,000 used	\$19.26 per next 1,000 cu. ft. \$18.98 per next 2,000 cu. ft. \$18.08 per next 3,000 cu. ft. \$17.58 per next 4,000 cu. ft. \$17.30 over 10,000 cu. ft. \$16.04 over 25,000 cu. ft.

**VILLAGE OF CLAYTON, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
CONTINUED**

**13. 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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**14. ENCUMBRANCES**

The entity does not utilize encumbrance accounting.

**15. DEFICIET FUND BALANCE**

The General Fund has a negative fund balance of \$165 as of June 30, 2021.



**Required Supplemental Information**

**Village of Clayton, Louisiana**  
**Statement of Revenues, Expenditures, & Changes in Fund Balance**  
**Budget & Actual**  
**General Fund**  
**For the Year Ended June 30, 2021**

	Budget Amounts		Actual Amounts Budgetary Basis	Differences Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 18,000	\$ 18,000	\$ 23,114	\$ 5,114
License & Permits	3,000	3,000	6,090	3,090
Charges for Services	41,000	41,000	50,252	9,252
Fines & Forfeits	81,000	81,000	25,450	(55,550)
Interest Income	5	5	4	(1)
Intergovernmental – Capital Grants	-0-	-0-	716	716
Reimbursements	-0-	-0-	45,864	45,864
Other	500	500	10,252	9,752
<b>Total Revenues</b>	143,505	143,505	161,742	18,237
<b>Expenditures</b>				
General Government	169,780	169,780	90,182	79,598
Public Safety:				
Police	500	500	51,296	(50,796)
Fire	-0-	-0-	3,923	(3,923)
Street Sanitation	46,440	46,440	50,318	(3,878)
Debt Service	-0-	-0-	14,900	(14,900)
Capital Outlay	-0-	-0-	-0-	-0-
<b>Total Expenditures</b>	216,720	216,720	210,619	6,101
<b>Excess (Deficiency) of Revenues Over Under Expenditures</b>	(73,215)	(73,215)	(48,877)	24,338
<b>Other Financing Sources (Uses)</b>				
Transfers In/(Out)	75,000	75,000	85,539	10,539
<b>Total Other Financing Sources (Uses)</b>	75,000	75,000	85,539	10,539
<b>Net Change in Fund Balance</b>	\$ 1,785	\$ 1,785	36,662	\$ 34,877
<b>Fund Balances - Beginning</b>			(36,827)	
<b>Fund Balances - Ending</b>			\$ (165)	

See independent accountant's review report.

**Village of Clayton, Louisiana**  
**Statement of Revenues, Expenditures, & Changes in Fund Balance**  
**Budget & Actual**  
**Public Works**  
**For the Year Ended June 30, 2021**

	Budget Amounts		Actual Amounts Budgetary Basis	Differences Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 12,000	\$ 12,000	\$ 11,039	\$ (961)
Other Income	-0-	-0-	-0-	-0-
<b>Total Revenues</b>	12,000	12,000	11,039	(961)
<b>Expenditures</b>				
General Government	-0-	-0-	-0-	-0-
Street & Sanitation	11,060	11,060	11,173	(113)
Capital Outlay	-0-	-0-	-0-	-0-
<b>Total Expenditures</b>	11,060	11,060	11,173	(113)
<b>Excess (Deficiency) of Revenues Over Under Expenditures</b>	940	940	(134)	(1,074)
<b>Other Financing Sources (Uses)</b>				
Transfers In/(Out)	-0-	-0-	504	504
<b>Total Other Financing Sources (Uses)</b>	-0-	-0-	504	504
<b>Net Change in Fund Balance</b>	\$ 940	\$ 940	370	\$ (570)
<b>Fund Balances - Beginning</b>			2,216	
<b>Fund Balances - Ending</b>			\$ 2,586	

See independent accountant's review report.



**Supplemental Information**

**Village of Clayton, Louisiana**  
**Schedule of Compensation Benefits and Other Payments**  
**to Agency Head or Chief Executive Officer**  
**For the Year Ended June 30, 2021**

Honorable Wilbert Washington, Mayor

Purpose	Amount
Salary	\$ 8,000
Benefits-Insurance	-0-
Benefits-Retirement	-0-
Benefits (Expense Allowance)	-0-
Car Allowance	-0-
Vehicle Provided by Government	-0-
Per Diem	-0-
Reimbursements	-0-
Travel	-0-
Registration Fees	-0-
Conference Travel	-0-
Continuing Professional Education Fees	-0-
Housing	-0-
Un-vouchered Expenses*	-0-
Special Meals	\$ -0-

\*An example of an un-vouchered expense would be a travel advance.

See independent accountant's review report.

**Village of Clayton  
Clayton, Louisiana  
Justice System Funding Schedule – Collecting/Disbursing Entity  
Year Ended June 30, 2021**

	<b>First Six Months Ended 12/31/2020</b>	<b>Second Six Months Ended 06/30/2021</b>
<b>Beginning Balance of Amounts Collected</b>	\$ 49,631	\$ 49,631
<b>Add: Collections</b>		
Criminal Court Costs/Fees	-0-	-0-
Criminal Fines – Other Collection & Suspension Fees	8,871	16,578
Service/Collection Fees	-0-	-0-
<b>Subtotal Collections</b>	<u>8,871</u>	<u>16,578</u>
<b>Less: Disbursements to Governments &amp; Nonprofits</b>		
Department of Health and Hospital	-0-	485
State Treasurer – CMIS	-0-	110
North LA Crime Lab	-0-	3,150
LA Commission on Law Enforcement	-0-	218
LA Supreme Court Education Fund	-0-	55
<b>Less: Amounts Retained by Collecting Agency</b>		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	8,871	11,605
<b>Less: Disbursements to Individuals/3<sup>rd</sup> Party Collection or Processing Agency</b>		
American Municipal Services-Collection Agency	-0-	-0-
<b>Subtotal Disbursements/Retainage</b>	<u>8,871</u>	<u>15,623</u>
<b>Total: Ending Balance of Amounts Collected but not Disbursed/Retained</b>	<u>49,631</u>	<u>50,586</u>
<b>Ending Balance of “Partial Payments” Collected but not Disbursed</b>	-0-	-0-
<b>Other Information:</b>		
<b>Ending Balance of Total Amounts Assessed but not yet Collected</b>	-0-	-0-
<b>Total Waivers During the Fiscal Period</b>	\$ -0-	\$ -0-

See independent accountant’s review report.

## **Other Reports**

## VILLAGE OF CLAYTON, LOUISIANA

### MANAGEMENT LETTER COMMENTS

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During the course of our audit, we observed conditions and circumstances that may be improved. Below are situations that may be improved (if any) and recommendations for improvements.

#### CURRENT YEAR MANAGEMENT LETTER COMMENTS

##### 2021-1 Budget Variances

**Condition:** The Village had an unfavorable revenue variance of \$961 or 8.0% and an unfavorable expenditure variance of \$113 or 1.0% in the public works fund during the year.

**Criteria:** The Budget Act requires governments to amend their budgets when revenues fall below budgeted amounts by more than 5% or when expenditures exceed 5% of appropriations.

**Cause of Condition:** Not amending the budget.

**Effect of Condition:** Violation of the Budget Act.

**Recommendation:** Revenues and expenditures should be monitored to determine if the budget should be amended before year end.

**Client Response and Corrective Action:** The Village will begin monitoring revenues and expenditures to determine if the budget should be amended.

**Contact Person:** Wilbert Washington

**Anticipated Completion Date:** June 30, 2022

##### 2021-2 Insufficient Restricted Cash

**Condition:** The Village's customer meter deposit liability exceeded the amount of related restricted cash and cash equivalents.

**Criteria:** Restricted assets should always equal or exceed their related liability.

**Cause of Condition:** Insufficient funds in the restricted cash account.

**Effect of Condition:** Spending of restricted cash.

**Recommendation:** We recommend that management monitor the customer meter deposit balance and restricted cash balance. We recommend that management ensure that the restricted cash balance always equals or exceeds the customer meter deposit balance.



## VILLAGE OF CLAYTON, LOUISIANA

### MANAGEMENT LETTER COMMENTS

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#### CURRENT YEAR MANAGEMENT LETTER COMMENTS (CONTINUED)

**Client Response & Corrective Action:** Management will work on this for fiscal year 2022.

**Contact Person:** Wilbert Washington

**Anticipated Completion Date:** June 30, 2022

#### 2021-3 Unremitted Traffic Ticket Fees

**Condition:** During a prior audit, it was noted that the Village had not remitted certain fees collected for traffic tickets on behalf of different state agencies for several months.

**Criteria:** The Louisiana Legislature imposes additional fees on traffic violations which are collected by municipalities and then remitted to the appropriate State agencies.

**Cause of Condition:** Nonpayment of fees collected on behalf of various State agencies.

**Effect of Condition:** Before adjusting entries were made, fines and forfeitures were overstated and accounts payable was understated.

**Recommendation:** We recommend that the Village report and remit traffic fees in a timely manner.

**Client Response:** Management will work on this for fiscal year 2022.

**Contact Person:** Wilbert Washington

**Anticipated Completion Date:** June 30, 2022

#### 2021-4 Deficit Fund Balance

**Condition:** The Village ended the year with a \$165 deficit fund balance in the general fund.

**Criteria:** A deficit fund balance in a governmental fund indicates that the Village has more short-term debt than the Village can service.

**Cause of Condition:** Lack of revenue streams and overspending.

**Effect of Condition:** Inability to pay current obligations.

VILLAGE OF CLAYTON, LOUISIANA

MANAGEMENT LETTER COMMENTS

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**CURRENT YEAR MANAGEMENT LETTER COMMENTS (CONTINUED)**

**Recommendation:** The Village should budget revenue and expenditures to ensure the Village can meet current obligations and not cause financial hardship.

**Client Response and Corrective Action:** The Village will budget revenue and expenditures to ensure the Village can meet current obligations and not cause financial hardship.

**Contact Person:** Wilbert Washington

**Anticipated Completion Date:** June 30, 2022

VILLAGE OF CLAYTON  
CLAYTON, LOUISIANA  
JUNE 30, 2021

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MANAGEMENT'S SUMMARY OF PRIOR YEAR FINDINGS

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Legislative Auditor  
State of Louisiana  
Baton Rouge, Louisiana 70804-9397

The management of the Village of Clayton, Louisiana has provided the following action summaries relating to findings brought to their attention as a result of their financial review for the year ended June 30, 2020.

**Prior Year Findings:**

**2020-1 Budget Variances (Unresolved)**

**Condition:** The Village had an unfavorable revenue variance of \$37,098 or 29.3% and an unfavorable expenditure variance of \$60,346 or 31.6% in the general fund during the year. The Village also had an unfavorable revenue variance of \$3,127 or 32.6% in the public works fund.

**Criteria:** The Budget Act requires governments to amend their budgets when revenues fall below budgeted amounts by more than 5% or when expenditures exceed 5% of appropriations.

**Cause of Condition:** Not amending the budget.

**Effect of Condition:** Violation of the Budget Act.

**Recommendation:** Revenues and expenditures should be monitored to determine if the budget should be amended before year end.

**Client Response and Corrective Action:** The Village will begin monitoring revenues and expenditures to determine if the budget should be amended.

**2020-2 Annual Filing of Financial Statements (Resolved)**

**Condition:** The Village did not timely file their financial statements with the legislative auditor.

**Criteria:** LSA-RS 24:514, LSA-RS 33:463, and/or LSA-RS 39:92, as applicable, require that governmental units file their financial statements annually with the Legislative Auditor's Office within six months of the entity's year end closing.

**Cause of Condition:** Insufficient funds to pay auditor.

**Effect of Condition:** Compliance Violation

VILLAGE OF CLAYTON  
CLAYTON, LOUISIANA  
JUNE 30, 2021

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MANAGEMENT'S SUMMARY OF PRIOR YEAR FINDINGS

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**Prior Year Findings (Continued):**

**Recommendation:** We recommend the Village file their audited financial statements with the legislative auditor's office within six months of year end closing.

**Client Response and Corrective Action:** The Village will file their audited financial statements with the Legislative Auditor's office within six months of closing.

**2020-3 Insufficient Restricted Cash (Unresolved)**

**Condition:** The Village's customer meter deposit liability exceeded the amount of related restricted cash and cash equivalents.

**Criteria:** Restricted assets should always equal or exceed their related liability.

**Cause of Condition:** Insufficient funds in the restricted cash account.

**Effect of Condition:** Spending of restricted cash.

**Recommendation:** We recommend that management monitor the customer meter deposit balance and restricted cash balance. We recommend that management ensure that the restricted cash balance always equals or exceeds the customer meter deposit balance.

**Client Response & Corrective Action:** Management will work on this for fiscal year 2021.

**2020-4 Unremitted Traffic Ticket Fees (Unresolved)**

**Condition:** During a prior audit, it was noted that the Village had not remitted certain fees collected for traffic tickets on behalf of different state agencies for several months.

**Criteria:** The Louisiana Legislature imposes additional fees on traffic violations which are collected by municipalities and then remitted to the appropriate State agencies.

**Cause of Condition:** Nonpayment of fees collected on behalf of various State agencies.

**Effect of Condition:** Before adjusting entries were made, fines and forfeitures were overstated and accounts payable was understated.

**Recommendation:** We recommend that the Village report and remit traffic fees in a timely manner.

**Client Response and Corrective Action:** Management will work on this for fiscal year 2021.

VILLAGE OF CLAYTON  
CLAYTON, LOUISIANA  
JUNE 30, 2021

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MANAGEMENT'S SUMMARY OF PRIOR YEAR FINDINGS

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**Prior Year Findings (Continued):**

**2020-5 Deficit Fund Balance (Unresolved)**

**Condition:** The Village ended the year with a \$36,827 deficit fund balance in the general fund.

**Criteria:** A deficit fund balance in a governmental fund indicates that the Village has more short-term debt than the Village can service.

**Cause of Condition:** Lack of revenue streams and overspending.

**Effect of Condition:** Inability to pay current obligations.

**Recommendation:** The Village should budget revenue and expenditures to ensure the Village can meet current obligations and not cause financial hardship.

**Client Response and Corrective Action:** The Village will budget revenue and expenditures to ensure the Village can meet current obligations and not cause financial hardship.

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## **THE VERCHER GROUP**

*A Professional Corporation of  
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### MEMBERS

American Institute of  
Certified Public Accountants

Society of Louisiana  
Certified Public Accountants

Association of  
Certified Fraud Examiners

### **INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES**

To the Village of Clayton, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Village of Clayton, Louisiana, and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village of Clayton, Louisiana's compliance with certain laws and regulations during the year ended June 30, 2021, included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below whether for the purpose for which this report has been requested or for any other purpose.

#### *Public Bid Law*

1. Obtain documentation for all expenditures made during the year for materials and supplies exceeding \$30,000, and public works exceeding \$250,000. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1775 (the state procurement code) or R.S. 38:2211-2296 (the public bid law), whichever is applicable; and report whether the expenditures were made in accordance with these laws.

\*During our review of expenditures, we found no such expenditures.

#### *Code of Ethics for Public Officials and Public Employees*

2. Obtain a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the ethics law).

\*Management provided us with the requested information.

3. Obtain a list of all employees paid during the fiscal year.

\*Management provided us with the requested information.

4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.

\*None of the employees included on the list of employees provided by management [agreed-upon procedure (3)] appeared on the list provided by management in agreed-upon procedure (2).

5. Obtain a list of all disbursements made during the year; and a list of outside business interests of board members, employees, and board members' and employees' immediate families. Report whether any vendors appear on both lists.

\*Management provided the requested information. None of the businesses of board members, employees, and board members' and employees' immediate families appeared as vendors on the list of disbursements.

### *Budgeting*

6. Obtain a copy of the legally adopted budget and all amendments.

\*We obtained a copy of the budget and the amended budget.

7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.

\*Adoption of the budget and approval of an amended budget were documented in the minute book.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceeded budgeted amounts by 5% or more. (For agencies that must comply with the Licensing Agency Budget Act only, compare the expenditures of the final budget to actual expenditures, and report whether actual expenditures exceeded budgeted amounts by 10% or more per category or 5% or more in total).

**\*The Village had an unfavorable revenue variance of \$961 or 8.0% and an unfavorable expenditure variance of \$113 or 1.0% in the public works fund during the year.**

### *Accounting and Reporting*

9. Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements, and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and:

(a) Report whether the six disbursements agree to the amount and the payee in the supporting documentation.

\*We examined supporting documentation for the six selected documents and they all agreed.

(b) Report whether the six disbursements were coded to the correct fund and general ledger account.

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

(c) Report whether the six disbursements were approved in accordance with management's policies and procedures.

\*The selected disbursements were approved by the proper authorities.

*Meetings*

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 through 42:28 (the open meetings law); and report whether there are any exceptions.

\*I verified meetings were posted or advertised.

*Debt*

11. Obtain bank deposit slips for the fiscal year, and scan the deposit slips in order to identify and report whether there are any deposits that appear to be proceeds of bank loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

\*The Village did not enter into any long-term debt this fiscal year.

*Advances and Bonuses*

12. Obtain the list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

\*We inspected payroll records and minutes for the year and noted no instances which indicated payments to employees which would constitute bonuses, advances, and gifts.

*State Audit Law*

13. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

\*The Village's report was due on December 31, 2021, and was submitted timely.

14. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

\*The Village did not enter into any new contracts this fiscal year.

*Prior-Year Comments*

15. Obtain and report management's representation as to whether any prior-year suggestions, exceptions, recommendations, and/or comments have been resolved.

**\*The prior year report, dated May 5, 2021, contained the following management comments, one of which has been resolved:**

***2020-1 Budget Variance***

***2020-2 Annual Filing of Financial Statements (Resolved)***

***2020-3 Insufficient Restricted Cash***



*2020-4 Unremitted Traffic Ticket Fees*  
*2020-5 Deficit Fund Balance*

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

This report is intended solely for the use of management of the Village of Clayton, Louisiana and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*The Vercher Group*

Jena, Louisiana  
November 10, 2021

# LOUISIANA ATTESTATION QUESTIONNAIRE

## **THE VERCHER GROUP**

*A Professional Corporation of*

*Certified Public Accountants*

P.O. Box 1608

Jena, Louisiana 71342

Tel: (318) 992-6348

Fax: (318) 992-4374

In connection with your engagement to apply agreed-upon procedures to the control and compliance matter identified below as of June 30, 2021 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

These representations are based on the information available to us as of November 10, 2021.

### **Public Bid Law**

It is true that we have complied with the state procurement code (R.S. 39:1551 – 39:1755); the public bid law (R.S. 38:2211-2296), and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes [ X ] No [ ] N/A [ ]

### **Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes [ X ] No [ ] N/A [ ]

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes [ X ] No [ ] N/A [ ]

### **Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes [ ] No [ X ] N/A [ ]

### **Accounting and Reporting**

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

Yes [ X ] No [ ] N/A [ ]

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes [ X ] No [ ] N/A [ ]

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes [ X ] No [ ] N/A [ ]

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes [ X ] No [ ] N/A [ ]

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes [ X ] No [ ] N/A [ ]

We have complied with R.S. 24:515.2 regarding reporting of pre- and post- adjudication court costs, fines and fees assessed or imposed; the amounts collected; the amounts outstanding; the amounts retained; the amounts disbursed, and the amounts received from disbursements.

Yes [ X ] No [ ] N/A [ ]

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes [ X ] No [ ] N/A [ ]

**Debt**

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes [ X ] No [ ] N/A [ ]

**Advances and Bonuses**

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes [ X ] No [ ] N/A [ ]

**Prior-Year Comments**

We have resolved all prior-year recommendations and/or comments.

Yes [ X ] No [ ] N/A [ ]

**General**

We acknowledge that we are responsible for the Agency’s compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes [ X ] No [ ] N/A [ ]

We acknowledge that we are responsible for determining that that the procedures performed are appropriate for the purposes of this engagement.

Yes [ X ] No [ ] N/A [ ]

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes  No  N/A

We have provided you with all relevant information and access under the terms of our agreement.

Yes  No  N/A

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

Yes  No  N/A

We are not aware of any material misstatements in the information we have provided to you.

Yes  No  N/A

We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others concerning noncompliance with the foregoing laws and regulations, including communications received during the period under examination; and will disclose to you any such communication received between the end of the period under examination and the date of your report.

Yes  No  N/A

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies all known noncompliance and other events subsequent to the date of this representation and the date of your report that could have a material effect on our compliance with laws and regulations and the internal controls with such laws and regulations, or would require adjustment or modification to the results of the agreed-upon procedures.

Yes  No  N/A

The previous responses have been made to the best of our belief and knowledge.

Signed:  Title: 

Signed:  Title: 