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VILLAGE OF ASHLAND, LOUISIANA
FINANCIAL REPORT
JUNE 30, 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity 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 SEP 22 1999

Village of Ashland, Louisiana

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Johnson, Thomas & Cunningham

Certified Public Accountants

Eddie G. Johnson, C.P.A. - A Professional Corporation (1962-1996)

Mark D. Thomas, C.P.A. - A Professional Corporation

Roger M. Cunningham, C.P.A. - A Professional Corporation

J. Paul Mlar, C.P.A. - A Professional Corporation

*321 Bienville Street
Natchitoches, Louisiana 71457*

(318) 352-3652

Fax (318) 352-4447

ACCOUNTANTS' COMPILATION REPORT ON THE FINANCIAL STATEMENTS

To the Board of Aldermen of
the Village of Ashland, Louisiana

We have compiled the accompanying general purpose financial statements of the Village of Ashland, Louisiana, as of June 30, 1999, and for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements have been prepared on the modified accrual basis of accounting, which is the generally accepted accounting methods established by the Governmental Accounting Standards Board for governmental units.

A compilation is limited to presenting, in the form of financial statements, information that is the representation of management. We have not audited or reviewed the accompanying financial statements, and accordingly, do not express an opinion or any other form of assurance on them.

Johnson, Thomas & Cunningham
Johnson, Thomas & Cunningham, CPA's

August 26, 1999
Natchitoches, Louisiana

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

Village of Ashland, Louisiana

Combined Balance Sheet - All Fund Types and Account Group
June 30, 1999

	<u>Governmental Fund Types</u>		<u>Account Group</u>	<u>Totals</u> (Memorandum Only)
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>General Fixed Assets</u>	
<u>Assets</u>				
Cash	\$12,322	\$1,321	\$ 0	\$ 13,643
Revenue Receivable	0	8,069	0	8,069
Land	0	0	2,000	2,000
Buildings	0	0	109,015	109,015
Furniture & Equipment	<u>0</u>	<u>0</u>	<u>171,417</u>	<u>171,417</u>
Total Assets	<u>\$12,322</u>	<u>\$9,390</u>	<u>\$282,432</u>	<u>\$304,144</u>
<u>Liabilities & Fund Equity</u>				
Liabilities-				
Accounts Payable	\$ <u>222</u>	<u>\$9,390</u>	\$ <u>0</u>	\$ <u>9,612</u>
Fund Equity-				
Investment in General Fixed Assets	\$ 0	\$ 0	\$282,432	\$282,432
Fund Balance-				
Unreserved-Undesignated	<u>12,100</u>	<u>0</u>	<u>0</u>	<u>12,100</u>
Total Fund Equity	<u>\$12,100</u>	<u>\$ 0</u>	<u>\$282,432</u>	<u>\$294,532</u>
Total Liabilities & Fund Equity	<u>\$12,322</u>	<u>\$9,390</u>	<u>\$282,432</u>	<u>\$304,144</u>

See accountants' compilation report and notes to financial statements.

Village of Ashland, Louisiana

Combined Statement of Revenues, Expenditures and Changes in Fund Balance-
All Governmental Fund Types
Year Ended June 30, 1999

	<u>Governmental Fund Types</u>		<u>Totals</u> (Memorandum Only)
	<u>General Fund</u>	<u>Capital Projects Fund</u>	
REVENUES:			
Taxes	\$ 3,092	\$ 0	\$ 3,092
Licenses & Permits	8,446	0	8,446
Intergovernmental	5,063	215,173	220,236
Miscellaneous	<u>2,072</u>	<u>0</u>	<u>2,072</u>
Total Revenues	<u>\$18,673</u>	<u>\$215,173</u>	<u>\$233,846</u>
EXPENDITURES:			
Current-			
General Government	\$19,763	\$ 21,591	\$ 41,354
Public Safety	1,385	0	1,385
Public Works	400	0	400
Capital Outlay	<u>3,546</u>	<u>193,582</u>	<u>197,128</u>
Total Expenditures	<u>\$25,094</u>	<u>\$215,173</u>	<u>\$240,267</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (6,421)	\$ 0	\$ (6,421)
Fund Balances-Beginning of Year	<u>18,521</u>	<u>0</u>	<u>18,521</u>
Fund Balances-End of Year	<u>\$12,100</u>	<u>\$ 0</u>	<u>\$ 12,100</u>

See accountants' compilation report and notes to financial statements.

Village of Ashland, Louisiana

Combined Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual-General and Capital Projects and Fund Types
Year Ended June 30, 1999

	<u>General Fund</u>		<u>Capital Projects Fund</u>		Variance Favorable (Unfavorable)
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	
REVENUES:					
Taxes	\$ 3,000	\$ 3,092	\$ 0	\$ 0	\$0
Licenses & Permits	6,000	8,446	0	0	0
Intergovernmental	1,500	5,063	215,173	215,173	0
Miscellaneous	<u>1,500</u>	<u>2,072</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	\$ <u>12,000</u>	\$ <u>18,673</u>	\$ <u>215,173</u>	\$ <u>215,173</u>	\$ <u>0</u>
EXPENDITURES:					
Current-					
General Government	\$ 20,000	\$ 19,763	\$ 21,591	\$ 21,591	\$0
Public Safety	3,000	1,385	0	0	0
Public Works	1,000	400	0	0	0
Capital Outlay	<u>0</u>	<u>3,546</u>	<u>193,582</u>	<u>193,582</u>	<u>0</u>
Total Expenditures	\$ <u>24,000</u>	\$ <u>25,094</u>	\$ <u>215,173</u>	\$ <u>215,173</u>	\$ <u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (12,000)	\$ (6,421)	\$ 0	\$ 0	\$0
Fund Balance-Beginning of Year	<u>18,521</u>	<u>18,521</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance-End of Year	\$ <u>6,521</u>	\$ <u>12,100</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>

See accountants' compilation report and notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Village of Ashland, Louisiana
Notes to the Financial Statements
June 30, 1999

INTRODUCTION

The Village of Ashland, Louisiana, was incorporated under the provisions of the Lawrason Act. The Village operates under a Mayor-Board of Aldermen form of government. The financial statements of the Village include funds and activities which are controlled or dependent upon the Village. Control or dependence is determined on the basis of oversight control, budget adoption, and funding. The Village's operations include police protection, public works, and general and administrative services.

Other authorities and governmental entities established within the vicinity of the Village of Ashland, some of which may include "Ashland" in their names, have been excluded because control and/or financial responsibility by the Village of Ashland is considered remote.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

As the municipal governing authority, for reporting purposes, the Village of Ashland is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (municipality), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the 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. The Village does not have any component units.

B. FUND ACCOUNTING

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

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

The various fund types are grouped, in the financial statements in this report, into two generic fund types, and one broad fund category as follows:

Governmental Funds

Governmental funds are used to account for all or most of the Village'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.

Village of Ashland, Louisiana
Notes to the Financial Statements
June 30, 1999

1. General Fund-the general operating fund of the Village and accounts for all financial resources, except those required to be accounted for in other funds.
2. Capital Projects Fund-accounts for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds

Account Group

The account group is used to establish accounting control and accountability for the Village's general fixed assets. The following is a description of the Village's account group:

General Fixed Assets Account Group

This account group is established to account for all general fixed assets of the Village.

C. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Revenues that are considered susceptible to accrual include earned grant revenues, other intergovernmental revenues, and interest income. Franchise fees, licenses and other income are recognized when received because they are not objectively measurable.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Purchases of various operating supplies are regarded as expenditures at the time purchased.

D. BUDGETS

Annual operating budgets are adopted for the General and Capital Projects Funds. The Village follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to the beginning of each fiscal year, the Clerk prepares a proposed budget and submits same to the Village council.

Village of Ashland, Louisiana
Notes to the Financial Statements
June 30, 1999

2. The Village council approves the budget, or amends it as necessary, and it is held open for public inspection.
3. All budgetary appropriations lapse at the end of each fiscal year.
4. The budget is adopted on a basis consistent with generally accepted accounting principles.

E. ENCUMBRANCES

The Village of Ashland does not employ the use of "Encumbrance" accounting.

F. CASH AND CASH EQUIVALENTS AND INVESTMENTS

For reporting purposes, cash and cash equivalents include cash and time deposits. At June 30, 1999, the Village had cash and cash equivalents totaling \$12,322. Cash and cash equivalents are stated at cost which approximates market. Under Louisiana law, these deposits must be secured by federal deposit insurance, or by 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 bank. These pledged securities are held in the name of the pledging bank, in a holding or custodial bank in the form of a safekeeping receipt held by the Village. The deposits at June 30, 1999, were secured as follows:

	<u>Bank Balance</u>	<u>FDIC Insurance</u>	<u>Balance Uninsured</u>
Cash & Cash Equivalents	<u>\$12,322</u>	<u>\$12,322</u>	\$0

G. FIXED ASSETS

Fixed assets of the governmental funds are recorded as expenditures at the time purchased, and the related assets are capitalized 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.

H. RETIREMENT COMMITMENTS

The employees of the Village of Ashland are members of the Social Security retirement system.

I. PENDING LITIGATION

At June 30, 1999, there were no pending civil suits against the Village of Ashland.

Village of Ashland, Louisiana
Notes to the Financial Statements
June 30, 1999

J. COMPENSATION PAID TO COUNCIL MEMBERS

The Village of Ashland does not provide any form of compensation to the members of its council.

K. TOTAL COLUMNS ON COMBINED STATEMENTS-OVERVIEW

Total columns on the Combined Statements-Overview 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.

L. COMPENSATED ABSENCES

The Village does not have a formal leave policy.

M. RECEIVABLES

The following is a summary of receivables at June 30, 1999:

<u>Class of Receivable</u>	<u>Capital Projects Fund</u>
Intergovernmental	<u>\$8,069</u>

Substantially all receivables are considered to be fully collectible, and no allowance for uncollectibles is used.

2. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	<u>Balance 7-1-98</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6-30-99</u>
General Fixed Assets:				
Land	\$ 2,000	\$ 0	\$0	\$ 2,000
Building	109,015	0	0	109,015
Equipment	166,485	3,546	0	170,031
Furniture & Fixtures	<u>1,386</u>	<u>0</u>	<u>0</u>	<u>1,386</u>
Totals	<u>\$278,886</u>	<u>\$3,546</u>	<u>\$0</u>	<u>\$282,432</u>

Village of Ashland, Louisiana
Notes to the Financial Statements
June 30, 1999

3. GRANT FUNDS

The Village of Ashland is a participant in a Louisiana Community Development Block Grant through the State of Louisiana, Division of Administration. This grant is identified as being #107-800250. For reporting purposes, all activity relating to these grant funds is shown under the heading of "Capital Projects Fund".

4. YEAR 2000 ISSUE

The year 2000 issue is a result of shortcomings in many electronic data-processing systems and other equipment that may adversely affect the government's operations as early as fiscal year 1999.

The Village of Ashland uses a manual bookkeeping system and does not anticipate any year 2000 issue related problems.

Because of the unprecedented nature of the year 2000 issue, its effects and the success of related efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that parties with whom the Village does business will be year 2000 compliant.

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Mark D. Thomas, C.P.A. - A Professional Corporation

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J. Paul Sklar, C.P.A. - A Professional Corporation

*321 Bienville Street
Natchitoches, Louisiana 71457*

(318) 352-3652

Fax (318) 352-4447

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Aldermen of
the Village of Ashland, 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 Ashland and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village of Ashland's compliance with certain laws and regulations during the year ended June 30, 1999 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. 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 either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$15,000, or public works exceeding \$50,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

Not applicable.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42-1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list, including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedures (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

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

Budgeting

5. Obtained a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget.
There were no amendments to the budget during the year.

6. Trace the budget adoption to the minute book.

We traced the adoption of the budget to the minute book.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 5%.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures for the year did not exceed budgeted amounts by more than 5%.

8. Randomly select 6 disbursements made during the period under examination and:

- (a) trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) determine if payments were properly coded to the correct fund and general ledger account; and

All payments examined were properly coded to the correct fund and general ledger account.

- (c) determine whether payments received approval from proper authorities.

All payments examined were properly approved by the proper authorities.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The Village of Ashland is only required to post a notice of each meeting and the accompanying agenda on the door of the Village's office building.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of all bank deposits slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

A reading of the minutes of the Village for the year indicated no approval for the payments noted. We also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts..

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 Ashland 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. However, this report is a matter of public record and its distribution is not limited.

Johnson, Thomas & Cunningham, CPA's

August 26, 1999
Natchitoches, Louisiana

APPENDIX F. LOUISIANA ATTESTATION QUESTIONNAIRE

9-10-99 Date

Johnson Thomas & Cunningham CPAs
321 Bienville St.
Natchitoches, LA 71457

(Auditors)

In connection with your compilation of our financial statements as of June 30, 1999 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of August 26, 1999 (date).

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes [] No []**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 LSA-RS 42:1101-1124.

Yes [] No []

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 LSA-RS 42:1119.

Yes [] No []**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:43.

Yes [] No []**Accounting and Reporting**

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 LSA-RS 44:1, 44:7, 44:31, and 44:38.

Yes [] No []

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes [] No []

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes [] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes [] No []

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 LSA-RS 47:1410.60.

Yes [] No []

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, LSA-RS 14:138, and AG opinion 79-729.

Yes [] No []

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

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

_____	Secretary	_____	Date
_____	Treasurer	_____	Date
<i>Wiley G. Lee L.</i>	President	<i>9/1/99</i>	Date

Note-Quasi-public entities should delete reference to the above statutes, unless required to follow such laws by contract with their public funding agencies. The quasi-public entities should include a representation that they have complied with the contractual provisions under which they have received state and/or local funds.