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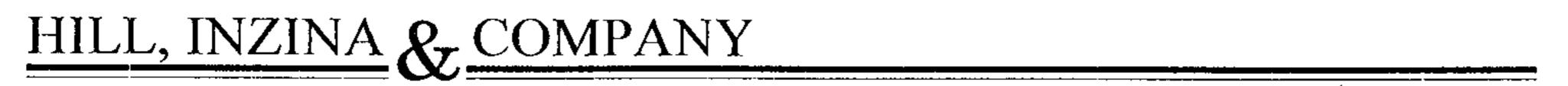
FINANCIAL REPORT (Compiled)

AND

#### **REPORT ON APPLYING AGREED-UPON PROCEDURES**

JUNE 30, 1996

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or called of, entity and other appropriate to coofficials. 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 Pedeace Date



#### Certified Public Accountants • A Professional Corporation 701 East Madison Avenue • P.O. Box 631 • Bastrop, Louisiana 71221-0631 Telephone 318-281-4492 • Fax 318-281-4087

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### **GENERAL-PURPOSE FINANCIAL STATEMENTS**

(COMBINED STATEMENTS - OVERVIEW)

#### COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS June 30, 1996

Governmental Fund Types

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ASSETS AND OTHER DEBITS	<u>G</u>	<u>eneral</u>	Debt Service
Assets:			
Cash and cash equivalents	\$	8,164 \$	8,312
Accounts receivable		-	-
Due form other funds		582	49,624
Restricted assets:			
Cash and cash equivalents		-	-
Due from other funds		-	-

Fixed assets (net)

Other debits:

Amount available in Debt Service Funds Amount to be provided for retirement of general long-term debt

Total assets and other debits

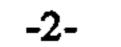
<u>\$ 8.746 \$ 57.936</u>

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	prietary 1d Type	Account	<u>Groups</u>	
Ent	<u>terprise</u>	General Fixed Assets	General Long-Term <u>Debt</u>	Totals - (Memorandum <u>Only)</u>
\$	3,340	<b>\$</b> -	\$-	<b>\$</b> 19,186
	9,104	-	-	9,104
	-		-	50,206
	28,355	-	-	28,355
	2,200	-	-	. 2,200
	972,794	911,066	-	1,883,860
	-	-	56,97	2 56,972
		<u> </u>	26,81	0 26,810
<u>\$</u>	<u>1.015.793</u>	<u>\$ 911.066</u>	<u>\$ 83.78</u>	2 <u>\$ 2.077.32</u>
				(continued

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#### COMBINED BALANCE SHEET -ALL FUND TYPES AND ACCOUNT GROUPS (Continued) June 30, 1996

## Governmental Fund Types

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	Ç	General	Debt S	Service
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities:				
Accounts payable	\$	1,968	\$	-
Accrued liabilities		1,362		-
Due to other funds		13,178		964
Payable from restricted assets:				
Customers' deposits		-		-
Revenue bonds payable - current		-		-
Accrued interest payable		-		-
Due to other funds		-		-
Revenue bonds payable - net of current portion		-		-
General obligation bonds payable		-		-
Note payable	·	<u> </u>		<b></b> _
Total liabilities	<u>\$</u>	16,508	<u>\$</u>	<u>964</u>
Equity and other credits:				
Contributed capital	\$	•	\$	-
Investment in general fixed assets		-		-
Retained earnings:				
Reserved for revenue bond retirement (deficit)		-		-
Unreserved (deficit)		-		-
Fund balances:				
Reserved for debt service		-		56,972
Unreserved and undesignated (deficit)	(	<u>7,762</u> )		•
Total equity and other credits	<u>\$(</u>	<u>7,762</u> )	<u>\$</u>	<u>56,972</u>
Total liabilities, equity and other credits	<u>\$</u>	<u>8,746</u>	<u>\$</u>	<u>57.936</u>

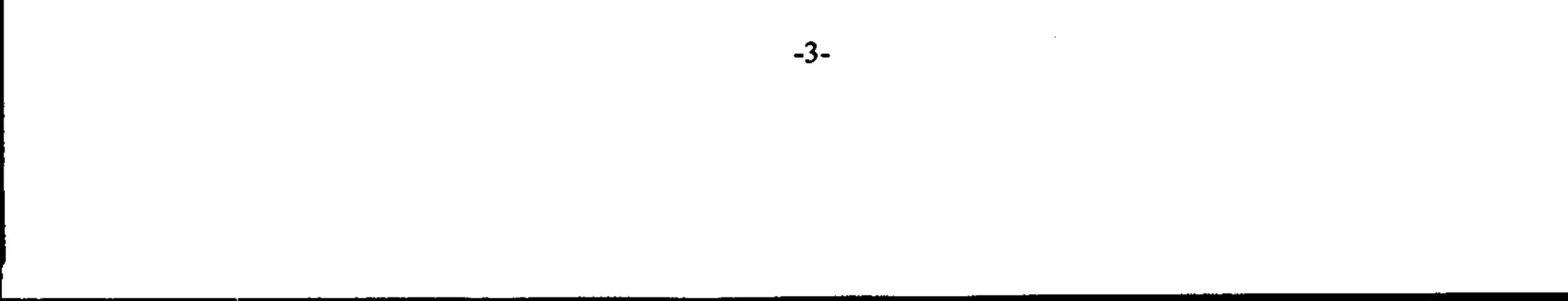
See accountant's compilation report.

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	oprietary and Type	<u>Account</u>	<u>Groups</u> General	l J	Cotals -
E	<u>nterprise</u>	General Fixed Assets	Long-Ter <u>Debt</u>	•	morandum <u>Only)</u>
\$	2,943	\$-	\$	- \$	4,911
·	· -	-		-	1,362
	2,269	-		-	16,411
	8,783	-		-	8,783
	8,000	-		-	8,000
	5,219	-		-	5,219
	35,996	-		-	35,996
	169,000	-		-	169,000
	-	-	69	,000	69,000
		-	14	<u>.782</u>	14,782
\$	232,210	<u>\$</u>	<u>\$ 83</u>	<u>,782</u> <u>\$</u>	<u>333,464</u>
•	1 006 140	•	¢	¢	1 006 142
\$	1,096,142		\$	- \$	1,096,142
	-	911,066	)	-	911,066
(	25,311)	-		- (	25,311)
Ì	287,248)	-		- (	287,248)
	-	-		-	56,972
	<u></u>		• ••••••••••••••••••••••••••••••••••••	(	7,762)
<u>\$</u>	783,583	<u>\$ 911,066</u>	<u>\$</u>	<u> </u>	1,743,859
<u>\$</u>	<u>1.015.793</u>	<u>\$ 911,066</u>	5 <u>\$ 83</u>	<u>,782 \$</u>	2.077.323

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#### COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES Year Ended June 30, 1996

				Totals - (Memorandum
		<b>General</b>	Debt Service	Only)
Revenues:				
Taxes	\$	28,862	\$ 8,762	\$ 37,444
Licenses and permits		12,770	-	12,770
Intergovernmental		34,843	-	34,843
Fines and forfeitures		45,308	-	45,308
Interest and miscellaneous	<u></u>	<u> </u>	149	225
	<u>\$</u>	121,679	<u>\$ 8,911</u>	<u>\$ 130,950</u>

Expenditures:

.

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Current:					
General government	\$	40,919	\$	- \$	40,919
Public safety	Ŧ	49,388	•	-	49,388
Highways and streets		8,041		_	8,041
Debt service:		-,			-,
Principal retirement		1,166		2,000	3,166
Interest		1,237		3,554	4,791
Capital outlay		20,859		<b>_</b>	20,859
	<u>\$</u>	121,610	<u>\$</u>	5,554 \$	127,164
Excess of revenues over expenditures	\$	69	\$	3,357 \$	3,426
Other financing sources (uses):					
Operating transfers in		7,200		-	7,200
Operating transfers out		3,751)	<u></u>	- (	<u>3,751</u> )
Excess of revenues over expenditures and other					
financing sources (uses)	\$	3,518	\$	3,357 \$	6,875
Fund balances (deficit) - beginning		11,280)		53,615	42,335
Fund balances (deficit) - ending	<u>\$(</u>	<u> </u>	<u>\$</u>	<u>56,972 \$</u>	49,210

## See accountant's compilation report.

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#### COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND Year Ended June 30, 1996

		<u>Budget</u>		<u>Actual</u>	F	variance - Favorable nfavorable)
Revenues:						
Taxes	\$	41,700	\$	28,682	\$(	13,018)
Licenses and permits		12,600		12,770		170
Intergovernmental		18,720		34,843		16,123
Fines and forfeitures		55,000		45,308	(	9,692)
Interest and miscellaneous				76		
	<u>\$</u>	128,020	<u>\$</u>	121,679	<u>\$(</u>	6,341)

Expenditures:

ι

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Current:						
General government	\$	48,540	\$	40,919	\$	7,621
Public safety		57,300		49,388	_	7,912
Highways and streets		-		8,041	(	8,041)
Debt service:				,		-,,
Principal retirement		2,400		1,166		1,234
Interest		-		1,237	(	1,237)
Capital outlay				20,859	Ì	20,859)
	<u>\$</u>	108,240	<u>\$</u>	121,610	<u>\$(</u>	<u>13,370</u> )
Excess of revenues over expenditures	\$	19,780	\$	69	\$(	19,711)
Other financing sources (uses):						
Operating transfers in		24,700		7,200	(	17,500)
Operating transfers out		<u>    29,700</u> )	<u> </u>	<u> </u>		25,949
Excess of revenues over expenditures and other						
financing sources (uses)	\$	14,780	\$	3,518	\$(	11,262)
Fund balances (deficit) - beginning	_(	<u>    11,280</u> )		<u>    11,280</u> )		<b></b>
Fund balances (deficit) - ending	<u>\$</u>	<u>3,500</u>	<u>\$(</u>	<u> </u>	<u>\$(</u>	<u>    11.262</u> )

#### See accountant's compilation report.

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#### STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS -PROPRIETARY FUND TYPE - ENTERPRISE FUND Year Ended June 30, 1996

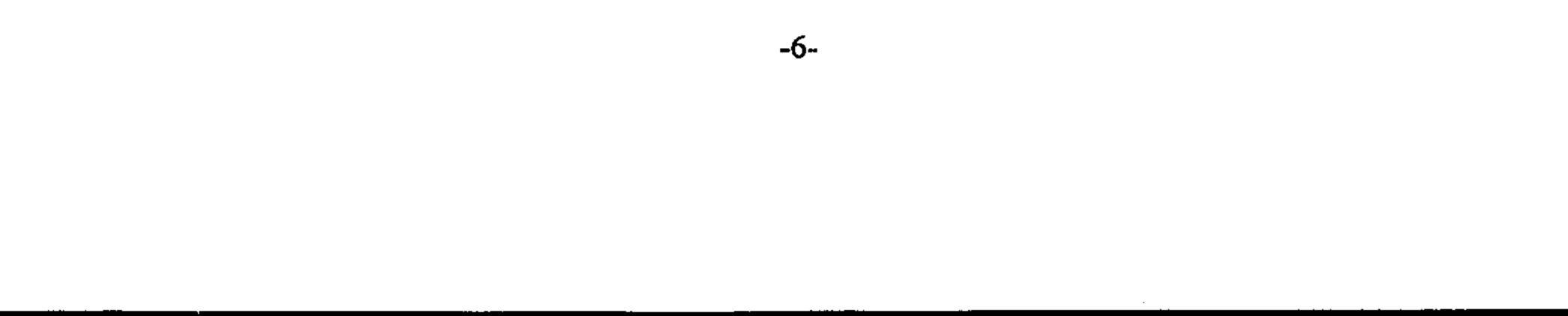
Revenues:	
Water and sewer fees	<u>\$ 84,158</u>
Expenses:	
Depreciation	\$ 36,466
Insurance	3,699
Interest	9,020
Office	1,373
Other operating	3,607
Repairs and maintenance	306
Salaries	25,536
Supplies	8,174
Talanhana	720

Telephone	729
Utilities	10,826
Vehicle	1,930
	\$ 101,666
Operating income (loss)	\$( 17,508)
Nonoperating revenues: Interest	<u> </u>
Income (loss) before operating transfers	\$( 16,967)
Operating transfers in	3,751
Operating transfers out	<u>( 7,200</u> )
Net income (loss)	\$( 20,416)
Retained earnings (deficit) - beginning	<u>( 292,143</u> )
Retained earnings (deficit) - ending	<u>\$(312.559</u> )

See accountant's compilation report.

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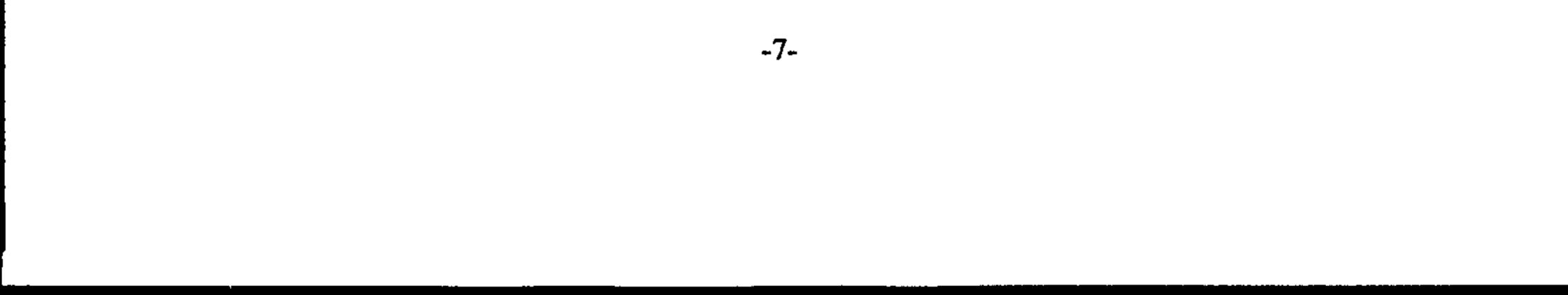


#### STATEMENT OF CASH FLOWS -PROPRIETARY FUND TYPE - ENTERPRISE FUND Year Ended June 30, 1996

CASH FLOWS FROM OPERATING ACTIVITIES Operating income (loss) Adjustments to reconcile operating income to net cash provided by operating activities:	\$(	17,508)
Depreciation (Increase) decrease in accounts receivable (Increase) decrease in restricted assets Increase (decrease) in accounts payable Increase (decrease) in liabilities payable from restricted assets	( (	36,466 482) 11,685) 408 2,264
Net cash flows from operating activities	<u>\$</u>	9,463

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES Operating transfers in	\$	3,751
Operating transfers out	ъ _(	<u>7,200</u> )
Net cash flows provided (used) by noncapital financing activities	<u>\$(</u>	<u>3,449</u> )
CASH FLOWS FROM (USED BY) CAPITAL AND RELATED FINANCING ACTIVITIES	ŕ	
Repayment of long-term debt	<u>\$(</u>	8,000)
CASH FLOWS FROM INVESTING ACTIVITIES Interest earned	<u>\$</u>	<u>541</u>
Increase (decrease) in cash and cash equivalents	\$(	1,445)
CASH AND CASH EQUIVALENTS - beginning		<u>4,785</u>
CASH AND CASH EQUIVALENTS - ending	<u>\$</u>	<u>3.340</u>

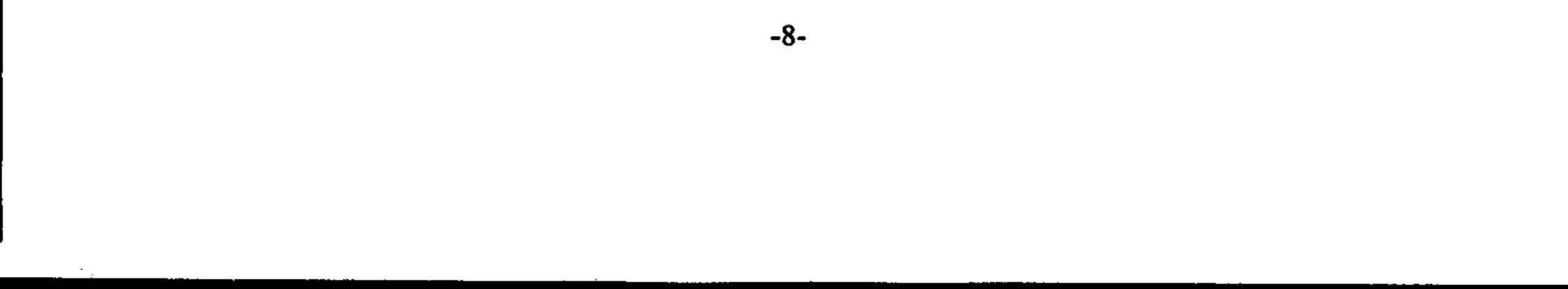
See accountant's compilation report.



### SCHEDULE OF MAYOR AND BOARD OF ALDERMEN COMPENSATION Year Ended June 30, 1996

Name and Title	<u>Compensation</u>	
Michael Lytle, Mayor	\$ 2,400	
Floyd Baker, Alderman	180	
Elroy Glosup, Alderman	180	
Ada Sherer, Alderman	180	
Total compensation	<u>\$240</u>	

See accountant's compilation report.



## HILL, INZINA & COMPANY

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

Honorable Michael Lytle, Mayor, and Members of the Board of Aldermen Village of Bonita, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of Village of Bonita, Louisiana, solely to assist you in evaluating the accompanying *Louisiana Attestation Questionnaire*, dated July 31, 1996, and prepared for the year ended June 30, 1996. 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.

Our applied procedures, together with any findings, follow:

#### Public Bid Law

- 1. We selected all expenditures, if any, made during the year for materials and supplies exceeding \$5,000, or public works exceeding \$50,000, and determined whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).
  - Our review of the detail general ledger for the period under examination revealed one individual expenditure for materials and supplies exceeding \$5,000 and no individual expenditure for public works exceeding \$50,000. We noted no instances of noncompliance.

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

2. We obtained 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.

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- 3. We obtained from management a listing of all employees paid during the period under examination.
- 4. We determined whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.
  - We noted no instances of noncompliance.

#### Budgeting

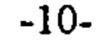
- 5. We obtained a copy of the legally adopted budget and all amendments, if any.
- 6. We traced the budget adoption and amendments to the minute book.
- 7. We compared the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues and expenditures exceeded budgeted amounts by more than 5%.
  - The General Fund budget for the year ended June 30, 1996, was not formally adopted until August, 1995. For the year ended June 30, 1996, expenditures exceeded appropriations by more than 5%.

#### Accounting and Reporting

- 8. We randomly selected six disbursements made during the period under examination and: (1) traced payments to supporting documentation as to proper amount and payee, (2) determined if payments were properly coded to the correct fund and general ledger account, and (3) determined whether payments received approval from proper authorities.
  - In our test of six disbursements, we noted one occurrence of lack of support, and no occurrences of mis-coding or unauthorized payments in regard to the other five disbursements randomly selected. However, we have separately communicated to management in a letter dated January 30, 1997, immaterial instances of noncompliance with laws and regulations unrelated to these six randomly selected disbursements and other findings concerning the Village's internal control structure.

#### Meetings

9. We examined 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).



• Due to the lack of funds, agendas for meetings are not published in the official journal but are conspicuously posted at Village Hall.

#### Debt

- 10. We examined bank deposits for the period under examination to determine whether any such deposits appeared to be proceeds of banks loans, bonds, or like indebtedness.
  - We noted no such deposits.

#### Advances and Bonuses

- 11. We examined payroll records and minutes for the year to determine whether any payments had been made to employees which may constitute bonuses, advances, or gifts.
  - We noted that an employee had a delinquent water/sewer bill of approximately \$400. The employee was given permission by the Mayor to work additional hours to be credited directly against the bill, but none of the earnings were reported as additional income to the employee. Also, as of the date of our field work, the employee's

individual account was not listed on the water/sewer accounts receivable detail listing and his water meter had not been documented as having been read for several months.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on the assertions included in the accompanying *Louisiana Attestation Questionnaire*. 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.

In accordance with the Louisiana Governmental Audit Guide, we are required to include matters, coming to our attention by other means, that significantly contradict the assertions included in the accompanying Louisiana Attestation Questionnaire. We noted the following during the course of our compilation/attestation engagement:

The Mayor is conducting matters relevant to his private accounting practice in the Village Hall and other Village employees are answering phone calls related to his private business.

The compiled financial statements and reports of the Village as of and for the year ended June 30, 1996, were issued subsequent to the December 31, 1996, deadline due to the untimely provision of information by the Mayor for the engaged firm to complete their fieldwork.

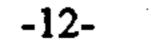
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This report is intended solely for the use of management of Village of Bonita, Louisiana, and the Legislative Auditor and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, under state law, this report is a public record and subject to unlimited distribution.

January 30, 1997

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Hill, Anna 4Co.



# HILL, INZINA **&**COMPANY

Honorable Michael Lytle, Mayor, and Members of the Board of Aldermen Village of Bonita, Louisiana

In performing our compilation of the general-purpose financial statements and certain agreedupon procedures of Village of Bonita, Louisiana, as of and for the year ended June 30, 1996, we noted certain matters that are presented for your information and as suggestions for improvement.

- A membership fee was paid to a private club (i.e., Sam's Wholesale Club). This is in 0 apparent violation of Article VII, Section 14 of the Louisiana Constitution.
- Accounts entitled "miscellaneous" and "uncategorized" are used excessively for coding cash transactions. Careful attention should be given to coding cash transactions to the most appropriate accounts. "Uncategorized" and interfund transactions should be properly recorded so that trial balances for each fund can be readily obtained.
- Careful attention should be given to having all aldermen sign minutes, ordinances, etc. as spacing is currently being provided for such signatures. Minutes only need to be signed by the Mayor and Clerk if such change is desired.
- The General Fund budget should be monitored so that amendments can be made whenever it becomes apparent that an unfavorable variance of either revenues or expenditures will exceed 5%.
- Ad valorem taxes approved by the electorate can only be expended for purposes approved in the referendum. Interfund transfers of these dedicated funds have been made during the current and prior periods for payment of unauthorized expenditures.
- The revenue sources of the Enterprise Fund should be analyzed and adjusted accordingly as the fund continues to incur operating losses and is in a deficit position.
- Monthly deposits are being made into separate sinking, reserve, and depreciation and contingency accounts pursuant to the waterworks and sewer revenue bond resolutions. Due to the accounts not being funded continuously over the years, none of the individual

## deposit requirements have been met as of June 30, 1996.

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- Official proceedings of the Village are not being published in the official journal. The Village's management is of the opinion that due to the lack of funds, this expenditure is not feasible.
- Supporting documentation should be maintained on all expenditures.
- Remittances of water/sewer sales taxes, collected by the Village on the state's behalf, should not be coded against the sales tax revenue collected by and remitted to the Village by the local sales/use tax commission. Revenue and expenditure accounts should not be netted by coding both revenue and expenditure transactions to the same account (except in the cases of voided checks, reimbursement of overpayment, etc.)
- Careful attention should be given when transcribing actions of Board meetings from the recorder to the official minutes. We noted an instance where an alderman was documented in the minutes as seconding a motion when in fact the alderman had previously resigned from the Board.
- The procedures for handling delinquent accounts that were dated July 1, 1995, and mailed to all customers should be strictly adhered to so as to reduce the amount of delinquent and uncollectible accounts.
- Printed copies of all information input and stored in the computer system should be made frequently so as to avoid problems in the case of fire, lightning, computer failure, etc. Also, at least one copy of computer disk backups should be stored safely off of the premises.

This communication is intended solely for the information and use of management and the Board of Aldermen and should not be used for any other purpose.

January 30, 1997

Hill, Anfra VCo.