

**BRUCE HARRELL & CO.**  
CERTIFIED PUBLIC ACCOUNTANTS  
A Professional Accounting Corporation

**Management Response:**

All above findings of deficiency were corrected and closed as documented in a letter from the Louisiana Office of Community Development dated August 3, 1988.

This report is intended for the information of management, the Louisiana Legislative Auditors and the Federal Cigarette Tax Agency. However, this report is a matter of public record and its distribution is not limited.



Bruce Harrell and Company, CPAs  
A Professional Accounting Corporation

September 4, 1988

**BRUCE HARRELL & CO.**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
MEMBERS OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

Bruce S. Harrell, CPA

Walter A. Wood, CPA  
Michael Gray, CPA  
Dale R. Jones, CPA  
Charles F. Robles, CPA

100 West Jefferson Park  
Park Place Suite 7  
Hammond, LA 70401  
PHONE (504) 341-6372  
FAX (504) 345-0226

**Kennerwood Office:**  
555. Rue St. Louis  
Metairie, LA 70002  
Village Plaza 225-222-6  
FAX: 225-225-222

**MEMBERS**  
American Institute of CPAs  
Society of Louisiana CPAs

**INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor, Thomas Stewart  
and Members of the Board of Aldermen  
Village of Albany, Louisiana

We have audited the accompanying general purpose financial statements of the Village of Albany, Louisiana, as of June 30, 1996, and for the year then ended as listed in the table of contents. These general purpose financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material aspects, the financial position of the Village of Albany, Louisiana, as of June 30, 1996, and the results of its operations and the cash flows of proprietary fund type for the year then ended in accordance with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Village of Albany, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material aspects in relation to the general purpose financial statements taken as a whole.

  
Bruce Harrell & Company, CPAs  
A Professional Accounting Corporation

September 4, 1996

Village of Abbeville, Louisiana

General Purpose Financial Statements  
As of and for the Year Ended June 30, 1998  
With Supplemental Information Schedules

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Village of Albany, Louisiana

General Purpose Financial Statements  
As of and for the Year Ended June 30, 1996  
With Supplemental Information Schedules

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Village of Albany, Louisiana

General Purpose Financial Statements  
As of and for the Year Ended June 30, 1996  
With Supplemental Information Schedules

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**BRUCE HARRELL & CO.**  
CERTIFIED PUBLIC ACCOUNTANTS  
A PROFESSIONAL ACCOUNTING CORPORATION

**Management Response:**

The Village will obtain proper collateralization of bank deposits and monitor the amounts during the year.

This report is intended for the information of management, the Louisiana Legislative Auditors, and the Federal Capital Asset Agency. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



Bruce Harrell & Company, CPAs  
A Professional Accounting Corporation

September 4, 1996

## SUPPLEMENTAL INFORMATION

Village of Albany, Louisiana

Statement D

Statement of Revenues, Expenses, and Changes in Retained Earnings  
 Proprietary Fund Type - Enterprise Fund  
 For the Year Ended June 30, 1996

<b>Operating Revenues</b>	
Water Sales	\$ 200,086
Service Charges	68,086
Service Commissions	15,640
Fees/Inc.	7,195
Miscellaneous	719
Total Operating Revenues	<u>291,726</u>
<b>Operating Expenses</b>	
Water Department	154,161
Sewer Department	110,448
Total Operating Expenses	<u>264,609</u>
<b>Net Operating Income</b>	<u>27,117</u>
<b>Nonoperating Revenues (Expenses)</b>	
Interest Income	17,698
Loss on Donation of Equipment	(315)
Bond Interest Expense	(30,176)
Total Nonoperating Revenues (Expenses)	<u>(12,793)</u>
<b>Net Income (Loss)</b>	<u>(4,676)</u>
<b>Operating Transfers In (Out)</b>	<u>10,351</u>
<b>Net Income (Loss)</b>	<u>(27,025)</u>
Unreserved Retained Earnings, Beginning of Year	260,189
Amortization of Contributions	35,270
Increase in Reserves	(28,603)
Unreserved Retained Earnings, End of Year	<u>\$ 267,851</u>

The accompanying notes are an integral part of these statements.



**BRUCE HARBELL & CO.**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
*A Professional Accounting Corporation*

Bruce C. Harbell, CPA

Wayne A. Wood, CPA  
Richard F. Stapp, CPA  
Beth H. Jones, CPA  
Charles F. Johnson, CPA

109 West Minnesota Park  
Park Plaza Suite 7  
Houma, LA 70403  
PHONE: (804) 842-6373  
FAX: (804) 743-3156

MEMBER  
FEDERAL GOVERNMENT  
FIDELITY & SECURITY  
INSURANCE COMPANY  
MEMBER  
FIDELITY & SECURITY  
INSURANCE COMPANY

MEMBER  
INSTITUTE OF CPAs  
IN LOUISIANA

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS  
APPLICABLE TO NONMAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

The Honorable Mayor, Thomas Stewart  
and Members of the Board of Aldermen  
Village of Abbeville, Louisiana

We have audited the general purpose financial statements of the Village of Abbeville, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated September 4, 1996.

In connection with our audit of the general purpose financial statements of the Village of Abbeville, Louisiana, and with our consideration of the Village of Abbeville, Louisiana's control structure used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, *Audit of State and Local Governments*, we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended June 30, 1996. As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed, and special terms and conditions that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Village of Abbeville, Louisiana's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Village of Abbeville, Louisiana, had not complied, in all material respects, with these requirements. However, the results of our procedures disclosed immaterial instances of noncompliance with these requirements, which are described as follows:

**Findings**

Louisiana Office of Community Development reported the following monitoring findings related to the FY 1994 LDCDF Programs in a letter dated June 24, 1996:

- Finding 101-3045-3-1-008: The Village did not provide verification of payment of fringe benefits by contractors.  
Finding 101-3045-3-1-040: The Village did not display required "Equal Opportunity Employment" posters.  
Finding 101-3045-3-1-061: The Village did not provide documentation of published advertising notices.

**Recommendation**

The Village of Abbeville, Louisiana should provide the required documentation and display the required posters.

Village of Albany, Louisiana

Schedule of Federal Financial Assistance  
Year Ended June 30, 1996

Federal Grantor Pass-Through Grantor Program Name	Federal CFDA Number	Program or Award Amount	Cash/ Account Receivable Beginning	Receipts/ Revenues Recognized
United States Department of Housing and Urban Development Through Louisiana Office of Community Development Community Development Block Grant Contract Number 905-9045	14.219	\$ 350,846 <u>\$ 350,846</u>	\$ - <u>\$ -</u>	\$ 218,129 <u>\$ 218,129</u>
United States Department of Transportation Through Louisiana Highway Safety Commission Surrendering Holidays Safe and Sober Campaign Project Number 9300-03	28.080	\$ 1,758 <u>\$ 1,758</u>	\$ - <u>\$ -</u>	\$ 1,752 <u>\$ 1,752</u>

Federal Grantor Pass-Through Grantor Program Name	Federal CFDA Number	Program or Award Amount	Loan Balance Beginning	Principal Receipts
United States Department of Agriculture Through Rural Economic and Community Development Water and Waste Disposal Systems for Rural Communities				
Loan Repayment, Loan 91-01	10.418	\$ 513,000	\$ 414,800	\$ -
Loan Repayment, Loan 91-02	10.418	575,000	549,650	-
Loan Repayment, Loan 93-03	10.418	459,000	450,455	-
Loan Repayment, Loan 93-05	10.418	75,000	74,252	-
		<u>\$ 1,626,000</u>	<u>\$ 1,489,157</u>	<u>\$ -</u>

The accompanying notes are an integral part of these statements.

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VILLAGE OF ALBANY, LOUISIANA

ANNUAL FINANCIAL REPORT

JUNE 30, 1996

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewer, 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: DEC 18 1996

**SCHEDULE OF INSURANCE - ALL FUND TYPES**  
**June 30, 1996**

<u>Insurance Company</u>	<u>Coverage</u>	<u>Amount</u>	<u>Period</u>
Titan Insurance Company Policy Number 90M911779C1	Commercial General Liability	\$ 500,000	07/1/95 - 07/1/96
Titan Insurance Company Policy Number 15FD0294C1	Errors or Omissions/ Public Officials Liability	\$ 500,000	07/1/95 - 07/1/96
Titan Insurance Company Policy Number 20P100105C1	Law Enforcement Officers Liability	\$ 500,000	07/1/95 - 07/1/96
Titan Insurance Company Policy Number 353A03306C1	Business Auto Policy	\$ 500,000	07/1/95 - 07/1/96
Titan Insurance Company Policy Number 90M901779C1	Commercial Property: Buildings Personal Property	\$ 1,10,000 40,000	07/1/95 - 07/1/96
Titan Insurance Company Policy Number 90M901779C1	Commercial Inland Marine	\$ 100,000	07/1/95 - 07/1/96
Risk Management, Inc. Policy Number 013100	Workers Compensation	\$ Statutory Limits	07/01/95 - 07/01/97
Western Surety Company Policy Number 00217050	Fidelity Bond	\$ 5,000	10/1/95 - 10/31/96
Western Surety Company Policy Number 00218090	Rights of Way Bond	\$ 1,000	04/01/96 - 04/01/97
Western Surety Company Policy Number 18143070	Fidelity Bond	\$ 200,000	02/01/96 - 02/01/97

The accompanying notes are an integral part of these statements.

**BRUCE HARRELL & CO.**  
CERTIFIED PUBLIC ACCOUNTANTS  
A Professional Accounting Corporation

Steve E. Harrell, CPA

William A. Wood, CPA  
Michael P. Shroy, CPA  
Dore H. Jones, CPA  
Charles E. Hines, CPA

309 West Millennium Park  
Park Plaza Suite 7  
Hammond, LA 70401  
PHONE: (504) 541-6172  
FAX: (504) 345-3156

KEYSTONE OFFICE  
P.O. Box 41 • 602 8th St.  
Kennerly, LA 70001  
PHONE: (504) 835-0363  
FAX: (504) 835-0364

MEMBERS  
American Institute of CPAs  
Society of Louisiana CPAs

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

The Honorable Mayor, Thomas Stewart  
and Members of the Board of Aldermen  
Village of Abbeville, Louisiana

We have audited the general purpose financial statements of the Village of Abbeville, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated September 4, 1996.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, *Audit of State and Local Governments*. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

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

In planning and performing our audit of the general purpose financial statements of the Village of Abbeville, Louisiana, for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

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

**BRUCE HARRELL & CO.**  
CERTIFIED PUBLIC ACCOUNTANTS  
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It was noted that the Village has a lack of segregation of duties in its system of internal controls. This deficiency in the internal control structure is caused by the small number of personnel that handle the operations of the Village.

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

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe the reportable condition described above is not a material weakness.

We also noted other matters involving the internal control structure and its operation that we have reported to the management of the Village of Athens, Louisiana, in a separate letter dated September 4, 1996.

This report is intended for the information of management, the Louisiana Legislative Auditors, and the Federal Citizens Agency. This memorandum is not intended to limit the distribution of this report, which is a matter of public record.



Bruce Harrell & Company, CPAs  
A Professional Accounting Corporation

September 4, 1996

Village of Albany, Louisiana

Statement B

Statement of Revenues, Expenditures, and Changes in Fund Balance  
 Governmental Fund Types  
 For the Year Ended June 30, 1996

	General Fund	Capital Project Fund	Totals (Minus Only)
<b>Revenues</b>			
Taxes	\$ 118,760	\$ -	\$ 118,760
Licenses and Permits	37,868	-	37,868
Intergovernmental	41,488	208,129	249,617
Fines and Forfeits	14,248	-	14,248
Garbage Collection Fees	16,648	-	16,648
Miscellaneous	6,256	-	6,256
<b>Total Revenues</b>	<u>235,268</u>	<u>218,129</u>	<u>453,397</u>
<b>Expenditures</b>			
General and Administrative	86,893	-	86,893
Public Safety	73,651	-	73,651
Streets and Sanitation	28,454	-	28,454
Capital Outlays	58,031	218,129	276,160
<b>Total Expenditures</b>	<u>206,029</u>	<u>218,129</u>	<u>424,158</u>
<b>Excess of Revenues (Expenditures)</b>	<u>29,239</u>	<u>-</u>	<u>(24,760)</u>
<b>Other Financing Sources (Uses)</b>			
Opening Transfers Out	(13,841)	-	(13,841)
Sale of Fixed Assets	848	-	848
Capital Lease Proceeds	18,280	-	18,280
<b>Total Other Financing Sources (Uses)</b>	<u>6,287</u>	<u>-</u>	<u>6,287</u>
<b>Excess of Revenues and Other Financing Sources (Expenditures and Other Financing Uses)</b>	<u>3,254</u>	<u>-</u>	<u>3,254</u>
<b>Fund Balance, Beginning of Year</b>	<u>341,785</u>	<u>-</u>	<u>341,785</u>
<b>Fund Balance, End of Year</b>	<u>\$ 345,039</u>	<u>\$ -</u>	<u>\$ 345,039</u>

The accompanying notes are an integral part of these statements.

Village of Albany, Louisiana

Statement C

Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget (GAAP Basis) and Actual  
Governmental Fund Type - General Fund  
For the Year Ended June 30, 1998

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Taxes	\$ 119,258	\$ 118,783	\$ (475)
Licenses and Permits	38,808	37,999	(809)
Intergovernmental	41,208	41,488	288
Fines and Penalties	15,108	14,248	(860)
Garbage Collection Fees	16,808	16,688	(120)
Miscellaneous	6,408	6,256	(152)
Total Revenues	<u>237,518</u>	<u>235,394</u>	<u>(2,124)</u>
<b>Expenditures</b>			
General and Administrative	81,211	85,893	(4,682)
Public Safety	33,106	33,551	(445)
Streets and Sanitation	30,708	31,424	(716)
Capital Outlays	50,863	50,921	(58)
Total Expenditures	<u>196,888</u>	<u>202,819</u>	<u>(5,931)</u>
Excess of Revenues (Expenditures)	<u>14,630</u>	<u>(13,425)</u>	<u>(28,055)</u>
<b>Other Financing Sources (Uses)</b>			
Operating Transfer Out	(13,361)	(13,361)	-
Sale of Fixed Assets	-	840	840
Capital Lease Proceeds	19,288	19,280	88
Total Other Financing Sources (Uses)	<u>5,927</u>	<u>6,759</u>	<u>832</u>
Excess of Revenues and Other Financing Sources (Expenditures and Other Financing Uses)	<u>\$ 20,557</u>	<u>2,294</u>	<u>\$ (18,263)</u>
Fund Balance, Beginning of Year		241,783	
Fund Balance, End of Year		<u>\$ 244,077</u>	

The accompanying notes are an integral part of these statements.



**Village of Albany, Louisiana**  
**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 1998**

**INTRODUCTION**

The Village of Albany was incorporated October 7, 1993, under the provisions of the Louisiana Act (LSA-RS 33:211). The Village operates under a Mayor - Board of Aldermen form of government.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. REPORTING ENTITY**

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

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

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the Village to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Village of Albany.
2. Organizations for which the Village of Albany does not appoint a voting majority but are fiscally dependent on the Village of Albany.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the Village of Albany has no component units.

Considered in the determination of component units of the reporting entity were the Livingston Parish Police Jury, Sheriff, Clerk of Court, Assessor, and School Board and the District Attorney and Judges for the 21st Judicial District. It was determined that these governmental entities are not component units of the Village of Albany reporting entity because they are separately elected governing bodies, are legally separate, and are fiscally independent of the Village of Albany.

**Village of Albany, Louisiana**  
**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 1996**

**5. RECEIVABLES**

The receivables of \$20,898 at June 30, 1996, are as follows:

	General Fund	Enterprise Fund
Public Utility Franchise Tax	\$ 4,332	\$ -
Accounts Receivable	-	26,566
<b>Total</b>	\$ 4,332	\$ 26,566

**6. INTERFUND RECEIVABLE/PAYABLE**

The interfund receivable/payable for the year ended June 30, 1996 is as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ 58,478	\$ 13,361
Enterprise Fund	13,961	58,378
Capital Projects Fund	-	180
<b>Total</b>	\$ 72,439	\$ 71,819

**7. DUE FROM OTHER GOVERNMENTAL UNITS**

Amounts due from other governmental units consisted of the following:

	General Fund
State of Louisiana	
Beverage Tax Distribution	\$ 437
Tobacco Tax Distribution	872
Video Poker Tax Distribution	979
Livingston Parish School Board:	
Sales Tax Distribution	8,185
<b>Total</b>	\$ 10,473

**8. DUE FROM OTHERS**

At June 30, 1996, the Village had no amounts due from others.

**9. RESTRICTED ASSETS - ENTERPRISE FUND**

Restricted assets were applicable to the following:

RECD Bond & Interest Redemption	\$ 54,870
RECD Bond Reserve	62,563
RECD Depreciation & Contingency	58,984
Meter Deposits	28,563
Street Construction	8,151
<b>Total</b>	\$ 213,131

## Statement A

Account Group		Totals (Manufactures Only)	
General Fund Assets	General Long-Term Debt	1996	1995
\$ -	\$ -	\$ 932,281	\$ 499,997
-	-	4,532	7,879
-	-	28,538	51,452
-	-	71,838	48,232
-	-	10,473	51,233
-	-	-	132
-	-	225,196	188,341
109,894	-	4,917,336	4,094,186
-	-	(348,938)	(648,239)
-	12,344	12,344	-
\$ 109,894	\$ 12,344	\$ 4,317,613	\$ 4,215,787
\$ -	\$ -	\$ 77,343	\$ 34,886
-	-	2,326	6,933
-	-	34,368	27,928
-	-	23,148	29,045
-	-	70,839	48,352
-	-	1,482,268	1,469,515
-	12,344	12,344	-
-	12,344	1,691,758	1,591,698
-	-	2,221,914	2,189,914
-	-	(590,463)	(285,183)
109,894	-	189,894	115,894
-	-	62,567	43,934
-	-	58,984	34,164
-	-	263,912	268,203
-	-	384,838	241,785
-	-	694,502	694,842
109,894	-	2,643,877	2,674,289
\$ 109,894	\$ 12,344	\$ 4,317,613	\$ 4,215,787

The accompanying notes are an integral part of these statements.

Village of Albany, Louisiana

Combined Balance Sheet - All Fund Types and Account Groups  
June 30, 1996

	Governmental Fund Type		Proprietary Fund Type
	General	Capital Projects	Enterprise
<b>Assets</b>			
Cash and Cash Equivalents	\$ 198,828	\$ 100	\$ 340,300
Taxes Receivable	4,532	-	-
Accounts Receivable, Net	-	-	28,338
Due From Other Funds	58,878	-	33,360
Due From Other Governments	18,413	-	-
Due From Others	-	-	-
Restricted Assets:			
Cash	-	-	221,136
Fixed Assets	-	-	3,987,482
Accumulated Depreciation	-	-	(749,558)
Amount to be Provided for Lease Payments	-	-	-
<b>Total Assets</b>	<b>\$ 364,611</b>	<b>\$ 100</b>	<b>\$ 3,830,964</b>
<b>Liabilities and Equity</b>			
<b>Liabilities:</b>			
Accounts Payable	\$ 5,611	\$ -	\$ 32,112
Other Accrued Expenses	1,480	-	340
Payable From Restricted Assets:			
Customers' Deposits	-	-	34,368
Revenue Bonds	-	-	21,048
Due to Other Funds	13,364	308	58,378
Revenue Bonds Payable	-	-	1,440,208
Obligations Under Capital Lease Agreements	-	-	-
<b>Total Liabilities</b>	<b>18,272</b>	<b>308</b>	<b>1,585,828</b>
<b>Equity:</b>			
Contributed Capital	-	-	2,221,814
Accumulated Amortization	-	-	(350,453)
Investment in General Fixed Assets	-	-	-
Retained Earnings:			
Reserved for NBCCD Bond Reserve	-	-	83,367
Reserved for NBCCD Bond Depreciation & Contingency	-	-	99,884
Unreserved	-	-	267,812
<b>Fund Balance:</b>			
Unreserved - Undesignated	244,039	-	-
<b>Total Retained Earnings &amp; Fund Balance</b>	<b>244,039</b>	<b>-</b>	<b>380,463</b>
<b>Total Equity</b>	<b>244,039</b>	<b>-</b>	<b>3,281,244</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$ 364,611</b>	<b>\$ 308</b>	<b>\$ 3,830,964</b>

The accompanying notes are an integral part of these statements.

GENERAL PURPOSE FINANCIAL STATEMENTS

## Village of Albany, Louisiana

Schedule 13

Schedule of Changes in General Fixed Assets  
For the Year Ended June 30, 1996

	Balance July 1, 1995	Additions	Deletions	Balance June 30, 1996
Land	\$ 41,000	\$ -	\$ -	\$ 41,000
Office Improvements	617	3,868	-	4,477
Furniture and Fixtures	3,259	-	-	3,259
Vehicles and Equipment	69,178	19,208	28,808	69,178
Total	\$ 113,054	\$ 23,076	\$ 28,808	\$ 109,894

The accompanying notes are an integral part of these statements.

## Village of Albany, Louisiana

### Notes to Financial Statements As of and for the Year Ended June 30, 1996

#### B. FUND ACCOUNTING

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

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

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

##### Governmental Funds

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

##### General Fund

The General Fund is the principal fund of the Village's affairs and accounts for the operations of the Village's offices. The Village's primary source of revenue is a sales tax authorized by LSA-RS 15:2111. Other sources of revenue include all various taxes, franchise taxes, licenses, permits and fees. General operating expenditures are paid from this fund.

##### Capital Projects Fund

The Capital Projects Fund accounts for financial resources received and used for the acquisition, construction, or improvements of capital facilities not reported in the other governmental funds.

##### Proprietary Funds

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

##### Enterprise Fund

The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprise, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public be financed or recovered primarily through user charges; or where the governing body has decided the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

## Village of Albany, Louisiana

### Notes to Financial Statements As of and for the Year Ended June 30, 1996

#### 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 in the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds. The governmental funds use the following practices in recording revenues and expenditures.

##### Revenues

Revenues are recognized when they become measurable and available as current assets.

##### Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except that principal and interest on general long-term debt are recognized when due. Purchases of various operating supplies are regarded as expenditures at the time purchased.

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

#### D. BUDGET PRACTICES

The Village adopts budgets for the general fund and enterprise fund each year.

#### E. CASH AND CASH EQUIVALENTS

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

#### F. INVENTORIES

Purchases of various operating supplies are regarded as expenditures at the time purchased. Inventories of such supplies (if any) are not recorded as assets at the close of the fiscal year.

#### G. RESTRICTED ASSETS

Certain proceeds of the enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. Cash held for customers' meter deposits and sewer rehabilitation projects has been set aside in separate cash accounts and is also classified as restricted assets on the balance sheet.



**BRUCE HARRELL & CO.**  
CERTIFIED PUBLIC ACCOUNTANTS  
A Professional Accounting Corporation

Bruce H. Harrell, CPA

Wanda S. Wood, CPA  
Michael D. Dole, CPA  
Richard L. Lane, CPA  
Charles P. Roberts, CPA

100 West Mississippi Park  
Park Plaza Suite 7  
Hammond, La. 70401  
VOICED (504) 342-6572  
FAX: (504) 343-3156

MEMPHIS OFFICE  
P.O. Box 40 - 4th Floor  
Government Life Tower  
1500 S. Main Street  
Oak Ridge, TN 37829

MEMBER  
American Institute of CPAs  
Institute of Louisiana CPAs

**INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE**

The Honorable Mayor, Thomas Stewart  
and Members of the Board of Aldermen  
Village of Albany, Louisiana

We have audited the general purpose financial statements of the Village of Albany, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated September 4, 1996. Those general purpose financial statements are the responsibility of the Village of Albany, Louisiana's, management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

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



Bruce Harrell & Company, CPAs  
A Professional Accounting Corporation

September 4, 1996

## Village of Albany, Louisiana

### Notes to Financial Statements As of and for the Year Ended June 30, 1996

#### 1. TOTAL COLUMN ON BALANCE SHEET

The total column on the balance sheet is captioned Memorandum Only to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

#### 2. LEVIED TAXES

On October 9, 1995, the Village approved an ordinance to assess a 6.35 millage ad valorem tax for 1995. This is a permanent tax per constitutional authority, and is subject to annual renewal by the Village Board of Aldermen. Total Ad Valorem Taxes levied for the year ended December 31, 1995, were \$10,818. These taxes were due upon taxpayers' receipt of their tax bill and became delinquent January 1, 1996. Interest on unpaid Ad Valorem Taxes is added to the tax bill during March, 1996. Due to immateriality and cost factor of collection, no liens are put against assessed property upon non-delinquency of taxes.

#### 3. CASH AND CASH EQUIVALENTS

At June 30, 1996, the Village has cash and cash equivalents (bank balances) totaling \$762,429 as follows:

Cash on Hand	\$	351
Demand Deposits		8,271
Interest-Bearing Demand Deposits		966,271
Time Deposits		287,536
Total	\$	<u>762,429</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or 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.

At June 30, 1996, the Village has \$773,626 in deposits (collected bank balances). These deposits are secured from risk by \$158,412 of federal deposit insurance and \$578,953 of pledged securities held by the custodial bank in the name of the fiscal agent bank (RANSB-Category 2). The remaining balance of \$44,261 is not secured by the pledge of securities and is a violation of state law. Even though the pledged securities are considered uncollateralized (Category 2) under the provisions of GASB Statement 3, Louisiana Revised Statute 35:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 18 days of being notified by the Village that the fiscal agent has failed to pay deposited funds upon demand.

#### 4. INVESTMENTS

At June 30, 1996, the Village had no investments.

## Schedule 13

<u>Disbursements/ Expenditures</u>	<u>Cash/ Accrual Revenue Finding</u>
\$ 218,120	\$ -
<u>\$ 218,120</u>	<u>\$ -</u>

\$ (1,312)	\$ -
<u>\$ (1,312)</u>	<u>\$ -</u>

<u>Principal Payments</u>	<u>Loan Balance Finding</u>
\$ (10,000)	\$ 484,000
(5,846)	539,081
(3,684)	445,771
<u>6059</u>	<u>75,684</u>
<u>\$ (13,421)</u>	<u>\$ 1,487,416</u>

The accompanying notes are an integral part of these statements.

Village of Albany, Louisiana

Notes to Financial Statements  
As of and for the Year Ended June 30, 1996

1B. PROPERTY, PLANT AND EQUIPMENT

A summary of changes in general fixed assets follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Land	\$ 41,000	\$ -	\$ -	\$ 41,000
Office Improvements	617	3,850	-	4,467
Furniture and Fixtures	5,100	-	-	5,100
Vehicles and Equipment	68,938	19,200	(29,000)	59,138
Total	\$ 115,634	\$ 23,050	\$ (29,000)	\$ 109,684

A summary of proprietary fund type property, plant and equipment at June 30, 1996 follows:

Description	Life Years	Cost	Accumulated Depreciation	Net	Depreciat- ion This Year
Land	-	\$ 30,428	\$ -	\$ 30,428	\$ -
Buildings	20	85,867	41,218	44,649	3,489
Utility Equipment	10	84,889	54,445	30,444	8,871
Utility Truck	5	22,891	20,708	2,183	368
Office Equipment	10	14,198	3,812	10,386	1,035
Mail Boxes	10	853	683	170	54
Utility Shed	10	3,451	1,754	1,697	345
Water System	40	499,791	174,412	325,379	11,495
Water System	40	39,977	13,483	26,494	989
Water System	40	396,908	128,131	268,777	8,815
Sanitary System	40	641,218	188,800	452,418	14,368
Sanitary System	40	540,751	183,849	356,902	13,519
Sanitary System	40	1,621,893	84,431	1,537,462	48,537
Water System	40	37,609	1,884	35,725	942
Sanitary System	40	12,353	281	12,072	281
Water System	40	1,207	8	1,199	8
Total		\$ 3,987,482	\$ 749,818	\$ 3,237,664	\$ 107,664

A summary of changes in proprietary fund type property, plant and equipment at June 30, 1996 follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Cost	\$ 3,933,362	\$ 54,120	\$ (1,248)	\$ 3,987,482
Accumulated Depreciation	(648,239)	(187,694)	8,065	(827,868)
Net	\$ 3,285,123	\$ (133,574)	\$ (1,183)	\$ 3,150,366

All assets are depreciated by the straight-line method.

Village of Albany, Louisiana

Notes to Financial Statements  
As of and for the Year Ended June 30, 1996

11. CONTRIBUTED CAPITAL

Contributions toward the cost of utility plant and engineering services have been received as follows:

U.S. Government - RBCD	\$	156,508
U.S. Government - EPA		623,348
Louisiana Department of Transportation		39,973
Village of Albany - General Fund		1,098
U.S. Government - LCDE&G		37,009
U.S. Government - RBCD		1,147,398
Private - Cavenham Project		11,808
Total Contributions		<u>2,221,814</u>
Accumulated Amortization		(218,471)
Net Contributed Capital	\$	<u>1,811,443</u>

12. CHANGES IN LONG-TERM DEBT

The following is a summary of bond transactions of the Village of Albany for the year ended June 30, 1996:

Bonds Payable, July 1, 1995	\$	1,483,218
Bonds Issued		-
Bonds Retired		<u>20,142</u>
Bonds Payable, June 30, 1996	\$	<u>1,463,076</u>

Bonds Payable at June 30, 1996 are comprised of the following individual issues:

Water System Revenue Bonds - RBCD Bonds 81-01:		
\$121,808 utility bonds sold to Rural Economic and Community Development, dated 4/4/78, due in annual installments of \$5,080-\$29,808 through August 1, 2017; interest at 5%		
	\$	404,080
Water System Revenue Bonds - RBCD Bonds 81-02:		
\$170,800 water revenue bonds sold to Rural Economic and Community Development, dated 2/25/88, due in annual installments over a 40 year period after the system becomes revenue producing; interest at 5.184%		
		358,800
Sewer System Revenue Bonds - RBCD Bonds 82-01:		
\$450,800 sewer revenue bonds sold to Rural Economic and Community Development, dated 4/13/93, due in monthly installments of \$2,289 through April 13, 2033; interest at 5.184%		
		488,271
Sewer System Revenue Bonds - RBCD Bonds 82-02:		
\$15,080 sewer revenue bonds sold to Rural Economic and Community Development, dated 4/13/93, due in monthly installments of \$177 through April 13, 2033; interest at 5.184%		
		73,844
	\$	<u>1,483,014</u>

Village of Albany, Louisiana

Notes to Financial Statements  
As of and for the Year Ended June 30, 1996

The annual requirements to amortize all debt outstanding as of June 30, 1996, including interest payments of \$1,560,907 are as follows:

Year Ending June 30	RECD Bonds 91-01	RECD Bonds 91-02	RECD Bonds 91-03	RECD Bonds 92-01	Total Payments
1997	\$ 28,858	\$ 33,277	\$ 33,464	\$ 4,327	\$ 99,926
1998	36,425	33,277	33,464	4,327	107,493
1999	36,838	33,277	33,464	4,327	108,906
2000	36,238	33,277	33,464	4,327	107,306
2001	36,625	33,277	33,464	4,327	107,693
2002 - 2006	158,725	186,385	137,120	22,615	497,065
2007 - 2011	131,875	186,385	137,120	22,615	482,075
2012 - 2016	158,975	186,385	137,120	22,615	497,175
2017 - 2021	58,875	186,385	137,120	22,615	404,975
2022 - 2026	-	186,385	137,120	22,615	346,120
2027 - 2031	-	63,129	137,120	22,615	222,864
2032 - 2033	-	-	38,149	8,268	46,417
	\$ 668,595	\$ 1,180,499	\$ 1,211,389	\$ 168,745	\$ 3,229,227

II. FLOW OF FUNDS - RESTRICTIONS ON USE (WATER AND SEWER SYSTEM REVENUE BONDS)

The voters of the Village of Albany approved the issuance of \$538,000 Utility Revenue Bonds in an election held May 7, 1977. The governing authority adopted a resolution on July 12, 1973, and subsequently amended on August 8, 1977, and January 5, 1978, authorizing issuance of \$538,000 of Utility Revenue Bonds. The proceeds of the bonds are restricted for use in acquiring through purchase, improvement and construction of a waterworks system and subject to the provisions of the above referenced resolutions. In connection with the project, the Village was approved for grants from Rural Economic and Community Development (RECD) of the United States of America in the amount of \$150,500. The Village sold \$321,000 of the authorized bonds to Rural Economic and Community Development. The bonds were issued for forty (40) years payable with interest at the rate of five percent (5%) per annum. The bonds and any installment may be paid prior to the due date and maturity thereof at a price of par and accrued interest to the date of prepayment.

\$65,000 of the proceeds were used prior to June 30, 1978, to acquire an existing water system and \$443,624 has been used in improvements and additional construction of the new waterworks system. During the fiscal year ended June 30, 1990, the Village received a grant of \$26,917 from the State of Louisiana, Department of Transportation and Development to be used in the project.

A resolution authorizing the issuance of \$575,000 of Water Revenue Bonds of the Village of Albany, State of Louisiana, to acquire and construct improvements and extensions in the waterworks system of the Village was adopted December 14, 1987. The bonds were sold to Rural Economic and Community Development and are due in forty (40) annual payments with interest calculated on unpaid principal at a rate of five and three-fourths percent (5 3/4%) per annum. The Village may prepay the whole or any part of the principal amount of any installment at any time in interest chronological order at the principal amount thereof and accrued interest to the date fixed for prepayment.

A resolution authorizing the issuance of \$100,000 of Sewer Revenue Bonds of the Village of Albany, State of Louisiana, for the improvement and construction of a sewerage system of the Village was adopted October 14, 1991. The bonds were sold to Rural Economic and Community Development and are due in monthly installments of \$1,666 for forty (40) years with an

**Village of Albany, Louisiana**

**Notes to Financial Statements  
As of and for the Year Ended June 30, 1996**

interest rate of five and one-fourth percent (5 1/4%) per annum. The Village may repay the whole or any part of the principal amount at any time. Under the terms of the bond proceeds to the Village, the revenue bonds are payable as to principal and interest solely from the income and revenues derived from the operation of the combined utility systems of the Village after provision has been made for payment of the reasonable and necessary expenses of administering, operating, and maintaining the system. These bonds do not constitute an indebtedness or pledge of the general credit of the Village within the meaning of any constitutional or statutory limitation of indebtedness.

Each month there will be set aside into a fund called "Bond and Interest Sinking (Redemption) Fund" a sum equal to one-twelfth (1/12) of the interest due on the next interest payment due, and, in addition, a sum equal to one-twelfth (1/12) of the principal payment due, together with such proportionate sum as may be required as the same respectively become due on such date. Money in the Sinking Funds shall be deposited as Trust Funds and shall be fully sufficient to assure the prompt payment of the principal and interest bond amounts as they become due, and may be used only for such payments. As of June 30, 1996, the Sinking Fund was fully funded with a balance of \$14,871.

There shall also be set aside into a "Utility System Bond Reserve Fund" a sum equal to five percent (5%) of the monthly bond payments, or \$418 after the construction becomes revenue producing until there is accumulated therein an amount equal to the highest annual debt service payment in any future year. Such amounts may be used only for the payment of maturing bonds and interest coupons for which sufficient funds are not on deposit in the Bond and Interest Sinking Fund or to which there would otherwise be default. As of June 30, 1996, the Reserve Fund was fully funded with a balance of \$62,347.

Funds will also be set into a "Depreciation and Contingency Fund" after completion of the project at the rate of \$485 per month until the balance in this fund amounts to the maximum required by RUCD. Money in this fund will be used for making extraordinary repairs or replacements to the system which are necessary to keep the system in operating condition, enhance its revenue-producing capacity, or provide for a higher degree of service for which money is not available as a maintenance and operation expense. Money in this fund may also be used to pay principal and interest on the bonds falling due at any time there is not sufficient money for the other bond funds. As of June 30, 1996, the Depreciation and Contingency Fund was fully funded with a balance of \$58,084.

All the revenues received in any fiscal year and not required to be paid in such fiscal year into any of the above noted funds shall be regarded as surplus and may be used for any lawful corporate purpose.

Village of Albany, Louisiana

Notes to Financial Statements  
As of and for the Year Ended June 30, 1996

14. COMPENSATION PAID ELECTED OFFICIALS

<u>Name, Title, Address, Telephone</u>	<u>Compensation</u>	<u>Term of Office</u>
Thomas Stewart, Mayor Post Office Box 1146 Albany, LA 70711 504567-1714	5 3,581	January 1, 1995 - December 31, 1996
Justin Fleisher, Alderman Post Office Box 417 Albany, LA 70711 504567-0963	760	January 1, 1995 - December 31, 1996
Edward Harris, Alderman Post Office Box 305 Albany, LA 70711 504567-1113	710	January 1, 1995 - December 31, 1996
Bobby Wild, A Merewoman Post Office Box 79 Albany, LA 70711 504567-5388	760	January 1, 1995 - December 31, 1996
Russell Stachinson, Police Chief Post Office Box 273 Albany, LA 70711 504567-1862	19,200	January 1, 1995 - December 31, 1996
	<u>3 25,011</u>	



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We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, the Village of Albany, Louisiana, complied, in all material respects, with the requirements governing types of services allowed or conditioned; matching, level of effort, or cost-sharing; reporting; special tests and provisions; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs for the year ended June 30, 1998.

This report is intended for the information of management, the Louisiana Legislative Auditors and the Federal Capitalist Agency. However, this report is a matter of public record and its distribution is not limited.



Bruce Harrell and Company, CPAs  
A Professional Accounting Corporation

September 4, 1998

## Village of Albany, Louisiana

### Notes to Financial Statements As of and for the Year Ended June 30, 1996

#### **H. FIXED ASSETS**

General fixed assets are recorded at the time purchased, and the related assets are capitalized (reported) in the general fixed assets account group. All fixed assets are valued at historical cost or estimated cost (the extent to which fixed asset costs have been estimated) and the methods of valuation should be disclosed if historical cost is not available.

Enterprise fund fixed assets are included on the balance sheet of the fund. Interest costs incurred during construction are capital cost. Depreciation of all depreciable fixed assets is charged as an expense against operations. Depreciation is computed using the straight line method over the estimated useful lives of 7 to 48 years.

#### **I. COMPENSATED ABSENCES**

The Village has the following policy relating to vacation and sick leave:

Each Village employee with one (1) years service is given ten (10) days vacation leave; each employee with two (2) or more years service is given ten (10) days vacation leave.

Each employee earns sick leave at the rate of 1/12 day for each month worked. Sick leave is accumulated for an indefinite period with a maximum sick leave of twenty-five (25) days.

The cost of leave privileges, computed in accordance with GASB Codification Section 608, is recognized as a current-year expenditure in the governmental fund when leave is taken. Since the cost of leave privileges not requiring current resources is immaterial, no amount has been recorded in the general long-term obligation account group.

#### **J. LONG-TERM LIABILITIES**

Long-term liabilities are recognized within the Enterprise Fund.

#### **K. FUNDS EQUITY**

##### **Contributed Capital**

Grants, contributions, or shared revenues received that are restricted for the acquisition or construction of capital assets are recorded as contributed capital. Contributed capital is amortized based on the depreciation recognized on that portion of the assets acquired from such contributions. This depreciation is closed to the contributed capital account and is reflected as an adjustment to fund equity.

##### **Reserves**

Reserves represent those portions of fund equity legally segregated for a specific future use.

##### **Dedicated Fund Balance**

Dedicated fund balance represents tentative plans for future use of financial resources.

**BRUCE HARRELL & CO.**  
CERTIFIED PUBLIC ACCOUNTANTS  
*A Professional Services Company*

David C. Smith, CPA

Warren A. Wood, CPA  
Michael P. Barry, CPA  
Dale B. Jones, CPA  
Charles D. Baker, CPA

509 West Minnesota Park  
Park Place Suite 7  
Hammond, LA 70403  
VOICE: (504) 542-5371  
FAX: (504) 345-3136

CERTIFIED OFFICE  
509 West Minnesota Park  
Hammond, LA 70403  
VOICE: (504) 542-5371  
FAX: (504) 345-3136

MEMBER  
American Institute of CPAs  
Institute of Certified Public Accountants  
State of Louisiana CPAs

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS  
APPLICABLE TO MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

The Honorable Mayor, Thomas Stewart  
And Members of the Board of Aldermen  
Village of Albany, Louisiana

We have audited the general purpose financial statements of the Village of Albany, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated September 4, 1996.

We have also audited the Village of Albany, Louisiana's compliance with the requirements governing types of services allowed or disallowed; matching; level of effort; or cost-sharing; reporting; special terms and provisions; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance, for the year ended June 30, 1996. The management of the Village of Albany, Louisiana, is responsible for the Village of Albany, Louisiana's compliance with these requirements. Our responsibility is to express an opinion on compliance with these requirements based on our audit.

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

The results of our audit disclosed immaterial instances of noncompliance with the requirements referred to above, which are described as follows:

**Findings:**

Quarterly financial reports required by RDCD are not being filed in a timely manner.

**Recommendation:**

The Village of Albany, Louisiana should file their quarterly financial reports with RDCD in a timely manner.

**Management Response:**

The Village will file their quarterly financial reports with RDCD in a timely manner. The quarterly report for the quarter ended June 30, 1996 was filed with RDCD on July 15, 1996.

Village of Abbeville, Louisiana

Schedule B

Statement of Cash Flows  
 Proprietary Fund Type - Enterprise Fund  
 For the Year Ended June 30, 1996

<b>Cash Flows From Operating Activities</b>	
Operating Income	\$ 20,527
Adjustments to Reconcile Net Operating Income to Net Cash Provided (Used) by Operating Activities	
Depreciation	103,684
Changes in Accounts Receivable	2,864
Changes in Due From Other Funds	(12,181)
Changes in Due From Other Governments	38,560
Changes in Accounts Payable	(8,180)
Changes in Other Accrued Expenses	(4,254)
Changes in Due To Other Funds	19,226
Changes in Customer Deposits Payable	6,688
Net Cash Provided (Used) by Operating Activities	<u>178,034</u>
<b>Cash Flows From Municipal Financing Activities</b>	
Operating Transfer In	15,381
Net Cash Provided (Used) by Municipal Financing Activities	<u>15,381</u>
<b>Cash Flows From Capital and Related Financing Activities</b>	
Payments for Capital Acquisitions	(26,158)
Contributed Capital	12,608
Interest Income	17,598
Interest Expense	(295,126)
Principal Payments	(263,142)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(454,220)</u>
<b>Net Increase in Cash</b>	69,218
Cash, Beginning of Year	188,272
Cash, End of Year	<u>\$ 257,490</u>

The accompanying notes are an integral part of these statements.

Village of Albany, Louisiana

Schedule 5

Schedule of Changes in Assets Restricted for RECD Revenue Bond Debt Service  
Enterprise Fund  
For the Year Ended June 30, 1998

	Debt and Interest Redemption	Debt Reserve	Depreciation and Contingency	Total
Cash Balance, Beginning of Year	\$ 54,771	\$ 47,774	\$ 34,164	\$ 136,709
Cash Receipts	66,818	14,793	5,820	127,431
Cash Disbursements	(99,718)	-	-	(99,718)
Cash Balance, End of Year	\$ 21,871	\$ 62,567	\$ 40,084	\$ 124,522

The accompanying notes are an integral part of these statements.

Village of Abbeville, Louisiana

Schedule 10

Schedule of Water and Sewer Rates  
Enterprise Fund  
June 30, 1996

Water Rates

Residential:

- \$18.50 per month for the first 2,000 gallons
- \$1.39 per thousand or part thereof for the next 2,000 gallons
- \$1.00 per thousand or part thereof for the next 6,000 gallons
- \$0.88 per thousand or part thereof over 10,000 gallons

Commercial:

- \$20.00 per month for the first 10,000 gallons
- \$0.60 per thousand or part thereof over 10,000 gallons

Customers at June 30, 1996:

Residential	660
Commercial	<u>21</u>
Total	<u>681</u>

Sewer Rates

Residential:

- \$12.00 per month plus \$0.00 per thousand gallons

Commercial:

- \$20.00 per month plus \$0.00 per thousand gallons

Customers at June 30, 1996:

Residential	304
Commercial	<u>19</u>
Total	<u>323</u>

The accompanying notes are an integral part of these statements.

**GENERAL FIXED ASSETS**

To account for fixed assets not used in proprietary fund operations.

Village of Albany, Louisiana  
 Schedule of General Fixed Assets  
 June 30, 1996

Schedule II

<b>General Fixed Assets, at Cost</b>	
Land	\$ 41,808
Office Improvements	4,477
Furniture and Fixtures	3,239
Vehicles and Equipment	56,178
<b>Total General Fixed Assets</b>	<b>\$ <u>105,692</u></b>
<b>Investment in General Fixed Assets</b>	
General Fund	\$ 100,121
State Grant	1,970
Police Emergency Fund	4,885
<b>Total Investment in General Fixed Assets</b>	<b>\$ <u>106,976</u></b>

The accompanying notes are an integral part of these statements.



Village of Albany, Louisiana

Schedule 7

Schedule of Revenues and Expenses  
Budget and Actual  
Sewer Department  
For the Year Ended June 30, 1996

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Operating Revenues - Sewer</b>			
Sewer Charge	\$ 61,380	\$ 60,896	\$ (104)
<b>Total Operating Revenues - Sewer</b>	<u>61,380</u>	<u>60,896</u>	<u>(104)</u>
<b>Operating Expenses - Sewer</b>			
Salaries	12,187	12,881	(694)
Contract Services	6,468	5,211	5,128
Maintenance Materials	5,808	5,162	(192)
Repairs & Maintenance	1,858	1,852	(6)
Office Supplies and Expense	-	39	(39)
Utilities	6,808	7,218	(684)
Insurance	4,908	4,885	115
Professional Services	4,408	4,366	4
Payroll Taxes	1,158	1,342	8
Educational	58	58	20
Depreciation	44,348	30,699	(5,477)
Miscellaneous	600	550	85
Bond Debt Expense	-	621	(621)
<b>Total Operating Expenses - Sewer</b>	<u>107,088</u>	<u>105,218</u>	<u>(2,641)</u>
<b>Net Operating Income (Loss) - Sewer</b>	<u>(46,185)</u>	<u>(44,558)</u>	<u>(2,345)</u>
<b>Nonoperating Revenues (Expenses) - Sewer</b>			
Interest Income	8,780	8,780	-
Bond Interest Expense	(18,511)	(18,511)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(10,531)</u>	<u>(10,531)</u>	<u>-</u>
<b>Operating Transfers In (Out) - Sewer</b>	<u>13,361</u>	<u>13,361</u>	<u>-</u>
<b>Net Income (Loss) - Sewer</b>	\$ <u>(10,855)</u>	\$ <u>(10,791)</u>	\$ <u>(2,345)</u>

The accompanying notes are an integral part of these statements.

**BRUCE HARBELL & CO.**  
CERTIFIED PUBLIC ACCOUNTANTS  
A Professional Corporation

Board of Directors, CPA

Thomas A. Wood, CPA  
Michael P. Egan, CPA  
Jack H. Jones, CPA  
Charles F. Nelson, CPA

100 West Mississippi Park  
Park Place Suite 3  
Houma, LA 70001  
VOICE: (504) 841-6172  
FAX: (504) 841-5130

HOUMA OFFICE  
P.O. Box 81 - 100 Fifth  
Lafayette, LA 70501  
VOICE: (504) 239-3500  
FAX: (504) 239-3504

MEMBER  
American Institute of CPAs  
Society of Louisiana CPAs

**MANAGEMENT LETTER**

September 4, 1998

To the Honorable Mayor, Thomas Stewart  
and Members of the Board of Aldermen  
Village of Abbeville, Louisiana

We have examined the financial statements of the Village of Abbeville, Louisiana, for the year ended June 30, 1998, and have issued our report dated September 4, 1998. In planning and performing our audit, we considered the internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control structure. However, we noted certain weaknesses in the internal control structure, and certain matters of compliance to laws and regulations that, if corrected, could improve the ability of management of the Village of Abbeville to record, process, summarize, and report financial data consistent with the assertions of management. The format below lists weaknesses in internal control, audit recommendations, and management responses. The items relating to reconciliation of utility billing accounts receivable are a continuation of recommendations noted in the prior fiscal year management letter. Any recommendation specifically related to compliance to laws and regulations is listed separately in applicable auditor's reports.

**Accounts Receivable - Utility System**

**Current Year Weaknesses:**

As in the prior year, the general ledger control account for utility billing receivables is not being properly reconciled to the Village's utility billing system transaction register.

**Audit Recommendations:**

In order to insure that accounts receivable are properly valued, we recommend that a monthly accounts receivable reconciliation procedure be adopted. A computer spreadsheet application should be purchased and an accounts receivable reconciliation spreadsheet designed. This spreadsheet should carry forward the prior month's accounts receivable balance, list utility billings, sales taxes, penalties, debit/credit memos, and payments on accounts, to balance to the customer transaction register run for each monthly billing cycle. The customer transaction listing should then be reconciled to the general ledger control account. The objective is to standardize procedures in the utility billing system, eliminating any adjustments to actual fire accounts receivable in the utility system. If material adjustments to actual are required, they should be investigated immediately.

**Management Response:**

The Village will obtain the recommended software and complete monthly accounts receivable reconciliations.

**HUCE HARRELL & CO.**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
*A Professional Accounting Corporation*

Bruce G. Harrell, CPA

Wanda A. West, CPA  
Michael P. Blevins, CPA  
John H. Jones, CPA  
Charles H. Hinton, CPA

807 West Mississippi Park  
P.O. Box 5466  
Baton Rouge, LA 70802  
VOICE: (504) 942-4372  
FAX: (504) 942-2158

MEMBERSHIP NUMBER  
FBI, Box 45-463 F20-01  
Baton Rouge, LA 70844  
VOICE: (504) 333-8320  
FAX: (504) 333-8331

MEMBERS  
American Institute of Certified Public Accountants  
Society of Louisiana CPAs

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE GENERAL REQUIREMENTS  
APPLICABLE TO FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

The Honorable Mayor, Thomas Stewart  
and Members of the Board of Aldermen  
Village of Albany, Louisiana

We have audited the general purpose financial statements of the Village of Albany, Louisiana, as of and for the year ended June 30, 1998, and have issued our report thereon dated September 4, 1998.

We have applied procedures to test the Village of Albany, Louisiana's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended June 30, 1998:

Political Activity  
Davis-Bacon Act  
Civil Rights  
Cash Management  
Federal Financial Reports  
Allowable Costs/Cost Principles  
Administrative Requirements

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

With respect to the items tested, the results of these procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the Village had not complied, in all material respects, with these requirements.

This report is intended for the information of management, the Louisiana Legislative Auditors and the Federal Copyright Agency. However, this report is a matter of public record and its distribution is not limited.

*Bruce Harrell & Co.*  
Bruce Harrell and Company, CPAs  
A Professional Accounting Corporation

September 4, 1998

**BRUCE HANSELL & CO.**  
CERTIFIED PUBLIC ACCOUNTANTS  
A Professional Accounting Corporation

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

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

We also noted other matters involving the internal control structure and its operation that we have reported to the management of the Village of Albany, Louisiana, in a separate letter dated September 4, 1996.

This report is intended for the information of management, the Louisiana Legislative Auditors, and the Federal Criminal Agency. However, this report is a matter of public record and its distribution is not limited.



Bruce Hansell & Company, CPAs  
A Professional Accounting Corporation

September 4, 1996

**BRUCE HARELL & CO.**  
CERTIFIED PUBLIC ACCOUNTANTS  
*Affiliated with Accounting Resources*

To the Honorable Mayor, Thomas Stewart  
and Members of the Board of Aldermen  
Page 2

**Payroll and Related Liabilities**

**Current Year Weaknesses:**

Payroll records are difficult to reconcile to the Village's general ledger due to the lack of a clear audit trail.

**Audit Recommendation:**

In order to insure that payroll is properly valued and a clear audit trail maintained, we recommend that payroll be computed and recorded on computer spreadsheets. These spreadsheets should be completed monthly, prior to general ledger input.

**Management Response:**

The Village will obtain the recommended software and complete the payroll spreadsheets prior to monthly input.

**Accounts Payable and Other Liabilities**

**Current Year Weaknesses:**

The Village is not filing state sales tax returns in a timely manner, resulting in payment of delinquent penalties and interest, and loss of vendor's compensation.

**Audit Recommendation:**

State sales tax returns should be filed no later than the 20th of each month to avoid payment of delinquent penalties and interest, and to allow collection of vendor's compensation.

**Management Response:**

The Village will file its state sales tax returns before the 20th of each month.

**Organization Structure and Other Administrative Matters**

**Current Year Weaknesses:**

As noted in the Independent Auditor's Report on Compliance With Specific Requirements Applicable to Single Federal Financial Assistance Programs dated September 4, 1996, the Village did not submit quarterly financial reports to the Office of Rural Economic and Community Development in a timely manner. In addition, more extensive budget-to-actual reports should be submitted on a monthly basis to the Board of Aldermen of the Village.

**BRUCE HARRELL & CO.**  
CERTIFIED PUBLIC ACCOUNTANTS  
*a professional accounting corporation*

To the Honorable Mayor, Thomas Stewart,  
and Members of the Board of Aldermen  
Page 2

**Audit Recommendations:**

The Village should process general ledger transactions and financial reports in a timely manner. Specifically, we recommend that the Village:

- 1) Input transactions on a monthly basis, with initial review by the audit firm and procedures are standardized.
- 2) Present financial statements, budget and actual, to the Board of Aldermen on a monthly basis.
- 3) Reconcile accounts receivable and payable as recommended above on a monthly basis.
- 4) Submit financial statements to the Office of Rural Economic and Community Development on a quarterly basis.

**Management Response:**

The Village has upgraded its computer equipment and purchased a general ledger software package. At fiscal year end, all transactions had been input, and financial statements submitted to the Office of Rural Economic and Community Development. We will continue to process financial data on a timely basis and will comply with each of the above recommendations.

It has been our pleasure to perform this financial audit for you. We will be glad to meet with you in trying to provide assistance in implementing the above recommendations.

Respectfully Submitted,



Bruce Harrell & Company, CPAs  
A Professional Accounting Corporation

**BRUCE HARBELL & CO.**  
CERTIFIED PUBLIC ACCOUNTANTS  
A Professional Accounting Corporation

Bruce C. Harbell, CPA

Prerna A. Patel, CPA  
Michael P. Emig, CPA  
Robt D. Smith, CPA  
Charles T. Brown, CPA

807 West Minnesota Park  
Park Place Suite 7  
Hammond, LA 70403  
PHONE: (504) 342-6031  
FAX: (504) 342-3126

MEMPHIS OFFICE  
P.O. Box 41 • 380 Footh in  
Hammond, LA 70404  
PHONE: (504) 339-0811  
FAX: (504) 339-0811

MEMBER  
American Institute of CPAs  
Society of Louisiana CPAs

**INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROL STRUCTURE USED IN  
ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

The Honorable Mayor, Thomas Stewart,  
and Members of the Board of Aldermen  
Village of Albany, Louisiana

We have audited the general purpose financial statements of the Village of Albany, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated September 4, 1996. We have also audited the compliance of the Village of Albany, Louisiana, with requirements applicable to major federal financial assistance programs and have issued our report thereon dated September 4, 1996.

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

In planning and performing our audit for the year ended June 30, 1996, we considered the internal control structure of the Village of Albany, Louisiana, in order to determine our auditing procedures for the purpose of expressing our opinions on the general purpose financial statements of the Village of Albany, Louisiana, and on the compliance of the Village of Albany, Louisiana, with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated September 4, 1996.

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

**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE**



## **BRUCE HAHNELL & CO.**

CERTIFIED PUBLIC ACCOUNTANTS

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

### **Accounting Controls**

- 1) Cash Receipts/Revenues
- 2) Cash Disbursements

### **General Requirements**

- 1) Political Activity
- 2) Davis-Bacon Act
- 3) Civil Rights
- 4) Cash Management
- 5) Federal Financial Reports
- 6) Drug-Free Workplace Act
- 7) Administrative Requirements

### **Specific Requirements**

- 1) Types of Services Allowed or Unallowed
- 2) Matching, Level of Efforts, and/or Benchmarking Requirements
- 3) Special Reporting Requirements
- 4) Special Test and Provisions

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

During the year ended June 30, 1996, the Village of Albany, Louisiana, expended 87% of its total Federal financial assistance under major federal financial assistance programs.

We performed tests of controls, as required by CPAE Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the Village of Albany, Louisiana's major federal financial programs, which are identified in the accompanying Schedule of Federal Financial Assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

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

It was noted that the Village has a lack of segregation of duties in its system of internal controls. This deficiency in the internal control structure is caused by the small number of personnel that handle the operations of the Village.

Village of Albany, Louisiana

Statement E

Statement of Cash Flows  
 Proprietary Fund Type - Enterprise Fund  
 For the Year Ended June 30, 1995

Cash Flows From Operating Activities

Operating Income	\$	21,527
Adjustments to Reconcile Net Operating Income to Net Cash Provided (Used) by Operating Activities:		
Depreciation		107,604
Changes in Accounts Receivable		2,864
Changes in Due From Other Funds		(13,361)
Changes in Due From Other Governments		30,900
Changes in Accounts Payable		(8,100)
Changes in Debt Account Expenses		(4,274)
Changes in Due To Other Funds		18,726
Changes in Customer Deposits Payable		6,640
Net Cash Provided (Used) by Operating Activities		<u>136,096</u>

Cash Flows From Noncapital Financing Activities

Operating Transfer In		15,381
Net Cash Provided (Used) by Noncapital Financing Activities		<u>15,381</u>

Cash Flows From Capital and Related Financing Activities

Payments for Capital Acquisitions		(36,199)
Contributed Capital		12,080
Interest Income		17,598
Interest Expense		(79,176)
Principal Repayments		(25,182)
Net Cash Provided (Used) by Capital and Related Financing Activities		<u>(116,879)</u>

Net Increase in Cash		63,228
Cash, Beginning of Year		588,173
Cash, End of Year	\$	<u>651,401</u>

The accompanying notes are an integral part of these statements.

Village of Abbeys, Louisiana

Schedule 3

Statement of Expenditures Compared to Budget (GAAP Basis)  
 General Fund  
 For the Year Ended June 30, 1998

	Budget	Actual	Variance Favorable (Unfavorable)
<b>General and Administrative</b>			
Mayor and Aldermen	\$ 6,231	\$ 6,231	\$ -
Clerical Salaries	17,180	17,885	705
Data, Subscriptions, and Printing	6,980	4,296	(2,684)
Professional Services	11,580	12,806	1,226
Utilities and Telephone	2,100	1,856	(244)
Office Supplies and Postage	2,500	2,277	(223)
Insurance and Bonds	12,000	12,591	591
Payroll Taxes - All Departments	6,200	7,083	883
Gasoline Expense - All Departments	4,400	4,172	(228)
Miscellaneous	4,800	6,684	1,884
Total General and Administrative	<u>83,231</u>	<u>88,885</u>	<u>(5,654)</u>
<b>Public Safety</b>			
Police Department:			
Salaries	52,380	52,295	(85)
Airio Expense	4,380	4,945	565
Supplies and Printer Expense	9,450	9,885	435
Capital Lease Principal Payments	6,896	6,814	(82)
Total Public Safety	<u>73,106</u>	<u>74,939</u>	<u>1,833</u>
<b>Street and Sanitation</b>			
Salaries	700	-	700
Materials and Supplies	12,500	10,847	(1,653)
Garbage Pickup	17,500	17,687	187
Total Street and Sanitation	<u>30,700</u>	<u>28,534</u>	<u>(2,166)</u>
<b>Capital Outlay</b>			
General and Administrative	3,800	3,880	80
Police	18,200	18,280	80
Streets	27,861	23,861	(4,000)
Total Capital Outlay	<u>50,861</u>	<u>46,021</u>	<u>(4,840)</u>
<b>Total Expenditures</b>	<u>\$ 137,098</u>	<u>\$ 138,819</u>	<u>\$ 1,721</u>

The accompanying notes are an integral part of these statements.

Village of Albany, Louisiana

Schedule B

Schedule of Revenues and Expenses  
Budget and Actual  
Water Department  
For the Year Ended June 30, 1996

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Operating Revenues - Water</b>			
Water Sales	\$ 281,000	\$ 281,000	\$ (5,314)
Service Connections	15,200	15,600	190
Fees/Chgs	7,200	7,193	(7)
Miscellaneous	700	700	(71)
<b>Total Operating Revenues - Water</b>	<u>304,100</u>	<u>304,503</u>	<u>(5,312)</u>
<b>Operating Expenses - Water</b>			
Salaries	25,000	24,818	60
Water Heating	4,800	4,388	418
Contract Services	18,200	8,214	9,984
Maintenance Materials	18,700	24,720	(4,820)
Pump Repairs	1,400	1,156	244
Repairs & Maintenance	300	1,178	(878)
Utilities Rental	900	945	(45)
Travel Expenses	4,100	5,038	(938)
Office Supplies and Expense	5,100	3,070	2,030
Postage	2,500	2,681	(181)
Utilities	18,100	18,817	(917)
Insurance	8,600	8,260	340
Professional Services	1,500	1,565	(65)
Industrial Services	1,500	1,742	(242)
Payroll Taxes	300	80	220
Educational	400	80	320
Depreciation	43,804	36,989	6,815
Miscellaneous	50	430	(380)
Bad Debt Expense	-	3,080	(3,080)
<b>Total Operating Expenses - Water</b>	<u>181,804</u>	<u>184,161</u>	<u>(2,357)</u>
<b>Net Operating Income - Water</b>	<u>122,296</u>	<u>120,342</u>	<u>1,954</u>
<b>Nonoperating Revenues (Expenses) - Water</b>			
Interest Income	8,700	8,700	-
Loss on Donation of Equipment	-	(332)	(332)
Bond Interest Expense	(51,800)	(51,800)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(43,100)</u>	<u>(43,432)</u>	<u>332</u>
<b>Net Income - Water</b>	<u>\$ 79,196</u>	<u>\$ 76,910</u>	<u>\$ 2,286</u>

The accompanying notes are an integral part of these statements.

**Village of Albany, Louisiana**  
**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 1996**

**15. LEASES**

The Village of Albany, Louisiana records items under capital leases as assets and obligations in the accompanying financial statements. The following is an analysis of capital leases as June 30, 1996:

	Recorded Amount
Vehicles	\$ 19,200
Total	\$ 19,200

The following is a schedule of future minimum lease payments under capital leases and the present value of the net minimum lease payments as of June 30, 1996:

	Vehicles
Fiscal Year Ending June 30, 1997	\$ 6,850
Fiscal Year Ending June 30, 1998	6,850
Fiscal Year Ending June 30, 1999	-
Fiscal Year Ending June 30, 2000	-
Fiscal Year Ending June 30, 2001	-
Total Minimum Lease Payments	13,700
Amount Representing Interest	(1,568)
Present Value of Net Minimum Lease Payments	\$ 12,132

**16. LOUISIANA COMMUNITY DEVELOPMENT BLOCK GRANT**

On September 12, 1994, the Village received confirmation of a \$300,000 Louisiana Community Development Block Grant for the redeveloping of streets in low income housing areas of the Village. As of June 30, 1996, the Village had received \$241,233 of these funds, with the balance to be received in future years.

**BRUCE HARRELL & CO.**  
CERTIFIED PUBLIC ACCOUNTANTS  
of Independent Accounting Companies

Walter C. Harrell, CPA

Warren A. Webb, CPA  
Michael P. Siskin, CPA  
Dale B. Jones, CPA  
Charles P. Siskin, CPA

109 West Minnesota Park  
Park Plaza Suite 7  
Houma, LA 70405  
PHONE: (504) 541-6172  
FAX: (504) 545-3156

HOUSTON OFFICE  
P.O. Box 67-402 87068  
HOUSTON, LA 70460  
PHONE: (281) 221-0900  
FAX: (281) 221-0904

MEMBER  
American Institute of CPAs  
Society of Louisiana CPAs

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

The Honorable Mayor, Thomas Stewart  
and Members of the Board of Aldermen  
Village of Albany, Louisiana

We have audited the general purpose financial statements of the Village of Albany, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated September 4, 1996.

We conducted our audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, *Audit of State and Local Governments*. These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

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

The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We noted the following immaterial instance of noncompliance on the Village of Albany:

**Finding:**

At June 30, 1996, the Village of Albany, Louisiana had \$773,626 in collected bank balances. Of the \$773,626 in collected bank balances, \$44,261 was not secured by FDIC or pledged securities.

**Recommendation:**

The Village of Albany should record in the amount of bank deposits with pledged securities each month in order to keep proper collateralization of bank deposits.

## GENERAL FUND

The account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Village of Albany, Louisiana

Schedule I

Balance Sheet  
General Fund  
June 30, 1998

<b>Assets</b>	
Cash and Cash Equivalents	\$ 190,828
Taxes Receivable:	
Public Utility Franchise Tax	4,932
Due From Other Funds:	
Enterprise Fund	58,978
Capital Projects Fund	100
Due From Other Governments:	
State of Louisiana:	
Tobacco Tax Distribution	872
Excise Tax Distribution	457
Video Poker Tax Distribution	979
Livingston Parish School Board	
Sales Tax	8,185
Total Assets	<u>\$ 264,311</u>
<b>Liabilities and Fund Balance</b>	
<b>Liabilities:</b>	
Accounts Payable	\$ 1,431
Due to Other Funds	13,364
Payroll Withholding Payable	1,458
Total Liabilities	<u>16,253</u>
<b>Fund Balance:</b>	
Unassigned - Unallocated	244,058
Total Fund Balance	<u>244,058</u>
Total Liabilities and Fund Balance	<u>\$ 264,311</u>

The accompanying notes are an integral part of these statements.



Village of Albany, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget (GAAP Basis) and Actual  
General Fund  
For the Year Ended June 30, 1996

Schedule 2

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Taxes:			
Sales (Less Vendor's Commission)	\$ 98,000	\$ 89,878	\$ (9,122)
Ad Valorem	18,200	18,248	(52)
Public Utility Franchise	15,000	18,544	(494)
Licenses and Permits:			
Business Privilege Licenses	18,000	17,989	(11)
Intergovernmental:			
Tobacco Tax Distribution	3,480	3,480	(14)
Beverage Tax Distribution	2,880	2,772	(108)
Video Poker Tax Distribution	3,780	4,028	248
Road Development	30,000	30,000	-
Commission on Law Enforcement	1,200	1,152	(48)
Fees and Fines:			
Garbage Collection Fees	13,300	14,248	(948)
Interest Earned	5,800	5,831	31
Miscellaneous:			
Total Revenues	<u>196,550</u>	<u>210,968</u>	<u>(14,418)</u>
<b>Expenditures</b>			
General and Administrative	83,211	86,893	(3,682)
Public Safety	73,166	73,931	(765)
Streets and Sanitation	18,780	18,894	1,114
Capital Outlays	58,081	58,021	(60)
Total Expenditures	<u>233,238</u>	<u>236,739</u>	<u>(3,501)</u>
<b>Excess of Revenues (Expenditures)</b>	<u>(448)</u>	<u>(4,771)</u>	<u>(4,323)</u>
<b>Other Financing Sources (Uses)</b>			
Operating Transfer Out	(11,351)	(10,141)	-
Sale of Fixed Assets	-	849	849
Capital Lease Proceeds	89,200	89,280	-
Total Other Financing Sources (Uses)	<u>77,849</u>	<u>79,988</u>	<u>2,139</u>
<b>Excess of Revenues and Other Financing Sources (Expenditures and Other Financing Uses)</b>	<u>\$ 3,251</u>	<u>3,217</u>	<u>\$ (3,077)</u>
Fund Balance, Beginning of Year		241,788	
Fund Balance, End of Year		<u>\$ 244,995</u>	

The accompanying notes are an integral part of these statements.

### PROPRIETARY FUND

*Enterprise Fund* - To account for the provision of water and sewer services to customers and residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

Village of Abbeville, Louisiana

Schedule 4

Balance Sheet  
Enterprise Fund  
June 30, 1994

Liabilities and Equity

Liabilities:

Current Liabilities (Payable from Current Assets):

Accounts Payable	\$	12,112
Sales Tax Payable		749
Due to Other Funds		58,778
Total Current Liabilities (Payable from Current Assets)		<u>71,639</u>

Current Liabilities (Payable from Restricted Assets):

Customers' Deposits		94,368
Revenue Bonds Payable, RDCD		21,148
Total Current Liabilities (Payable from Restricted Assets)		<u>115,516</u>

Long-Term Liabilities:

Revenue Bonds Payable, RDCD		<u>1,483,268</u>
Total Long-Term Liabilities		<u>1,483,268</u>
Total Liabilities		<u>1,669,823</u>

Equity:

Contributed Capital		2,121,814
Accumulated Amortization		<u>(159,412)</u>
Net Contributed Capital		<u>1,962,402</u>

Retained Earnings:

Reserved for RDCD Bond Interest		62,267
Reserved for RDCD Bond Depreciation and Contingency		59,884
Unreserved		<u>267,812</u>

Total Retained Earnings		<u>390,063</u>
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Total Equity		<u>2,352,465</u>
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Total Liabilities and Equity	\$	<u>2,800,664</u>
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(Continued)

The accompanying notes are an integral part of these statements.

Village of Albany, Louisiana

Schedule B

Statement of Revenues, Expenses, and Changes in Retained Earnings  
Budget and Actual  
Enterprise Fund  
For the Year Ended June 30, 1998

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Nonoperating Revenues (Expenses)</b>			
Interest Income	\$ 17,998	\$ 17,998	\$ -
Loss on Donation of Equipment	-	(315)	(315)
Bond Interest Expense	(78,176)	(78,176)	-
Total Nonoperating Revenues (Expenses)	<u>\$ (60,178)</u>	<u>\$ (60,493)</u>	<u>(315)</u>
Net Income (Loss)	(38,877)	(48,386)	(1,509)
Operating Transfers In (Out)	13,381	13,361	-
Net Income (Loss)	<u>\$ (25,496)</u>	<u>\$ (35,025)</u>	<u>\$ (1,529)</u>
Unreserved Retained Earnings, Beginning of Year		268,288	
Amortization of Contributions		35,278	
Increases in Reserves		(28,613)	
Unreserved Retained Earnings, End of Year		<u>\$ 274,953</u>	

(Continued)

The accompanying notes are an integral part of these statements.

Village of Abbeville, Louisiana

Schedule B

Statement of Revenues, Expenses, and Changes in Retained Earnings  
Budget and Actual  
Enterprise Fund  
For the Year Ended June 30, 1998

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Operating Revenues</b>			
Water Revenues:			
Water Sales	\$ 208,080	\$ 201,685	\$ (6,395)
Service Connections	15,580	15,640	140
Fees/Chgs	7,280	7,193	(87)
Miscellaneous	780	752	(28)
Total Water Revenues	<u>231,620</u>	<u>225,270</u>	<u>(6,350)</u>
Sewer Revenues:			
Sewer Charges	63,080	60,285	(2,795)
Total Sewer Revenues	<u>63,080</u>	<u>60,285</u>	<u>(2,795)</u>
Total Operating Revenues	<u>294,700</u>	<u>285,555</u>	<u>(9,145)</u>
<b>Operating Expenses</b>			
Salaries	32,197	37,319	(5,122)
Motor Fueling	4,890	4,380	490
Contract Maintenance	24,680	9,487	15,193
Maintenance Materials	24,760	29,483	(4,723)
Pump Repairs	1,480	1,196	284
Repairs & Maintenance	2,140	2,040	900
Unions Rental	980	980	(45)
Travel Expense	4,380	3,018	(1,362)
Office Supplies and Expense	3,180	3,086	94
Postage	2,580	2,681	(101)
Utilities	24,780	26,263	(1,483)
Insurance	14,580	13,748	832
Professional Services	11,080	11,043	36
Industrial Services	1,580	1,582	(2)
Payroll Taxes	3,480	3,484	(4)
Educational	190	113	75
Depreciation	108,142	107,694	448
Miscellaneous	680	663	17
Bad Debt Expense	-	2,781	(2,781)
Total Operating Expenses	<u>268,749</u>	<u>264,681</u>	<u>4,068</u>
<b>Net Operating Income</b>	<u>26,000</u>	<u>20,874</u>	<u>(5,126)</u>

(Continued)

The accompanying notes are an integral part of these statements.

Village of Albany, Louisiana

Schedule #

Balance Sheet  
Enterprise Fund  
June 30, 1998

Assets

Current Assets:

Cash	\$	346,359
Accounts Receivable, Net		28,558
Due From Other Funds		17,261
Total Current Assets		<u>392,178</u>

Restricted Assets:

Bond and Interest Redemption Account, Cash		54,871
Bond Reserve Account, Cash		62,567
Depreciation and Contingency Account, Cash		56,884
Customers' Deposits, Cash		28,563
Construction Account, Cash		8,151
Total Restricted Assets		<u>211,036</u>

Property, Plant, and Equipment:

Land		56,479
Building		68,867
Utility Plant, in Service		3,713,800
Equipment		133,286
Total Property, Plant, and Equipment		<u>3,972,432</u>
Accumulated Depreciation		(148,938)
Net Property, Plant, and Equipment		<u>3,823,494</u>
Total Assets	\$	<u>7,238,768</u>

(Continued)

The accompanying notes are an integral part of these statements.