

This report is intended solely for the use of managers of Village of Gramercy, Louisiana, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.



Monroe, Louisiana

June 25, 1997

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

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

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the Town Clerk and the Mayor.

Meetings

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

Village of Quimper, Louisiana, is only required to post a notice of each meeting and the accompanying agenda on the door of the district's office building. Although management has asserted that such documents were properly posted, I could find no evidence supporting such assertion other than an unmarked copy of the notices and agendas.

Bank

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

I inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or life insurance.

Advances and Bonuses

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

A reading of the minutes of the town for the year indicated no approval for these types of payments.

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

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

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

Budgeting

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

Management provided me with a copy of the original budget, however, a reading of the minutes showed no record of the budget being approved by the Board of Aldermen.

6. Trace the budget adoption and amendments to the minute book.

As noted in 5 above, there is no record of the approval of the budget for the fiscal year ended December 31, 1996.

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

As noted in 5 above, there is no record of the approval of the budget for the fiscal year ended December 31, 1996.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and (a) trace payments to supporting documentation as to proper amount and payee.

I examined supporting documentation for each of the six selected disbursements and found the following:

- a) One of the checks could not be supported with documentation.
- b) Two checks had only one signature.
- c) The other three were for the proper amount and made to the proper payee.

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

WILLIAM D. EDWARDS

Certified Public Accountant
A Professional Accounting Corporation
Member: AICPA / Society of CPAs

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Management of Village of Quitman, Louisiana

I have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Village of Quitman, Louisiana and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Village of Quitman's compliance with certain laws and regulations during the year ended December 31, 1997 included in the accompanying *Louisiana Financial Statements*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified user of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$5,000, or public works exceeding \$50,000, and determine whether such purchases were made in accordance with LSA-RS 48:2211-2231 (the public bid law).

No expenditures were made during the year for materials and supplies exceeding \$5,000 and no expenditures were made for public works exceeding \$50,000. I examined cash disbursement records which indicated no purchases which would require public bidding requirements.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1901-1924 (the code of ethics), and a list of outside business interest of all board members and employees, as well as their immediate families.

Management provided me with the required list including the noted information.

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

Management provided me with the required list.

**VILLAGE OF QUITMAN
NOTES TO FINANCIAL STATEMENTS (CONCLUDED)
FOR THE YEAR ENDED DECEMBER 31, 1990**

NOTE 4: CHANGES IN LONG-TERM DEBT

The Village of Quitman has no long-term debt transactions for the year ended December 31, 1990.

NOTE 7: COMMITMENTS AND CONTINGENT LIABILITIES

At December 31, 1990, the Village of Quitman had no litigation pending against them. Amounts received are receivable from grantor agencies in previous years are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, would become liability of the general fund or other applicable funds.

NOTE 8: PER DIEM PAYMENTS TO MAYOR & ALDERMEN

Mr. DeJoy Warren	\$1,500
Mr. Stewart McMillan	375
Mr. Levell Brown	900
Ms. Sylvia Connor	900
Ms. Shirley Wainwright	450
Total	<u>\$4,125</u>

VILLAGE OF QUITMAN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 1996

NOTE 5: CHANGES IN FIXED ASSETS

A summary of changes in general fixed assets follows:

	Land	Building	Equipment	Total
Balance, December 31, 1995	\$ 13,000	\$ 25,474	\$ 19,642	\$ 58,116
Additions:	0-	0-	0-	0-
Sales or Retirement:	0-	0-	0-	0-
Balance, December 31, 1996	\$ 13,000	\$ 25,474	\$ 19,642	\$ 58,116

A summary of the changes in proprietary fund type enterprise fund fixed assets follows:

	Dec. 31, 1995	Additions	Deletions	Dec. 31, 1996
Water System	88,373			88,373
Sewer System	750,000			750,000
Sewer System Improvement	15,000			15,000
Office Equipment	3,924			3,924
	<u>857,297</u>		0-	<u>857,297</u>
Accumulated Depreciation	(167,475)	(26,388)		(193,863)
Net Fixed Assets	<u>\$ 689,822</u>	<u>\$ (26,388)</u>	<u>0-</u>	<u>\$ 663,433</u>

Depreciation expense for the year ended December 31, 1996 is \$28,389.

There were no additions to proprietary fixed assets during the year ended December 31, 1996.

**VILLAGE OF QUITMAN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 1996**

G. TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidated Interfund eliminations have not been made in the aggregation of this data.

NOTE 2: CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

The Village's cash accounts at December 31, 1996, are categorized below to give an indication of the level of risk assumed by the Village at year end. Category 1 includes cash that is insured. Category 2 includes uninsured and unregistered cash and investments, with securities held by the counter party's trust department or agent in the Village's name. Category 3 includes uninsured and unregistered cash and investments, with securities held by the counter party or by its trust department or agent but not in the Village's name. In accordance with GASB 3, this category includes certificates of deposits or money market accounts that are collateralized with securities held by the pledging financial institutions or by its trust department or agent but not in the Village's name, although balances so collateralized meet the requirements of state law.

	Category			Bank Balance	Market Value
	1	2	3		
Cash in Bank	\$ 108,680	\$ 28,819		\$ 28,819	\$ 134,609

NOTE 3: RESTRICTED ASSETS

Restricted assets are comprised of cash in a trust fund of \$3,136, on December 31, 1996 in the Proprietary Fund - Exception for the repayment of customer deposits when needed.

NOTE 4: INTERFUND RECEIVABLES, PAYABLE

At December 31, 1996:

	General	Proprietary
Due To	\$ 1,982	\$ 86
Due From	(881)	(1,582)
	1,101	(1,496)

VILLAGE OF QUITMAN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 1996

C. FIXED ASSETS AND LONG-TERM LIABILITIES (CONTINUED)

Depreciation of all exhaustible fixed assets used by the Proprietary Fund Type - Enterprise Fund is charged as an expense against its operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Improvements	33 years
Equipment	3-10 years

D. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting related to the timing of the measurements made, regardless of the measurement basis applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their accounts are recognized when they become measurable and available as set current assets. Other intergovernmental revenues are recognized when in the hands of the collecting governments.

For governmental fund types the expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on long-term debt is recognized when it becomes due for payment.

The proprietary fund type - enterprise fund is accounted for using the accrual basis of accounting. The revenues are recognized when they are incurred.

E. BAD DEBTS

The accounts receivable balance as of December 31, 1996 are thought to be collectible, thus no provision for uncollectible accounts has been made in these statements.

F. ACCUMULATED UNPAID VACATION

The Village's obligation for employee's rights to receive compensation for future absence, such as vacation was not determined as of December 31, 1996, and thus, is not recognized in the accompanying financial statements. The amounts are not considered significant and would have an immaterial effect on the accompanying financial statements.

VILLAGE OF QUITMAN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 1998

Proprietary Fund Type

Enterprise Fund - The Enterprise Fund accounts for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The Utility Fund is the Village's only proprietary fund type.

C. FIXED ASSETS AND LONG-TERM LIABILITIES

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental fund type operations are accounted for on a operating or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets.

Account groups establish accounting control and accountability for the Village's general fixed assets and the unamortized principal on its general long-term debt. These account groups are not funds - they do not reflect available financial resources and related liabilities - but are accumulating records of general fixed assets and general long-term debt, respectively, and contain associated information.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. Public domain ("infrastructure") general fixed assets consisting of certain improvements, other than buildings, including: roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are not capitalized with other general fixed assets. Depreciation has not been provided on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated value on the date donated.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group. The Village has no long-term debt as of December 31, 1998.

The Proprietary Fund Type - Enterprise Fund is accounted for on a cost of services or "capital maintenance" measurement focus, and all liabilities (whether current or non-current) associated with its activity are included on its balance sheets.

**VILLAGE OF QUITMAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1996**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Quitman was incorporated in 1931 under the provisions of the Louisiana Act and operates under a Mayor-Board of Aldermen form of government. The Village provides the following services to its residents: public safety (police); highways and streets; water facilities through the utility fund; culture/recreation; and general administrative services.

The accounting and reporting practices of the Village of Quitman conform to generally accepted accounting principles. The Governmental Accounting Standards Board prescribes general accepted accounting principles for governments. The Village's accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24-313 and to the guides set forth in the "Louisiana Municipal Audit and Accounting Guide".

The following is a summary of certain significant accounting policies:

A. FINANCIAL REPORTING ENTITY

This report includes all funds and account groups which are controlled by the Village executive and legislative branches (the Mayor and Board of Aldermen). Control by or dependence on the Village was determined on the basis of voting authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibilities.

B. FUND ACCOUNTING

The accounts of the Village are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, as expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are grouped, in the financial statements in the report, into four generic fund types and two broad fund categories as follows:

Governmental Fund Types

General Fund - The General Fund is the general operating fund of the Village. Its accounts for all financial resources except those required to be accounted for in another fund.

Capital Projects Fund - The Capital Projects Fund accounts for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Debt Service Fund - The Debt Service Fund accounts for the accumulation of resources for and the payment of, general long-term debt principal, interest, and related costs.

VILLAGE OF QUITMAN
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 1994

<u>Cash Flows From Operating Activities</u>		
Operating Loss		\$ (12,720)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	26,389	
Increase in Accounts Receivable	(1,501)	
Increase in Accounts Payable	98	
Increase in Payroll Taxes Payable	283	
Increase in Sales Tax Payable	174	
Increase in Interfund Receivable	<u>(282)</u>	
		<u>25,577</u>
Net Cash Provided by Operations		12,857
<u>Cash Flows From Capital and Related Financing Activities</u>		
State Grant Received		15,000
Net Cash Provided by Financing Activities		15,000
<u>Cash Flows From Investing Activities</u>		
Interest Income		<u>1,663</u>
Net Cash Provided From Investing Activities		1,663
Net Increase in Cash		29,520
Cash at Beginning of Year - All Accounts		<u>62,974</u>
Cash at End of Year - All Accounts		<u>\$ 92,494</u>

CASH SHOWN ON BALANCE SHEET

<u>Current Assets</u>		
Cash - Operating		\$ 90,194
Cash - Restricted		<u>2,300</u>
		<u>\$ 92,494</u>

The accompanying notes are an integral part of these financial statements.

**VILLAGE OF QUITMAN
STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN RETAINED EARNINGS PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1996**

	<u>Water Fund</u>
Operating Revenue	
Water Sales and Sewer Fees	\$ 45,188
Miscellaneous Fees	1,285
Total Operating Revenue	<u>\$ 46,473</u>
Operating Expenses	
Audit	390
Auto	200
Depreciation	28,389
Fees	190
Insurance	1,621
Office Supplies & Expense	1,483
Payroll Tax	388
Repairs & Maintenance	13,482
Towns Clerk	3,128
Utilities	7,599
Chemical Supplies and Testing	3,064
General Supplies	283
Motor Tolls	828
Total Operating Expenses	<u>\$ 59,053</u>
Operating Loss	<u>(12,580)</u>
Nonoperating Revenue	
(Expense)	
Interest Income	\$ 1,643
State Grant	13,080
Total Nonoperating Revenue (Expense)	<u>14,723</u>
Net Income (Loss)	<u>\$ 2,143</u>
Beginning Retained Earnings	<u>\$ (11,968)</u>
Ending Retained Earnings - Deficit	<u>\$ (9,825)</u>

The accompanying notes are an integral part of these financial statements.

VILLAGE OF QUITMAN
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE GOVERNMENTAL FUND
FOR THE YEAR ENDED DECEMBER 31, 1998

Revenues	Amount
Occupational Licenses	\$ 17,100
Tobacco Tax	878
Franchise Fee	1,641
Lease	1,775
Interest Earned	1,734
Other Revenue	115
Total Revenue	\$ 23,241
Expenditures	
Accounting	690
Audit	340
Utilities	4,468
Insurance	1475
Janitorial	454
Board Officials - Per Diem	4,125
Office	790
Town Clerk	1,680
Telephone	308
Legal and Advertising	491
Park Expenses	866
Payroll Taxes	214
Fire Hydrant	320
Marshal Fees	510
Outside Services	852
Repairs & Maintenance	3,852
Total Expenditures	\$ 21,445
Excess of Revenue Over Expenditures	1,796
Fund Balance at Beginning of Year	\$ 65,991
FUND BALANCE AT END OF YEAR	67,787

The accompanying notes are an integral part of these financial statements.

**VILLAGE OF QUITMAN
COMBINED BALANCE SHEETS - ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1996**

	Governmental Fund Type	Proprietary Fund Type	MEMO GPM:V) Total All Types
	General	Water	Types
FUND EQUITY			
Retained Earnings:			
Unreserved		(8,045)	(8,045)
Fund Balance:			
Unreserved - Undesignated	65,915		65,915
Contributed	1,872	563,578	762,050
Total Fund Equity	<u>67,787</u>	<u>555,533</u>	<u>623,320</u>
TOTAL LIABILITIES AND FUND EQUITY	\$ 67,963	764,717	832,680

The accompanying notes are an integral part of these financial statements.

VILLAGE OF QUITMAN
COMBINED BALANCE SHEETS - ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1994

	Governmental Fund Type General	Proprietary Fund Type Water	(MEMO ONLY) Total All Types
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	\$ 66,465	\$ 60,154	\$ 126,619
Accounts Receivable		4,292	4,292
Interfund Receivables	1,582	86	1,588
Inventory		3,452	3,452
Total Current Assets	67,967	63,984	125,951
RESTRICTED ASSETS			
Cash - Meter Deposits		3,320	3,320
Total Restricted Assets		3,320	3,320
FIXED ASSETS			
Plant, Property and Equipment		857,297	857,297
Accumulated Depreciation		(193,884)	(193,884)
Total Fixed Assets		663,413	663,413
TOTAL ASSETS	\$ 137,967	\$ 764,717	\$ 832,684
LIABILITIES AND FUND EQUITY			
CURRENT LIABILITIES			
Accounts Payable	\$ 494	\$ 1,516	\$ 2,010
Sales Tax Payable		343	343
Interfund Payable	86	1,992	1,988
Customer Deposits Payable		3,320	3,320
Payroll Taxes Payable		285	285
Total Liabilities	380	7,184	7,764

The accompanying notes are an integral part of these financial statements.

WILLIAM D. EDWARDS

Certified Public Accountant
A Professional Accounting Corporation
Member: AICPA / Society of CPAs

To the Board of Aldermen
Village of Quitman
Quitman, Louisiana

I have compiled the accompanying general purpose financial statements of the Village of Quitman as of December 31, 1996, in accordance with standards established by the American Institute of Certified Public Accountants.

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

William D. Edwards

Rayon, Louisiana
June 20, 1997

VILLAGE OF QUITMAN
GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1995

TABLE OF CONTENTS

	Page
Compilation Report	1
Combined Balance Sheets - All Funds Types	2-3
Combined Statements of Revenues, Expenditures, and Changes in Fund Balance - All Governmental Types	4
Statements of Revenues, Expenses, and Changes in Retained Earnings - Proprietary Fund Types	5
Statement of Cash Flows - Proprietary Fund	6
Notes to Financial Statements	7-12
Independent Accountant's Report On Applying Agreed-Upon Procedures	13-16

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VILLAGE OF QUEMAN

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1996**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the clerk of court, or notary, 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: JUL 20 1997

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