

NOTES TO FINANCIAL STATEMENTS

Village of Ashland, Louisiana  
 Schedule of Federal Financial Assistance  
 Year Ended June 30, 1999

Federal Grantor/ Pass-Through Operator/ Contract Title	Federal CFDA Number	Pass-Through Operator Number	Award Amount	Current Year Balance	Current Year Expended	Total Program Expenditures to June 30, 1999
U. S. Department of Housing and Urban Development passed through to Louisiana Division of Administration	14-219	181-9699	\$3,332,725	\$900,000	\$4,180,000	\$2,680,000
LCDMIG Grant						

*Johnson, Thomas & Cunningham*

*Chartered Public Accountants*

Page 1

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INDEPENDENT AUDITORS' REPORT

To the Village Council of  
Addicks, Louisiana

We have audited the accompanying financial statements of the Louisiana Community Development Block Grant Fund of the Village of Addicks, Louisiana, as of June 30, 1986, and for the year then ended. These financial statements are the responsibility of the Village of Addicks, Louisiana, management. Our responsibility is to express an opinion on these 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, the provisions of Office of Management and Budget Circular A-133, "Audits of State and Local Governments", and the Louisiana Governmental Audit Guide. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements being audited are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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.

As discussed in Note A, the financial statements present only the Louisiana Community Development Block Grant Funds of the Village of Addicks, Louisiana, and are not intended to present fairly the financial position and results of operations of the Village of Addicks, Louisiana, in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Louisiana Community Development Block Grant Fund of the Village of Addicks, Louisiana, as of June 30, 1986, and the results of operations of such fund for the year then ended in conformity with generally accepted accounting principles.

*Johnson, Thomas & Cunningham*  
Johnson, Thomas & Cunningham, CPAs

September 18, 1986  
Natchitoches, Louisiana

## FINANCIAL STATEMENTS

Village of Arden, Louisiana  
LCIFB Fund

Balance Sheet  
June 30, 1999

	LCIFB Fund 104-0000
<u>Assets</u>	
Cash	\$ 2,178
Receivables	..... 0
<b>Total Assets</b>	<b>\$ 2,178</b>
<u>Liabilities &amp; Fund Balance</u>	
Liabilities	\$ 0.00
Fund Balance— Unassigned	(2,000)
<b>Total Liabilities &amp; Fund Balance</b>	<b>\$ 2,178</b>

See notes to financial statements.

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VILLAGE OF ASHLAND, LOUISIANA

LEASING FUND

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 reviewed, audit 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 OCT 05 1996

Village of Ashland, Louisiana

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Village of Ashland, Louisiana  
LICING Fund

LC1993 Total 191-4982  
Statement of Revenues, Expenditures and Changes in Fund Balance-  
Budget (GAAP Basis) and Actual  
Year Ended June 30, 1994

	Grant in Progress					Variance- Favorable (Unfavorable)
	Total Program Budget	Fiscal Year Transactions	Remaining Balance	Current Year Encumbrance		
REVENUES						
Intergovernmental	\$0.00	\$0	\$0.00	\$0.00	\$0.00	\$0.00
Division of Administration						
EXPENDITURES						
Current						
Administration	\$ 1,000	\$0	\$ 1,000	\$1,000	\$ 2,000	\$ 1,000
Public Works	216,150	0	216,150	216,150	216,150	216,150
Total Expenditures	\$217,150	\$0	\$217,150	\$217,150	\$217,150	\$217,150
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$0	\$ 0	\$ 0	\$ 0	\$ 0
Fund Balance-Beginning of Year	0	0	0	0	0	0
Fund Balance-End of Year	\$ 0	\$0	\$ 0	\$ 0	\$ 0	\$ 0

See notes to financial statements.



Village of Ashland, Louisiana  
 LEISURE Fund

Statement of Revenues, Expenditures and Changes in Fund Balance  
 Year Ended June 30, 1996

	LC1886 Fund 181-6081
<b>REVENUES:</b>	
Inter-governmental	
Division of Administration	\$20,124
<b>EXPENDITURES:</b>	
Current	
Administration	\$13,415
Public Works	28,390
Total Expenditures	\$41,805
Excess (Deficiency) of Revenues Over Expenditures	\$ (21,681)
Fund Balance- Beginning of Year	—
Fund Balance- End of Year	\$ (21,681)

See notes to financial statements.

Village of Ashland, Louisiana  
LC11061 Fund

Notes to Financial Statements  
June 30, 1996

**Note A: The Reporting Entity**

The accompanying financial statements present the financial position and results of operations of the Louisiana Community Development Block Grant Fund of the Village of Ashland. In accordance with standards established by the Governmental Accounting Standards Board, the reporting entity of this fund is the Village of Ashland, Louisiana. Therefore, the accompanying financial statements of the Louisiana Community Development Block Grant Fund contain only account information of the various funds of the Village of Ashland, Louisiana. As such, the accompanying financial statements present information only as to the operations of these community development funds as authorized by the grant documents, and are not intended to present fairly the financial statements of the Village of Ashland, Louisiana.

**Note B: Significant Accounting Policies**

The accounting and reporting policies used in the preparation of these financial statements conform to generally accepted accounting practices as applicable to governmental units. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:512 and to the guidelines set forth in the Louisiana Governmental Audit Guide.

The following is a summary of certain significant accounting policies and practices:

**Fund Accounting:**

The accounts of the LC11061 Fund are organized on the basis of a fund, which is considered a separate accounting entity. The operations of the fund are accounted for with a separate set of self-balancing accounts that comprise the assets, liabilities, fund equity, revenues and expenditures. Revenues are accounted for based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds presented in this report are Governmental Type Funds as Special Revenue Fund Types.

**Basis of Accounting:**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. The funds presented in this report are accounted for using the modified accrual basis of accounting whereby revenues are recorded when they become measurable and available, and expenditures are recorded when the related fund liability is incurred.

Village of Arkham, Louisiana  
 147804 Fund

Notes to Financial Statements  
 June 30, 1998

**Budgets**

The budgetary amounts reflected in these statements are listed not funds in the grant documents with subsequent revisions approved by the Grantor Agencies.

**Cash and Cash Equivalents and Investments**

For reporting purposes, cash and cash equivalents include cash and time deposits. As June 30, 1998, the 147804 Fund had cash and cash equivalents totaling \$2,278. Cash and cash equivalents are stated at cost which approximates market. Under Louisiana law, these deposits must be secured by Federal deposit insurance, or by the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the Federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These pledged securities are held in the name of the pledging bank, in a holding or collateral bank or the form of a satisfactory receipt held by the Village. The deposits at June 30, 1998, were secured as follows:

	Bank Balance	FED Insurance	Balance Unsecured
Cash & Cash Equivalents	\$2,278	\$2,278	\$0

COMPLIANCE, INTERNAL CONTROL, AND  
OUTRAGE INFORMATION

*John W. Thomas & Company, Inc.*

*Chartered Public Accountants*

Exhibit 11

Page 10

*John W. Thomas & Company, Inc., Department of Auditors*

*John W. Thomas & Company, Inc., Department of Auditors*

*John W. Thomas & Company, Inc., Department of Auditors*

*1000 Boulevard de la*

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*1971-1972*

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IMPLEMENTATION AUDITORS' REPORT ON THE INTERNAL  
CONTROL STRUCTURE OF THE ADMINISTRATION  
OF FEDERAL FINANCIAL ASSISTANCE PROGRAMS

To the Village Council of  
Ashland, Louisiana

We have audited the financial statements of the Louisiana Community Development Block Grant Fund of the Village of Ashland, as of and for the year ended June 30, 1976, and have issued our report thereon dated September 18, 1976. We have also audited the Louisiana Community Development Block Grant Fund of the Village of Ashland's compliance with requirements applicable to its major federal financial assistance programs and have issued our report thereon dated September 18, 1976.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, Office of Management and Budget (OMB) Circular A-133, "Standards of State and Local Governments", and the Louisiana Governmental Audit Guide. These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and about whether the Village of Ashland complied with laws and regulations, noncompliance with which would be material to a management level financial assistance program.

In planning and performing our audit for the year ended June 30, 1976, we considered the Fund's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinions on the Fund's financial statements and on its compliance with requirements applicable to federal financial assistance programs and not to provide assurance on the internal control structure. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs.

The management of the Village of Ashland 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 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.

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:

**General requirements:**

- Political activity
- Davis-Bacon Act
- Civil rights
- Cash management
- Federal financial reports
- Allowable costs/loan principles
- Administrative requirements

**Specific requirements:**

- Types of services
- Eligibility
- Matching, level of effort, or cost-sharing
- Reporting
- Special requirements
- Claims for advances and reimbursements

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 are essential control risk.

During the year ended June 30, 1976, the Village of Ashland expended 100 percent of its total federal financial assistance under numerous federal financial assistance programs.

We performed tests of controls, as required by GAAP 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 the Village's federal financial assistance programs, which is 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 a certain matter involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters relating to one situation 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 administer federal financial assistance programs in accordance with applicable laws and regulations.

#### Separation of Duties

##### Finding:

The accounting department of the Village consists of only one employee. This leaves very little opportunity to have a proper separation of duties needed for a strong system of internal control.

##### Recommendation:

Since the cost of an internal control system should not outweigh the benefits derived from it, we can not recommend that additional personnel be added, and have no recommendation to make in this area.

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 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 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. We believe that the above reported weakness is material.

This report is intended solely for the use of management, all applicable Federal agencies, and those other governmental units from which financial assistance was received and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon delivery to the Village of Ashland, is a matter of public record.

  
Johnson, Thomas & Cunningham, CPAs

September 18, 1996  
Natchitoches, Louisiana

*Johnson, Thomas & Cunningham*  
*Chartered Public Accountants*

Exhibit B  
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*John T. Brown, P.C.A., C.F.A., C.P.A. and C.P.A. (CPA)*  
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**COMPLIANCE REPORT BASED ON AN ASSESS OF THE FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH INTERNATIONAL AUDITING STANDARDS**

To the Village Council of  
Arbuckle, Louisiana

We have audited the financial statements of the Louisiana Community Development Block Grant Fund of the Village of Arbuckle as of and for the year ended June 30, 1996, and have issued our report thereon dated September 18, 1996.

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

Compliance with laws, regulations, and contracts applicable to the Louisiana Community Development Block Grant Fund of the Village of Arbuckle, is the responsibility of the Village's management. As part of obtaining reasonable assurance about whether the aforementioned financial statements are free of material misstatement, we performed tests of the Village's compliance with certain provisions of laws, regulations, and contracts. However, our objective 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 non-compliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of management. This restriction is not intended to limit the distribution of this report, which, upon delivery to the Village of Arbuckle, is a matter of public record.

*Johnson, Thomas & Cunningham*  
Johnson, Thomas & Cunningham, CPAs

September 18, 1996  
Murchison, Louisiana



*Johnson, Thomas & Cunningham*

*Chartered Accountants*

Exhibit F

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*John C. Brown, B.S., C.P.A., Chartered Accountant*

*John T. Brown, B.S., C.P.A., Chartered Accountant*

*Robert H. Cunningham, B.S., C.P.A., Chartered Accountant*

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**AUDITOR'S REPORT IN COMPLIANCE WITH  
SPECIFIC REQUIREMENTS APPLICABLE TO FEDERAL OR FEDERAL  
FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS**

To the Village Council of  
Ashland, Missouri

We have audited the financial statements of the Louisiana Community Development Block Grant Fund of the Village of Ashland, as of and for the year ended June 30, 1996, and have issued our report thereon dated September 18, 1996.

In connection with our audit of the 1996 financial statements of the Fund, and with our consideration of the Fund's internal control system 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 major 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 type of services allowed or unallowed, matching, and amounts claimed or paid for matching that are applicable to these transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Fund's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of these procedures disclosed no material instances of non-compliance 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 Fund had not complied, in all material respects, with these requirements.

This report is intended for the information of management, applicable Federal agencies, and other governmental agencies from whom Federal financial assistance was received. However, upon delivery to the Village of Ashland, this report is a matter of public record and its distribution is not limited.

*Johnson, Thomas & Cunningham*  
Johnson, Thomas & Cunningham, C.P.A.s

September 18, 1996  
Northchester, Louisiana

*Johnson, Thomas & Cunningham*  
Certified Public Accountants

Included in  
Page 15

*Paul S. Brown, R. P. C. P. A., Independent Corporation*  
*Paul S. Brown, R. P. C. P. A., Independent Corporation*  
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ATTENDERS, SENIOR EXAMINERS, CHIEF OF FEDERAL  
FINANCIAL ASSISTANCE

To the Village Council of  
Addicks, Louisiana

We have audited the financial statements of the Louisiana Community Development Block Grant Fund of the Village of Addicks, Louisiana, for the year ended June 30, 1990, and have issued our report thereon dated September 28, 1990. These financial statements are the responsibility of the Village of Addicks, Louisiana, management. Our responsibility is to express an opinion on these component unit 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-133, "Audits 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 component unit financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the component unit 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 Louisiana Community Development Block Grant Fund financial statements of the Village of Addicks, 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 component unit 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.

*Johnson, Thomas & Cunningham*  
Johnson, Thomas & Cunningham LLP

September 18, 1990  
Baton Rouge, Louisiana