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VILLAGE OF RICHMOND, LOUISIANA

FINANCIAL STATEMENTS

JUNE 30, 1993

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Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or auditors, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date: SEP 24 1993

VILLAGE OF RICHMOND, LOUISIANA

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Honorable Mayor and Members of  
the Board of Aldermen  
Village of Richmond, Louisiana

I have compiled the accompanying combined financial statements of the Village of Richmond, Louisiana as of and for the year ended June 30, 1993, as listed in the table of contents, in accordance with Statements on Standards for Accounting and Review Services issued 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 the city officials. 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.

*John David Knight*

August 31, 1993

VILLAGE OF  
COMBINED BALANCE SHEET

	Governmental Fund Types		
	General	Special Revenue	Debt Service
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 48,668	1388,233	\$ 8,588
Restricted Assets (Note 1)	-	-	14,537
Fixed Assets (Notes 1 & 2)	-	-	-
Amount Available in Debt Service Fund	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-
Other Assets	75	-	-
<b>Total Assets</b>	<b>\$ 48,743</b>	<b>\$1388,233</b>	<b>\$21,125</b>
<b>LIABILITIES AND FUND EQUITY:</b>			
<b>Liabilities:</b>			
Accrued Expense	\$ 542	-	-
Bonds Payable	-	-	-
<b>Total Liabilities</b>	<b>542</b>	<b>-</b>	<b>-</b>
<b>FUND EQUITY:</b>			
Investment in General Fixed Assets	-	-	-
Fund Balances:			
Reserved for Debt Service	-	-	41,125
Unreserved	69,281	389,211	-
<b>Total Fund Equity</b>	<b>69,281</b>	<b>389,211</b>	<b>41,125</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 78,823</b>	<b>\$389,211</b>	<b>\$41,125</b>

UNAUDITED - See accompanying notes to financial statements.

RICHMOND, LOUISIANA  
 ALL FUND TYPES AND ACCOUNT GROUPS  
 June 30, 1997

Capital Projects Fund	Account Groups		Totals (Memorandum Only)
	General Fixed Assets	General Long-Term Debt	
\$ 23,180	\$ -	\$ -	\$ 498,878
-	-	-	34,937
-	497,777	-	497,777
-	-	-	-
-	-	41,125	41,125
-	-	128,875	128,875
-	-	-	75
<u>23,180</u>	<u>497,777</u>	<u>161,000</u>	<u>1,182,068</u>
-	-	-	542
-	-	161,000	161,542
-	-	161,000	161,542
-	497,777	-	497,777
-	-	-	41,125
<u>23,180</u>	<u>497,777</u>	<u>161,000</u>	<u>1,182,068</u>
\$ 23,180	\$497,777	\$ 161,000	1,182,068
\$ 23,180	\$497,777	\$161,000	\$1,182,068

UNAUDITED - See accompanying notes to financial statements.

VILLAGE OF RICHMOND, LOUISIANA  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 For the Year Ended June 30, 1997

	General	Special Revenues	Debt Service	Capital Expenditures	Totals Miscellaneous Only
<b>REVENUES:</b>					
<b>Taxes:</b>					
Property	\$ 8,484	\$ -	\$ -	\$ -	\$ 8,484
Sales	-	105,942	-	-	105,942
Fire Protection	8,880	-	-	-	8,880
Tobacco	2,416	-	-	-	2,416
Franchise	10,971	-	-	-	10,971
<b>Other Licenses, Permits, Fines, Fees, etc.</b>					
	17,588	-	-	-	17,588
Rent	7,931	-	-	-	7,931
Video Poker Income	3,109	-	-	-	3,109
Interest	3,615	-	-	-	3,615
Other Revenues	2,222	-	-	-	2,222
		15,197	991	878	16,466
<b>Total Revenues</b>	<b>84,398</b>	<b>121,139</b>	<b>991</b>	<b>878</b>	<b>183,106</b>
<b>EXPENDITURES:</b>					
<b>Current:</b>					
General government	82,354	-	-	-	82,354
Highways, Streets & Buildings	-	-	-	-	3,441
Miscellaneous	-	1,044	-	-	1,044
Capital Outlay	-	-	-	-	0
<b>Debt Service:</b>					
Principal Retirement	-	-	7,000	-	7,000
Interest & Fiscal charges	-	-	12,536	-	12,536
<b>Total Expenditures</b>	<b>82,354</b>	<b>1,044</b>	<b>19,536</b>	<b>-</b>	<b>102,934</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER)</b>					
<b>EXPENDITURES</b>	<b>(27,790)</b>	<b>120,105</b>	<b>(18,545)</b>	<b>878</b>	<b>84,438</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
<b>Operating</b>					
Transfer In:	10,527	-	28,611	-	39,138
Operating Transfer Out:	-	(20,138)	-	-	(20,138)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>10,527</b>	<b>(20,138)</b>	<b>28,611</b>	<b>-</b>	<b>18,999</b>

UNAUDITED-See accompanying notes to financial statements.

VILLAGE OF KICKAPOO, LOUISIANA  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 For the Year Ended June 30, 1997

	Special	Debt	Capital (Memorandum)	Totals	
<u>General</u>	<u>Revenues</u>	<u>Service</u>	<u>Project</u>	<u>Only</u>	
EXCESS (DEFICIENCY) IN REVENUES AND OTHER FINANCING RESOURCES OVER (UNDER) AND EXPENDITURES AND OTHER FINANCING USES	(7,214)	98,007	1,846	878	94,430
FUND BALANCES, Beginning of Year	16,472	109,176	40,000	22,612	288,260
FUND BALANCES, End of Year	\$ 29,684	\$209,223	\$ 41,846	\$ 23,190	\$503,743

UNAUDITED - See accompanying notes to financial statements.

VILLAGE OF RICHMOND, LOUISIANA  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL-GENERAL FUND  
 For the Year Ended June 30, 1997

	<u>Budget</u>	<u>Actual</u>	Variance Favorable Unfavorable
<b>REVENUES:</b>			
Taxes			
Property	\$16,400	\$ 8,606	\$(7,794)
Fire Protection	4,800	8,000	4,000
Tobacco	3,200	2,418	(1,082)
Franchise	8,200	10,071	1,871
Other Licenses, Permits, Fines			
Fees, etc.	19,500	17,588	(1,912)
Rent	8,500	7,931	(569)
Video Poker License	3,000	3,289	(441)
Interest	3,250	3,435	365
Other Revenue	<u>1,288</u>	<u>2,222</u>	<u>1,034</u>
Total Revenues	49,500	84,568	(34,067)
<b>EXPENDITURES:</b>			
General Government	<u>28,700</u>	<u>82,358</u>	<u>(53,658)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			
	(10,000)	(17,788)	(7,788)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer In	<u>18,888</u>	<u>18,527</u>	<u>361</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>			
	-	(17,271)	(7,271)
<b>FUND BALANCE, BEGINNING OF YEAR</b>			
	<u>19,822</u>	<u>28,822</u>	<u>9,000</u>
<b>FUND BALANCE, END OF YEAR</b>			
	<u>\$ 76,822</u>	<u>\$ 69,201</u>	<u>\$ 47,271</u>

UNAUDITED - see accompanying notes to financial statements.



VILLAGE OF RICHMOND, LOUISIANA  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL-SPECIAL REVENUE FUND  
 FOR the Year Ended June 30, 1967

	<u>Budget</u>	<u>Actual</u>	Variance Favorable Unfavorable
REVENUES:			
Taxes - Sales	\$ 92,000	105,942	13,942
Interest	1,388	15,281	13,893
Total Revenues	93,388	121,223	27,835
EXPENDITURES:			
Miscellaneous	1,350	1,044	306
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	91,000	120,179	29,179
OTHER FINANCING SOURCES (USES):			
Operating Transfers Out	122,223	(22,128)	1,895
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	99,800	98,051	1,749
FUND BALANCE, BEGIN OF YEAR	388,178	388,178	—
FUND BALANCE, END OF YEAR	\$487,978	\$486,229	\$1,749

UNLIMITED - See accompanying notes to financial statements.

VILLAGE OF RICHMOND, LOUISIANA  
Notes to Financial Statements  
As of and for the Year Ended June 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Richmond, Louisiana have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies of the Village of Richmond are described below.

A. Reporting Entity:

In evaluating how to define the government, for financial reporting purposes previous management considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic test met the only criterion for including a potential component unit with the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, the Village has no component units that are to be included within the reporting entity.

B. Fund Accounting:

The government 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 related to certain functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, 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.

VILLAGE OF RICHMOND, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--CONTINUED

B. Fund Accounting--Continued:

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

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 generally are included on the balance sheet. Operating statements of these funds present increases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers revenues as available if they are collected within sixty days after year end. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Those revenues susceptible to accrual are property taxes, franchise taxes, sewer fees, rents and interest revenue. Licenses and permits and sales taxes are not susceptible to accrual because generally they are not measurable until received in cash.

D. Budgets:

The Village of Richmond, Louisiana adopted a budget for the year ended June 30, 1997. The general purpose financial statements include a comparison of revenues and expenditures to budget for the General Fund and the Special Revenue Fund.

VILLAGE OF SACRAMENTO, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS  
 AS OF and for the Year Ended June 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

E. Encumbrances:

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation-is not utilized in the governmental funds.

F. Cash

Cash includes amounts in demand deposits. Under state law, the Village may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state bank organized under Louisiana law and national banks having their principal offices in Louisiana.

G. Restricted Assets

Certain resources not made for repayment of bonds, are classified as restricted assets on the general purpose financial statements because their use is limited by applicable bond covenants.

H. General Fixed Assets Account Group

Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group, rather than in governmental fund types. Public domain (infrastructure) general fixed assets including roads, bridges, curbs, and gutters, streets and sidewalks, drainage systems and lighting systems, are capitalized along with other general fixed assets. No depreciation has been provided on such assets.

All fixed assets are valued at historical cost. Donated assets are valued at their estimated fair value on the date of donation. Repairs and maintenance are recorded as expenditures, renewals and betterments are capitalized.

I. General Long-Term Debt Account Group

The General Long-Term Debt Account group is used to account for long-term liabilities to be financed from governmental fund types.

VILLAGE OF RICHMOND, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--CONTINUED

J. Fund Equity

Reserves represent those portions of fund equity not appropriate for expenditures or legally segregated for specific future use.

K. Property Taxes

Ad valorem taxes were levied for 1996 at seven mills. These taxes, which attach as an enforceable lien on property as of January 1, are levied in October, become due on receipt and until December 31, 1996, and become delinquent on January 1 of the following year. The taxes are generally collected in December of the current year and January and February of the following year.

L. Compensated Absences

The Village of Richmond has four employees on a part-time basis. Employees only participate in the social security retirement system. The Village has no formal vacation policy. However, employees were given one or two weeks vacation by the Board of Aldermen for the year ended June 30, 1997. No vacation accrual was provided since the Village has no liability to provide a vacation for employees.

N. Memorandum Only--Total Columns

Total columns on the general purpose financial 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 or results of operations in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

VILLAGE OF RICHMOND, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS  
 As of and for the Year Ended June 30, 1997

NOTE 2 - CASH AND CASH EQUIVALENTS

Cash and investments in certificates of deposit at June 30, 1997 were secured as follows:

	Demand Deposit	Certificates of Deposit	Total
Carrying amount on Balance Sheet	<u>\$170,974</u>	<u>\$354,342</u>	<u>\$525,316</u>
Insured (FDIC) or collateralized with securities held by the entity or its agent in the entity's name	\$323,180	\$100,000	\$423,180
Collateralized with securities held by pledging financial institution's trust department or agency in the entity's name	100,000	418,542	518,542
Total FDIC Insurance and Pledged Securities	<u>\$523,180</u>	<u>\$518,542</u>	<u>\$1,041,722</u>

As reflected in the Combined Balance Sheet, the Village of Richmond had cash and investments in certificates of deposit totaling \$170,974 and \$354,342, respectively. The book balances at June 30, 1997 were \$234,807. Cash and investments are stated at cost, which approximates market. Under state law these deposits 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 pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

VILLAGE OF HUNTSBORO, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS  
 As of and for the Year Ended June 30, 1997

## NOTE 3 - FIXED ASSETS

A summary of the changes in general fixed assets is as follows:

	Balance July 1, 1996	Additions	Deletions	Balance June 30, 1997
Wastage plant & Improvements	\$166,967	\$ -	\$ -	\$166,967
Buildings & Improvements	136,101	-	(2,974)	133,127
Equipment	24,871	119	-	25,014
Streets & Improvements	148,693	-	-	148,693
Donated Property	22,000	-	-	22,000
	<u>\$398,632</u>	<u>\$ 119</u>	<u>\$ (2,974)</u>	<u>\$395,777</u>

## NOTE 4 - CHANGES IN GENERAL LONG-TERM DEBT

During 1996, the Village issued a \$248,000 Public Improvement Bond. The Bond was issued for the purpose of paying the costs of constructing, acquiring, extending and improving streets, roads, bridges, sewers and drainage disposal works, drainage facilities, waterworks facilities, fire protection facilities and public buildings and acquiring the necessary land, equipment and furnishings for the aforesaid public works, improvements and facilities. Maturities are from October 1, 1998 to April 1, 2000 and has interest rates from 10 percent to 7.1 percent. This bond will be payable from and secured by the proceeds of a 2 percent sales and use tax.

The \$248,000 Public Improvement Bond Ordinance established the following funds of the Village for deposit and application of revenues of the system.

## A. Special Revenue Fund-Sales Tax Fund

The Village will pay into the Fund all proceeds of the sales tax. Out of the funds on deposit in the Sales Tax Fund, the Village shall first pay all reasonable and necessary costs and expenses of collecting and administering the sales tax. After payment of such costs and expenses, 10 percent of the net proceeds of the sales tax can be used for any lawful purpose. Proceeds can also be used to make a required transfer to the Sales Tax Sinking Fund each month to cover principal and interest payments on outstanding bonds. Any surplus funds remaining after the above transactions may be used for any of the purposes for which the imposition of the taxes are authorized or for the purpose of retiring outstanding bonds.

VILLAGE OF KITCHICHOE, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS  
 As of and for the Year Ended June 30, 1997

NOTE 4 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS--CONTINUED

B. Debt Service Fund-Sales Tax Sinking Fund

Not later than the twentieth day of each month, commencing on April 30, 1990, the Village shall transfer a sum equal to one-sixth of the interest falling due on the next interest payment date and sum equal to one-twelfth of the principal falling due on the next principal date. The Village shall transfer from the Sinking Fund to the paying agent bank, at least five business days in advance of the date on which payment of principal or interest fall due, funds sufficient to cover these amounts.

C. Debt Service Fund-Reserve Fund

Upon the delivery of the bonds, there shall be deposited into this fund and equal to the Reserve Fund Requirement. Monies preventing a default in the payment of principal and interest on the bonds.

The bond is due, in total years, by years as follows:

	Principal	Interest	Total
1997-1998	8,888	11,836	19,824
1998-1999	8,888	11,144	19,144
1999-2000	9,888	10,576	19,576
2000-2001	9,888	9,928	18,928
2001-2002	19,888	9,271	19,271
Thereafter	112,888	41,256	158,756
	<u>\$181,888</u>	<u>\$ 84,531</u>	<u>\$266,511</u>

The following is a summary of general long-term debt of the Village for the year ended June 30, 1997.

	1997 Public Improvement Bond
BALANCE, beginning of year	\$188,000
Additions	-
Reductions	(72,000)
BALANCE, end of year	<u>\$116,000</u>



VILLAGE OF RICHMOND, LOUISIANA  
NOTICE TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 1997

NOTE 5 - COMPENSATION PAID TO MAYOR AND ALDERMEN

There was no compensation paid to any aldermen during the period.  
The Mayor was paid a salary totaling \$9,000 for the period.

NOTE 6 - LITIGATION AND CLAIMS

The Village of Richmond is not involved in any litigation or aware of any claims at June 30, 1997.

ADDITIONAL INFORMATION

VILLAGE OF RICHMOND, LOUISIANA  
DEBT SERVICE FUND  
COMBINING BALANCE SHEET  
June 30, 1997

	Sales Tax Sinking Fund	Reserve Fund	Total
<b>ASSETS</b>			
Cash-Restricted	\$4,000	\$ -	\$ 4,000
Restricted Assets (Certificates of Deposit)	28,322	28,322	56,644
Total Assets	<u>\$4,000</u>	<u>\$28,322</u>	<u>\$32,322</u>
<b>FUND EQUITY</b>			
Reserved for debt service	\$4,000	\$28,322	\$32,322

UNAUDITED - See accompanying notes to financial statements.

VILLAGE OF RICHMOND, LOUISIANA  
WATER SERVICE FUND  
COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
For The Year Ended June 30, 1997

	Sales Tax Sinking Fund	Reserve Fund	Total
REVENUES			
Interest	\$ 221	\$ 768	\$ 989
Total Revenues	\$ 221	\$ 768	\$ 989
EXPENDITURES			
Debt Service:			
Principal retirement	7,000	-	7,000
Interest and fiscal charges	12,538	-	12,538
Total Expenditures	19,538	-	19,538
OTHER FINANCING SOURCES			
operating transfers in	12,811	-	12,811
Excess (Deficiency) in revenues and other financing sources over expenditures and other financing uses	298	768	1,066
FUND BALANCES, beginning of year	4,388	15,783	20,171
FUND BALANCES, end of year	4,686	16,551	21,237

UNAUDITED - See accompanying notes to financial statements.

VILLAGE OF BICHEROND, LOUISIANA  
 SCHEDULE OF GENERAL FUND REVENUE AND EXPENDITURES  
 For the Year Ended June 30, 1997

<b>REVENUE:</b>	
Property Taxes	\$ 8,606
Fire Protection	8,000
Tobacco	3,417
Franchise	10,971
Other Licenses, Permits, Fines, etc.	
Occupational License	16,670
Building Permits	1,820
Traffic Fines	714
Sewer Fees	8,160
Total	17,987
Building Rent	3,288
Civic Center Rent	5,881
Video Parlor	3,289
Interest	3,815
Other Revenue	3,211
Sub-Total	64,888
Transfers In	10,323
<b>Total Revenue</b>	<b>75,885</b>
<b>EXPENDITURES:</b>	
Salaries	32,844
Advertising	838
Bank, Bond, & Court Fees	917
Fire Protection Service	8,000
Fuel and Oil	2,870
Insurance	3,750
Legal, Accounting and Professional	3,234
Office Expenses	3,824
Postage	345
Repairs & Maintenance	10,974
Supplies-Police	3,818
Payroll Taxes	2,809
Telephone	580
News and Subscriptions	310
Uniforms	70
Utilities	11,808
Contract Labor	—828
<b>Total Expenditures</b>	<b>81,358</b>
<b>Total Revenue in Excess of Expenditures</b>	<b><u>\$17,021</u></b>

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 REFERENCE: 218-100-8180

Honorable Mayor and Members of  
 the Board of Aldermen  
 Village of Richwood, Louisiana

I have performed the procedures included in the Louisiana Government Audit Guide and summarized below, which were agreed to by the management of the Village of Richwood and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village's compliance with certain laws and regulations during the year ended June 30, 1993 included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, 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 materials and supplies exceeding \$5,000, or public works exceeding \$50,000, and determine whether such purchases were made in accordance with LA-RR 38:1211-1251 (the public bid law).

No expenditures were made during the year for materials and supplies that exceeded \$5,000 or were made for public works exceeding \$50,000.

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 LA-RR 48:1283-1328 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided 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.

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

(2)

None of the employees included on the list of employees provided by management [agreed-upon procedure (3)] 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 and all amendments made to the budget during the year.

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

I traced the adoption of the original budget to the minutes of a meeting held on June 4, 1994 which indicated that the budget had been adopted by the Board of Aldermen of the Village of Richmond by a vote of all in favor. The two amendments made were approved at a meeting held on January 7, 1997 and June 27, 1997 vote of all in favor.

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%.

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

#### 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 that payment was for the proper amount and made to the correct payee.

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

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 mayor. The mayor indicated his approval by signing the check paying the expenditure.

#### Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by SOA-85 42:1 through 42:12 (the open meetings law).

(13)

The Village of Richmond is only required to post a notice of each meeting and the accompanying agenda on the door of the district's office building. Management gives a notice of each meeting but was unaware that they must also post a copy of the agenda. Management relied on the Handbook for Louisiana Municipal Officials published in 1988 which does not include the requirement for publishing an agenda. I advised them that they must post a notice on the door advising of the meeting and providing an agenda for the meeting.

#### Debt

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

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 like indebtedness.

#### Advances and Bonuses

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

A reading of the minutes of the district for the year indicated no approval for any bonus, advance, or gift. I also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

I was not engaged to, and did not, perform an examination. The objective of which would be the expression of an opinion on management's assertions. Accordingly, 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.

This report is intended solely for the use of management of the Village of Richmond 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.

*John David Knight*

August 31, 1993



## APPENDIX F. LOUISIANA ATTESTATION QUESTIONNAIRE

AUGUST 21, 1997 Date

JOHN DAVID KNIGHT, CPA

411 MADISON ST.

MONROE, LA. 71202

(Auditor)

In connection with your compilation of our financial statements as of JUNE 30, 1997 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of JUNE 30, 1997 (Date).

**Public Bid Law**

It is true that we have complied with the public bid law, LSA-RS Title 24:212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes  No

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

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1105-1124.

Yes  No

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1118.

Yes  No

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 24:1021-14) or the budget requirements of LSA-RS 33:43.

Yes  No

**Accounting and Reporting**

**Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:91, and 44:98.

Yes  No

We have filed our annual financial statements in accordance with LSA-RS 24:514, 22-403, and/or 56:82 as applicable.

Yes  No

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

Yes  No

**Meetings**

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

Yes  No

**Debt**

It is true we have not incurred any indebtedness, other than credit for 60 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1874 Louisiana Constitution, Article VI, Section 23 of the 1874 Louisiana Constitution, and LSA-RS 47:1410.82.

Yes  No

**Advances and Bonuses**

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1874 Louisiana Constitution, LSA-RS 14:138, and Acl opinion 79-729.

Yes  No

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

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

Benjamin Ellis CITY CLERK 8/21/97 Date  
Secretary

Robert G. Smith Mayor 8/22-97 Date  
President

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

JOHN DAVID KNIGHT  
CERTIFIED PUBLIC ACCOUNTANT  
811 MADRILLE # P.O. BOX 814  
BAYVILLE, LOUISIANA 70308  
OFFICE: (504) 338-8000  
RESIDENCE: (504) 704-0444

Honorable Mayor and Members of  
the Board of Aldermen  
Village of Richmond, Louisiana

MANAGEMENT LETTER

I have compiled and performed the procedures listed in the Louisiana Government Audit Guide as agreed upon by the management of the Village and the Legislative Auditor, State of Louisiana, for the year ended June 30, 1987, and have issued our reports on the financial statements dated August 31, 1987.

As a result of planning and performing the compilation/attestation, certain matters have come to my attention, that is not reflected in any of the aforementioned reports, which I feel worthy of consideration by management. These matters are presented below:

LAW AND REGULATIONS COMPLIANCE

1. Deposit Cash More Frequently

It appears that most of the time deposits are made weekly. During this period that taxes are paid to the Village of Richmond considerable money accumulated, including significant amounts of cash. Most deposits should be made daily where possible.

2. 1987-88 Budget - Special Revenue Fund

A General Fund Budget for the period 1987-88 was prepared and approved.

The 1987-88 Budget for the Special Revenue Fund did not get prepared. At the next Board of Aldermen a 1987-88 Budget for the Special Revenue Fund should be approved in order to comply with Louisiana Law.

Other Comments and Recommendations:

Item 1 - Approval of Invoices

Invoices are being approved for payment and the check number and date of payment are indicated on the invoice.

Item 2 - Payment of Sales Tax

Sales tax is being deducted off of invoices and is not being paid.

Item 3 - Obtain Receipt for All Purchases

The Village of Richmond is obtaining receipts for purchases.

Item 4 - Inventory of Properties

A physical inventory of movables was made effective February 1997. Property tags were attached to all movables. The Town Clerk plans to inventory movables annually.

As always, I wish to express my appreciation to you and your staff for all the courtesy and assistance I received during this year's compilation/attestation. I hope that this year's comments and recommendations will further assist you in enhancing the Village's financial management.

Sincerely,



John David Knight  
Certified Public Accountant

August 23, 1997