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**VILLAGE OF EDGEFIELD
ANNUAL FINANCIAL REPORT
DECEMBER 31, 1996**

Under provisions of state law, this report is a public document. A copy of this report has been submitted to the auditor, or reviewed, 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: APR 26 2007

Village of Edgely

Combined Statement of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
General Fund
Year Ended December 31, 1996

	General Fund		Variance- Favorable (Unfavorable)
	Budget	Actual	
REVENUES:			
Licenses & Permits	\$ 4,990	\$ 3,149	\$ 1,841
Intergovernmental	400	1,342	922
Miscellaneous	1,890	2,170	280
Total Revenues	\$ 7,280	\$ 6,661	\$ 619
EXPENDITURES:			
Current-			
General Government	\$ 8,312	\$ 8,613	\$ 301
Total Expenditures	\$ 8,312	\$ 8,613	\$ 301
Excess (Deficiency) of Revenues over Expenditures	\$ 48	\$ 2,048	\$1,966
Fund Balance-Beginning of Year	15,761	15,761	—
Fund Balance-End of Year	\$15,809	\$17,809	\$1,866

See accountants' compilation report.

Find

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.

We inspected copies of all bank deposits slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Salaries

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

Not applicable.

We were 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, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Village of Edgelyard and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and take 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.

William Howard Cunningham
Auditor, Internal & Consulting, CPAs

March 7, 1997
Natchitoches, Louisiana

Johnson, Thomas & Cunningham

Chartered Public Accountants

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State of Louisiana, Louisiana

City of New Orleans, Louisiana

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**INDEPENDENT ACCOUNTANT'S REPORT
ON ADOPTING AN EVIDENCE-BASED APPROACH**

To the Honorable Charles Perkins, Mayor
and Village Administration
Village of Edgely

We have performed the procedures included in the *Conditions Governing Audit Guide* and presented below, which were agreed to by the management of the Village of Edgely and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village of Edgely's compliance with certain laws and regulations during the year ended December 31, 1996 included in the accompanying *Louisiana Evidence-Based Approach*. This agreed-upon procedure engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Aid Law

1. Select all expenditures made during the year for material and supplies exceeding \$5,000, or public works exceeding \$20,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public aid law).

Not applicable.

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 42:1191-1123 (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 us with the required list, including the stated information.

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

Not applicable.

Village of Village
 Statements Financial Statements
 December 31, 1996

	Category 1	Category 2	Category 3	Carrying Value
Total Cash & Cash Equivalents	\$54,295	\$0	\$0	\$54,295
FID - Insurance	24,735	0	0	24,735
Balance Uninsured	\$.....0	\$0	\$0	\$.....0

6. Plant & Equipment:

A summary of proprietary land property, plant and equipment at December 31, 1996:

	Useful Life	Cost	Accumulated Depreciation	Net	Depreciation This Year
Water System (1988)	48	\$174,050	\$ 76,900	\$ 97,150	\$1,340
Sanitary System (1983)	48	248,000	88,742	159,258	6,824
Equipment	10	18,735	18,080	655	3,232
Land	-31003100
Total		\$281,514	\$123,722	\$157,792	\$9,396

7. Village Officials:

The following is a summary of payments to Village officials during the year:

Name	Position	Amount
Charles Perkins	Mayor	\$1,200
Veronica Coffey	Allderman	900
Hermin Long	Allderman	900
Laura Stanton	Allderman	900
Total		\$2,900

Village of Palmyra
Notes to Financial Statements
December 31, 1996

Bad Debt:

Uncollectible amounts due for customer's utility receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable.

Total Columns on Combined Statements - Overview

Total columns on the combined statements overview are captioned "Management 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 financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

3. Changes in General Fixed Assets:

A summary of changes in general fixed assets follows:

	Balance 1-1-96	Additions	Deletions	Balance 12-31-96
Land	\$ 1,500	\$0	\$0	\$ 1,500
Building	15,300	0	0	15,300
Total	\$16,800	\$0	\$0	\$32,800

4. Litigation

At December 31, 1996, there were no pending civil suits against the Village.

5. Cash and Investments

The Village's cash is held in separate cash accounts, and accounted for separately in each of the Village's funds. At December 31, 1996, the Village's cash totaled \$54,255. All of this cash is held by banks, and \$24,257 is covered by FDIC insurance.

The Village's cash is categorized below to give an indication of the level of risk assumed by the Village at December 31, 1996. Category 1 includes cash held by the Village which is insured and held in the Village's name. Category 2 would include cash and investments held in the Village's name which is uninsured or unregistered. Category 3 would include the Village's cash held by a trustee or other third party not in the Village's name and uninsured and unregistered.

Village of Edgefield
Notes to Financial Statements
December 31, 1996

Basis of Accounting

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available to pay current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Purchase of various operating supplies are reported as expenditures at the time purchased.

The proprietary fund is accounted for using the accrual basis of accounting whereby revenues are recognized when they are earned and expenses are recognized when incurred.

Budgets and Budgetary Accounting

The Village follows the following procedure in establishing the budgetary data reflected in the financial statements.

1. The Clerk prepares the budget which is to be submitted to the Board of Aldermen at the December meeting of the Board. The budget is to be read on at the January meeting.
2. The budget can be amended after adoption, by the Clerk submitting an amended budget to the Board, and adoption by the Board.
3. All budgetary appropriations lapse at the end of each fiscal year.
4. Budgets for the General fund are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Inventory

Major system supplies used in the proprietary fund are expensed when purchased above the amount on hand, if any, is not material in amount.

Employees/Compensation

The Village of Edgefield has no employees, and therefore is not covered by any pension system.

Unpaid Accumulated Vacation and Sick Day

The Village of Edgefield has no employees.

Encumbrance Accounting

The Village of Edgefield does not employ the use of "encumbrance" accounting methods.

Village of Edgelyrd
Notes to Financial Statements
December 31, 1998

Proprietary Fund-

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

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

Fixed Assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, and are recorded at expenditures in the governmental fund types when purchased. Assets are valued at historical cost. The Village has elected not to capitalize public domain ("infrastucture") fixed assets consisting of certain improvements other than buildings, including roads, bridges, sidewalks, and drainage improvements. No depreciation has been provided on general fixed assets.

The account group is not a "fund". It is concerned only with the measurement of financial position, and is not involved with the measurement of results of operations.

The proprietary fund is accounted for on a cost of services or "capital maintenance" measurement focus, and all assets and all liabilities (whether current or noncurrent) associated with its activity are included on the balance sheet.

Depreciation of all exhaustible fixed assets used by the proprietary fund is charged to an expense against the operations. Depreciation has been provided over the estimated useful lives using the straight-line method.

Water System-1968	40 years
Sewer System-1983	40 years
Equipment	30 years

Village of Edgelyfield
Notes to Financial Statements
December 31, 1996

1. The Reporting Entity:

The Village of Edgelyfield is incorporated under the Louisiana Act with a Mayor-Board of Aldermen form of government. The executive branch of government is headed by the Mayor and a Legislative Branch consisting of three Aldermen.

This report includes all funds and account groups which are controlled or dependent on the Village of Edgelyfield's executive and legislative branches (the Mayor and Aldermen). Control by or dependence on the Village of Edgelyfield was determined on the basis of budget adoption, taxing authority, authority to incur debt, election or appointment of government body, and other general oversight responsibility.

The Village's operations include police, streets and drainage, and general and administrative services. In addition, the Village operates a Utility System which provides water, sewer and gas services.

2. Summary of Significant Accounting Policies:

The accounting and reporting policies of the Village of Edgelyfield conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 28:157 and to the guidelines set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, *Guide of State and Local Governmental Units*.

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

Fund Accounting: The accounts of the Village of Edgelyfield are organized on the basis of funds and an account group, 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, or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into three general fund types and two special fund categories as follows:

Governmental Funds

General Fund: The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

NOTES TO THE FINANCIAL STATEMENTS

Village of Edgefield

Statement of Revenues, Expenses and Changes in Retained Earnings
Proprietary Fund Type
Waterworks Fund
Year Ended December 31, 1996

OPERATING REVENUES:	
Water Sales	\$ 26,089
Sewerage Sales	15,581
Installation & Connection Fees	1,408
Miscellaneous	812
Total Operating Revenues	\$ 44,890
OPERATING EXPENSES:	
Depreciation	\$ 9,348
Personnel Cost	11,210
Utilities	4,774
Repairs & Maintenance	1,219
Insurance	4,214
Treatment Costs	2,038
Rent	980
Office Expenses	2,229
Deer & Miscellaneous	118
Total Operating Expenses	\$ 31,136
Operating Income (Loss)	\$ 13,754
Retained Earnings (Deficit)- Beginning of Year	257,983
Retained Earnings (Deficit)- End of Year	\$ 271,737

See accountants' compilation report.

Depreciable Asset Enterprise Fund	Account Group General Fixed Assets	Totals (All Components Only) December 31, 2006
\$ 20,000	\$ 0	\$ 20,714
3,817	0	3,761
5,890	0	5,850
283,324	0	283,314
(175,729)	0	(175,729)
<u>0</u>	<u>16,800</u>	<u>16,800</u>
\$ 208,212	\$ 16,800	\$ 225,012
\$ 150	\$ 0	\$ 150
<u>3,850</u>	<u>0</u>	<u>3,810</u>
\$ 6,800	\$ 0	\$ 6,800
\$ 176,290	\$ 0	\$ 176,290
0	16,800	16,800
44,850	0	44,850
<u>0</u>	<u>0</u>	<u>17,175</u>
\$ 248,121	\$ 16,800	\$ 264,921
\$ 286,131	\$ 16,800	\$ 302,931

See accountants' compilation report.

FINANCIAL STATEMENTS

Johnson, Thomas & Cunningham

Chartered Accountants

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Edgely, Louisiana

ACCOUNTANTS' COMPILATION REPORT ON THE FINANCIAL STATEMENTS

To the Board of Aldermen of
the Village of Edgely

We have compiled the accompanying general purpose financial statements of the Village of Edgely as of December 31, 1996, and for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements have been prepared on the modified accrual basis of accounting, which is the generally accepted accounting methods established by the Governmental Accounting Standards Board for governmental units.

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

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

March 2, 1997

Edgely, Louisiana

Village of Edgewater

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Village of Edgelyield
Proprietary Fund Type
Enterprise Fund
Statement of Cash Flows
Year Ended December 31, 1996

Cash Flows from Operating Activities:		
Net Income (Loss) for the Year	\$2,982	
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	9,388	
(Increase) in Accounts Receivable	875	
(Increase) in Restricted Assets	0	
Increase in Accounts Payable	135	
Increase in Customer's Deposits	(1180)	
Net Cash Provided by (Used by) Operating Activities		\$12,660
Cash Flows Used by Investing Activities:		
Construction of Plant & Equipment		\$ (0)
Cash Flows from Financing Activities:		
Payment of Long-Term Debt	\$ 0	
Capital Contributed by State of Louisiana	0	
Total Cash Flows from Financing Activities		\$ 0
Net Increase (Decrease) in Cash		12,660
Cash at Beginning of Year		22,289
Cash at End of Year		\$34,949

See accountants' compilation report.