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TOWN OF ERDS
Eros, Louisiana

**General Purpose Financial Statements
With Accountant's Compilation Report
and Agreed-Upon Procedures Report
As of and for the Year Ended
December 31, 1997**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, 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: ~~May 27 1998~~

TOWN OF EROS
Eros, Louisiana

General Purpose Financial Statements
With Accountant's Compilation Report
and Agreed-Upon Procedures Report
As of and for the Year Ended December 31, 1987

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M. Carlson Dumas
CERTIFIED PUBLIC ACCOUNTANT

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Accountant's Compilation Report

MAYOR AND BOARD OF ALDERMEN
TOWN OF EROS
Eros, Louisiana

I have compiled the accompanying general purpose financial statements and supplemental information schedule, as listed in the foregoing table of contents, of the Town of Eros as of December 31, 1997, and for the year then ended, in accordance with standards established by *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 management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any form of assurance on them.



Calhoun, Louisiana
March 10, 1998

**GENERAL PURPOSE FINANCIAL STATEMENTS
(OVERVIEW)**

TOWNS OF EBOES
Eboes, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS

Continued Balance Sheet, December 31, 1997

	GOVERNMENTAL FUND TYPE				
	GENERAL FUND	REVENUE FUND	PROPERTY TAXES AND UTILITIES ENTERPRISE FUND	ACCOUNTS RECEIVABLE FUND	TOTAL GOVERNMENTAL FUND TYPE
ASSETS					
Current assets:					
Cash	\$41,583		\$28,608		190,868
Accounts receivable	11,948		3,111		13,859
Due from other funds			147		147
Total current assets	53,531	20,154	31,866	80,966	186,517
Restricted assets - Investments	3,221		4,393		6,153
Property, plant and equipment (net of accumulated depreciation)			283,256	3,019,251	729,887
TOTAL ASSETS	<u>\$57,752</u>	<u>\$20,154</u>	<u>\$307,519</u>	<u>\$3,019,251</u>	<u>\$349,091</u>
LIABILITIES AND FUND EQUITY					
Liabilities:					
Current liabilities (payable from current assets):					
Accounts payable	\$443		\$463		\$944

(Continued)

See accompanying notes.

TOWN OF BRIS
Bris, Lucinda
ALL FUND TYPES AND ACCOUNT GROUPS
Combined Balance Sheet, December 31, 1997

	CONTRIBUTORIAL					TOTAL (AMMENDMENT FUND)
	GENERAL FUND	BOB BOLLWEER FUND (OPERATION SPECIAL REVENUE)	TEMPORARY FUND TYPE UTILITIES ENTERTAIN	ACCOUNT GROUP CONTRIAL FUND TOTAL		
Liabilities (Cont.):						
Payroll deductions payable	523					523
Due to other funds	147					147
Total current liabilities payable from current assets	670	NOPE	540	NOPE	NOPE	1,248
Current liabilities payable from restricted assets:						
customer deposits	640	NOPE	4,414	NOPE		5,058
Total liabilities	NOPE	NOPE	4,954	NOPE	NOPE	7,963
Fund Equity:	NOPE	NOPE	NOPE	5,750.49		134.961
Investment in general fund assets	NOPE	NOPE	106.43	NOPE		106.43
Contributed capital	NOPE	NOPE		NOPE		NOPE
Retained earnings:						
Reserved for customer deposits			2,681			2,681
Unreserved - undesignated			(1,803.84)			(1,803.84)
Total retained earnings			(1,122.81)			(1,122.81)
Fund balance:						
Designated for cemetery	2,271					4,471
Unreserved - undesignated	34,534	428,174				34,962
Total fund balance	36,805	428,174				71,183
Total Fund Equity	36,805	428,174		428,174		897,756
TOTAL LIABILITIES AND FUND EQUITY	693,352	850,174	5,077,494	6,114,954		8,685,981

(Continued)

See accompanying notes.

TOWNS OF EBOG

Ebo, Louisiana

GOVERNMENTAL FUNDED TYPE

Combined Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 1997

	BUDGET		ACTUAL		VARIANCE		BIBB VOLLEYSTER	
	BUDGET	ACTUAL	BUDGET	ACTUAL	FAVORABLE	UNFAVORABLE	FIRE DEPARTMENT	SPECIAL REVENUE FUNDS
REVENUES								
Taxes:								
Sales	54,000	56,009			22,829			
Franchise	2,000	2,872			1,072			
Occupational licenses	11,300	11,867			167			
Intergovernmental - state funds:								
Tobacco tax	850	926			6			
Beer tax	200	386			86			
Fees, charges, and commissions for services								
Traffic fines	12,000	24,078			1,816			
Use of money and property:								
Interest	1,600	1,026			(574)			
Rent		2,161			2,161			994
Other revenues	26,500	2,402			(24,098)			
Total revenues	61,250	83,365			1,286		994	994

(Continued)

See accompanying notes and accountant's compilation report.

TOWN OF BRUS

Brou, Louisiana

GOVERNMENTAL FUND TYPE

Combined Statement of Revenues, Expenditures, and

Changes in Fund Balances - Budget (GAAP Basis) and Actual

For the Year Ended December 31, 1997

	GENERAL FUND		FIRE FIGHTING		FIRE DEPARTMENT		PERSONAL SERVICES FUND	
	BUDGET	ACTUAL	APPROPRIABLE	BUDGET	ACTUAL	APPROPRIABLE	VARIANCE FAVORABLE	VARIANCE UNFAVORABLE
EXPENDITURES								
General government:								
Carnegie								
Personal services and related benefits	\$40,510		\$10,510					
Operating services	11,417		(1,417)					
Materials and supplies	2,218		(2,218)					
Travel and other	772		(772)		\$87			(\$87)
Capital outlay	890		(890)					
Total general government	<u>55,807</u>		<u>30,943</u>		<u>87</u>			<u>(177)</u>
Public safety - carnage:								
Personal services and related benefits	13,157		(13,157)					
Operating services	4,177		(4,177)					
Materials and supplies	186		(186)					
Total public safety	<u>17,520</u>		<u>(17,520)</u>					<u>NONE</u>
Total expenditures	<u>\$73,327</u>		<u>\$43,463</u>		<u>87</u>			<u>(177)</u>

(Continued)

See accompanying notes and accounts compilation report.

Statement B

TOWN OF EROS
Eros, Louisiana

GOVERNMENTAL FUND TYPE

Combined Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 1993

	----- GENERAL FUND -----		EROS VOLUNTEER FIRE DEPARTMENT ----- SPECIAL REVENUE FUND -----	
	BUDGET	ACTUAL	BUDGET	ACTUAL
EXCESS OF REVENUES OVER EXPENDITURES	NONE	\$19,739	NONE	\$977
OTHER FINANCING SOURCE - Insurance premiums	NONE	9,500	NONE	NONE
EXCESS OF REVENUES AND OTHER FINANCING SOURCE OVER EXPENDITURES	NONE	29,239	NONE	977
FUND BALANCE AT BEGINNING OF YEAR, Unaudited	\$24,000	27,570	NONE	19,397
FUND BALANCE AT END OF YEAR	\$24,000	\$56,809	NONE	\$38,774

(Continued)

See accompanying notes and accountant's compilation report.

TOWN OF EROS
Eros, Louisiana
PROPRIETARY FUND TYPE -
UTILITIES ENTERPRISE FUND

Statement of Revenues, Expenses, and
Changes in Retained Earnings
For the Year Ended December 31, 1997

OPERATING REVENUES	
Water sales	\$19,403
Sewer charges	9,792
Other operating revenues	3,607
Total operating revenues	<u>32,802</u>
OPERATING EXPENSES	
Salaries	14,000
Utilities	5,782
Materials and supplies	1,095
Fees and ducts	796
Insurance	826
Taxes	2,993
Water testing fees	1,004
Maintenance and repairs	1,921
Depreciation	26,404
Other operating expenses	790
Total operating expenses	<u>87,387</u>
OPERATING INCOME (Loss)	(54,585)
NON-OPERATING REVENUES	
Earnings on bank deposits	<u>825</u>
NET INCOME (Loss)	(53,760)
RETAINED EARNINGS (Deficit) AT BEGINNING OF YEAR	<u>(188,543)</u>
RETAINED EARNINGS (Deficit) AT END OF YEAR	<u>(242,303)</u>

See accompanying notes and accountant's compilation report.

TOWN OF ERIS
Eris, Louisiana
PROPRIETARY FUND TYPE -
UTILITIES ENTERPRISE FUND

Statement of Cash Flows
For the Year Ended December 31, 1997

CASH FLOWS FROM OPERATING ACTIVITIES	
Operating Loss	<u>(210,779)</u>
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:	
Depreciation	36,404
Increase in accounts receivable	(347)
Increase in customer deposits	1,319
Decrease in accounts and withholdings payable	(175)
Decrease in due from other funds	996
Decrease in due to other funds	(235)
Total adjustments	<u>37,859</u>
Net cash provided by operating activities	<u>7,180</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Purchase of equipment	<u>(697)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest earnings	655
Purchase of investment	14,380
Net cash used by investing activities	<u>(13,725)</u>
NET INCREASE IN CASH	2,476
CASH AT BEGINNING OF PERIOD	<u>37,432</u>
CASH AT END OF PERIOD	<u>39,908</u>

See accompanying notes and accountant's compilation report.

TOWN OF EROS
Eros, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 1987

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Eros was incorporated under the provisions of the Louisiana Act. The town is governed by the mayor-board of aldermen form of government. The mayor and aldermen serve four-year terms that expire on December 31, 2000 and receive a \$50 per diem for attending each regular and special meeting. The town provides public safety, public works and general government services to its residents.

A. BASIS OF PRESENTATION

The accompanying general purpose financial statements of the Town of Eros have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for established governmental accounting and financial reporting principles.

B. REPORTING ENTITY

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

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

TOWN OF EROS

Eros, Louisiana

Notes to the Financial Statements (Continued)

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

Based on the previous criteria, the town has determined that there are no component units that are part of the reporting entity.

C. FUND ACCOUNTING

The town 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 government 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 (general fixed assets and general long-term debt) that are not recorded in the funds because they do not directly affect net expendable available financial resources.

See accountant's compilation report

TOWN OF EROS

Eros, Louisiana

Notes to the Financial Statements (Continued)

Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate fund types. The fund classifications and description of each existing fund type follows:

Governmental Funds

Governmental funds are used to account for all or most of the town's general activities, including the collection and disbursement of legally restricted monies. Governmental funds of the district include the following:

General Fund

The General fund is the general operating fund of the town. It accounts for all financial resources, except those required to be accounted for in the Eros Volunteer Fire Department Special Revenue Fund or the Utilities Enterprise Fund.

Special Revenue - Eros Volunteer Fire Department Fund

The Eros Volunteer Fire Department Fund is used to account for financial resources to be used in providing fire protection to the residents of the town.

Proprietary Funds

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

See accountant's compilation report.

TOWN OF ERIS

Erin, Louisiana

Notes to the Financial Statements (Continued)

Utilities Enterprise Fund

The Utilities Enterprise fund is used to account for operation of the town's water and sewer system. The use of enterprise funds is appropriate where the intent of the governing body is that the cost (expenses, including depreciation) of providing services to customers in the town on a continuing basis be financed or recovered primarily through user charges.

B. 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 for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. The modified accrual basis of accounting is used for reporting all governmental funds. The town uses the following practices in recognizing and reporting revenues and expenditures:

Revenues:

Sales taxes are recognized when they are in the hands of the collecting agency.

Franchise taxes and intergovernmental revenues are recorded when the town is entitled to the funds.

Interest income on bank deposits, is recorded when the interest has been earned and the amount is determinable.

Substantially all other revenues are recorded when they become available to the town.

See accountant's compilation report.

TOWN OF EROS

Eros, Louisiana

Notes to the Financial Statements (Continued)

Based on the above criteria, taxes and intergovernmental revenues are treated as susceptible to accrual.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Other Financing Sources

Proceeds from insurance are accounted for as other financing sources and are recognized when the underlying event occurs.

The Utilities Enterprise Fund is accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and liabilities associated with the operation of this fund are included on the balance sheet. The Utilities Enterprise Fund uses the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized at the time liabilities are incurred. Water sales and sewer charges are recognized in the period the service is provided to the customer. Salaries and other expenses are recognized when incurred.

E. BUDGET PRACTICES

A proposed budget for the General Fund and Eros Volunteer Fire Department Special Revenue Fund, prepared on the modified accrual basis of accounting, is presented to the board of aldermen in December each year. The budget then is legally adopted by the board of aldermen and amended during the year as necessary. Budgets are established and controlled by the board at the object level of expenditures. Appropriations lapse at year-end and must be reappropriated for the following year to be expended.

Formal budgetary integration is not employed as a management control device during the year. Budgeted amounts included in the accompanying financial

See accountant's compilation report

TOWN OF EROS

Eros, Louisiana

Notes to the Financial Statements (Continued)

statements include the original adopted budget amounts. There were no budget amendments during the year ended December 31, 1997.

F. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. All fixed assets are valued at estimated cost based on the actual costs of like items. Public domain (infrastructure) general fixed assets consisting of roads, bridges, drainage, parking lots, etc. are not capitalized, as these assets are inseparable and of value only to the town. No depreciation has been provided on general fixed assets.

Fixed assets of the Utilities Enterprise Fund are included on the balance sheet of the fund. Fixed assets reported on the balance sheet are net of accumulated depreciation. Depreciation of all depreciable fixed assets is charged as an expense against operations. Depreciation is computed using the straight-line method over estimated useful lives of 33 years for the water and sewer systems and from 3 to 10 years for equipment.

G. RESTRICTED ASSETS

Certain resources of the General Fund designated by the town for expenditures related to a cemetery and those assets of the Utilities Enterprise Fund set aside for the refunding of customer deposits are classified as restricted assets on the balance sheet because their use is limited.

H. CONTRIBUTED CAPITAL

Grants, endowments, or shared revenues that are restricted for the acquisition or construction of capital assets are recorded as contributed capital. Contributed capital is not amortized based on the depreciation recognized on that portion of the assets acquired from such contributions.

See accountant's compilation report

TOWN OF ERCOS

Eros, Louisiana

Notes to the Financial Statements (Continued)

**1. TOTAL COLUMN ON THE
COMBINED STATEMENTS**

The total column on the combined statements are captioned Memorandum Only (overview) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present 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.

2. CASH

Cash includes amounts in interest-bearing demand deposits and petty cash. Under state law, the town may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with banks organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States.

At December 31, 1997, the district has cash (book balances) totaling \$93,885, as follows:

Interest bearing demand deposits	\$83,785
Petty cash	<u>100</u>
Total	<u>\$83,885</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. Cash (bank balances) at December 31, 1997, are \$94,015 and are fully secured from risk by federal deposit insurance.

3. INVESTMENTS

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the town's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash.

See accountant's compilation report.

TOWN OF EROS

Eros, Louisiana

Notes to the Financial Statements (Continued)

equivalents. At December 31, 1997, the district's investments consist of nonnegotiable certificates of deposits with original maturities that exceed 90 days that are reported in the accompanying financial statements at cost. The bank balances of the deposits are fully secured from risk by federal deposit insurance.

4. RECEIVABLES

The following is a summary of receivables at December 31, 1997:

	General Fund	Utilities Enterprise Fund	Total
Taxes:			
Sales	\$288		\$288
Franchise	1,005		1,005
Occupational licenses	350		350
Traffic fines	368		368
Intergovernmental revenue - state funds-			
tobacco tax	299		299
Accounts		\$2,111	2,111
Other	9,588		9,588
Total	<u>\$11,948</u>	<u>\$2,111</u>	<u>\$14,059</u>

5. CHANGES IN GENERAL FIXED ASSETS

The following presents the changes in general fixed assets for the year ended December 31, 1997:

See accountant's compilation report

TOWN OF EROS

Eros, Louisiana

Notes to the Financial Statements (Continued)

	Balance at January 1, 1997		Additions	Deletions	Balance at December 31, 1997
Land	50,858				50,858
Buildings	47,270				47,270
Equipment	84,573		3890		88,463
Total	<u>\$138,701</u>		<u>\$3890</u>	<u>NOTHING</u>	<u>\$142,591</u>

A summary of proprietary fund type property, plant, and equipment at December 31, 1997, follows:

	Basis	Accumulated Depreciation	Net Book Value
Land	\$121	NOTHING	\$121
Waterworks distribution system	121,329	(77,208)	44,121
Sewer system	349,451	(204,996)	144,455
Equipment	27,497	(28,517)	880
Total	<u>\$598,398</u>	<u>(\$308,121)</u>	<u>\$290,276</u>

6. PENSION PLAN

The employees of the town are members of the Social Security System. In addition to the employee contributions withheld at 7.65 per cent of gross salary, the town contributes an equal amount to the Social Security System. The town does not guarantee the benefits granted by the Social Security System.

7. SALES TAX

On April 28, 1989, the voters of the Town of Eros approved a one cent sales tax for a period of ten years beginning on July 1, 1989, for the purpose of the General Fund.

See accountant's compilation report

TOWN OF EROS

Eros, Louisiana

Notes to the Financial Statements (Continued)

8. DESIGNATED FUND BALANCE

During the year ended December 31, 1997, the Town of Eros received contributions of \$2,174 to be set aside for expenditures incurred in connection with a cemetery. At December 31, 1997, these contributions plus interest earnings of \$67 are reported as designated fund balance of the General Fund.

9. LITIGATION, CLAIMS, AND RISK OF LOSS

The town is not involved in any pending or threatened litigation, claims, or assessments at December 31, 1997. The town maintains commercial insurance to provide protection against losses resulting from the damage or destruction of property or liability claims against the town.

SUPPLEMENTAL INFORMATION

See accountant's compilation report

TOWN OF EROS
Eros, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULE
As of and for the Year Ended December 31, 1997

COMPENSATION PAID ALDERMEN

The schedule of compensation paid to aldermen is presented in compliance with House Concurrent Resolution No. 24 of the 1978 Session of the Louisiana Legislature. Compensation of the aldermen is included in the legislative expenditures of the General Fund. Aldermen receive a per diem \$50 for attending each regular and special meeting.

TOWN OF ERBE
Erbe, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULE
As of and For the Year Ended December 31, 1997

COMPENSATION PAID ALDERMEN
Schedule of Per Diem Paid Aldermen

Richard Adcock	\$400
Sam Bailey	150
Calvin Cossin	400
Jerry Cossin	450
Robert Lewis	550
Total	<u>\$1,950</u>

**Independent Accountant's Report on Applying
Agreed-Upon Procedures**

The following independent accountant's report on applying agreed upon procedures is presented in compliance with the requirements of the *Louisiana Governmental Audit Guide* and the *Louisiana Statute on Questionnaire*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

M. Carlton Dumas
CERTIFIED PUBLIC ACCOUNTANT

507 DONALDSON ROAD • MONROE, LOUISIANA 71223 • TELEPHONE 518-944-5724

**Independent Accountant's Report
On Applying Agreed-Upon Procedures**

**MAYOR AND BOARD OF ALDERMEN
TOWN OF EROS
Eros, Louisiana**

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed upon by the management of the Town of Eros and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Town of Eros' compliance with certain laws and regulations during the year ended December 31, 1997 included in the accompanying *Louisiana Attention Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the 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 LSA-RS 38:2211-2251 (the public bid law).

A review was made of all disbursement journals for the year. There were no disbursements exceeding \$5,000 made during the year.

TOWN OF EBOS

Independent Accountant's Report on
Applying Agreed-Upon Procedures
December 31, 1997

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 4:1101-1124 (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 the employees included in the listing obtained from management in procedure number 3 above were also included in the listing obtained from management in procedure number 2 above as immediate family members.

There were no names on the employee listing that were also included on the listing of immediate family members.

Budgeting

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

I obtained a copy of the legally adopted budget. There were no budget amendments during the year ended December 31, 1997.

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

The 1997 budget was adopted at the February 10, 1997 board meeting. The delay in adopting the budget was the result of a change in administration effective January 1, 1997 and the lack of a quorum at the January 1997 meeting.

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 5% or more.

TOWN OF EROS

Independent Accountant's Report on
Applying Agreed-Upon Procedures
December 31, 1997

Actual revenues and expenditures of the General Fund did not exceed budgeted amounts by 3% or more. The actual revenues and expenditures of the Eros Volunteer Fire Department Special Revenue Fund exceeded budgeted amounts by more than 5%; however, the total expenditures of the Eros Volunteer Fire Department Special Revenue Fund were less than \$250,000.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:
- (a) trace payments to supporting documentation as to correct amount and payee;
 - (b) determine if payments were properly coded to the correct fund and general ledger account;
 - (c) determine whether payments received approval from proper authorities.

An examination of six randomly selected disbursements disclosed the following:

- (a) *The six selected disbursements were supported by adequate documentation.*
- (b) *The six selected payments were properly coded to the correct fund and general ledger account.*
- (c) *The six selected payments received approval from the proper authorities.*

Meetings

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

The agendas for the meetings were posted as required by LSA-RS 42:7.

TOWN OF EROCS

Independent Accountant's Report on Applying Agreed-Upon Procedures December 31, 1997

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 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 board meetings and an examination of payroll records indicated no payments which may constitute bonuses, advances, or gifts.

General

From a review of cash disbursements for the year it was determined that the town purchased an air conditioner from a member of the board of alderman and paid an employee's spouse to perform maintenance services for the town. These transactions are prohibited by LSA-RS 42:11.13 (A).

Prior Year Findings

The prior year accountant's report on applying agreed-upon procedures contained findings related to paying an alderman's daughter as a contract laborer, the town's failure to adopt legally required budgets, inadequate documentation of expenditures, miscoding of expenditures, failure to publish or post agendas for meetings and the payment of advances and bonuses to employees. While applying the aforementioned agreed-upon procedures, it was noted that all of the above findings were cleared except as noted above.

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

TOWN OF EROS

Independent Accountant's Report on
Applying Agreed-Upon Procedures
December 31, 1997

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 Town of Eros 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.



Calvin, Louisiana
March 10, 1998

Louisiana Attestation Questionnaire

The accompanying *Louisiana Attestation Questionnaire* has been completed by management and is included in this report as required by the *Louisiana Governmental Audit Guide*.

M. Carlon Dumas
Certified Public Accountant
389 Donaldson Rd.
Caldonia, La 71225

Mrs. Dumas,

In connection with your completion of our financial statements of the Town of Erce of December 31, 1997 and for the year 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 regulations 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 information available to us as of _____.

PUBLIC BID LAW

1. The provisions of the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office have been complied with.

Yes [✓] No [] N/A []

CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

2. No employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone which would constitute a violation of LSA-RS 42:1104-1124.

Yes [✓] No [] N/A []

3. 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 which would constitute a violation of LSA-RS 42:1109.

Yes [✓] No [] N/A []

BUDGETING

4. We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 59:1501-14) or the budget requirements of LSA-RS 39:43.

Yes [] No [] N/A []

ACCOUNTING AND REPORTING

5. 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, 44:31, and 44:36.

Yes [] No [] N/A []

6. We have filed our annual financial statements in accordance with LSA-RS 24:514, LSA-RS 53:463, and/or LSA-RS 59:92, as applicable.

Yes [] No [] N/A []

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

Yes [] No [] N/A []

MEETINGS

8. We have complied with the provisions of the Opening Meetings Law, LSA-RS 42:1-12.

Yes [] No [] N/A []

DEBT

9. We have not incurred any indebtedness, other than credit for 90 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 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 47:1410.6D.

Yes [] No [] N/A []

ADVANCES AND BONUSES

10. We have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes [] No [] N/A []

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.

David Moore 1-19-78
Name Date