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VILLAGE OF CANTON, LOUISIANA  
GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
DECEMBER 31, 1996

STATE OF LOUISIANA  
COUNTY OF ORLEANS  
VILLAGE OF CANTON  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
DECEMBER 31, 1996  
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VILLAGE OF EASTON, LOUISIANA  
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December 31, 1998

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LARRY G. TAYLOR  
CERTIFIED PUBLIC ACCOUNTANT  
A PROFESSIONAL ACCOUNTING CORPORATION  
FOUNDED 1928  
MEMBER IIA, CMAA, CPAA, TIAA  
282.894.9400

To the Mayor and Board of Aldermen  
Village of Castor  
Castor, Louisiana

I have compiled the accompanying general purpose financial statements of the Village of Castor, Louisiana, as of and for the year ended December 31, 1996, 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 management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the Louisiana Governmental Audit Guide and Statements on Standards for Attestation Engagements issued by the American Institute of Certified Public Accountants, I have also issued a report, dated July 21, 1993, on applying agreed-upon procedures relating to the assertions contained in the Louisiana Attestation Questionnaire.



Kinggold, Louisiana  
July 21, 1997

Proprietary Fund Type	Account Groups		Totals (Memorandum Only)
	General Fixed Assets	General Long- Term Debt	
Waterprice			
\$ 11,584.83	\$	\$	\$ 37,182.08
			30,337.77
			988.58
3,083.95			3,083.95
4,669.96			8.00
			4,669.96
18,923.09			18,923.09
4,008.00			4,008.00
15,258.00			11,359.00
	37,878.08		23,678.00
	31,545.64		11,545.84
487,449.13			487,449.13
478,128.80			478,128.80
(212,706.46)			(212,706.46)
		33,880.00	33,000.00
-----	-----	-----	-----
\$ 286,293.08	\$ 59,215.54	\$ 33,000.00	\$ 908,503.82
-----	-----	-----	-----

VILLAGE OF CAYTON, LOUISIANA  
 COMBINED BALANCE SHEET - ALL FUND TYPES  
 AND ACCOUNT GROUPS  
 DECEMBER 31, 1986  
 (Continued on following page)

	Governmental Fund Types
	-----
LIABILITIES AND FUND EQUITY	General Fund
	-----
<b>Liabilities:</b>	
Accounts payable	\$ 1,672.32
Accrued payroll	8.60
Payable from restricted assets -	
Deposits payable	
Accrued interest	
Current maturities of revenue bonds	
Due to other funds	4,659.96
Revenue bonds payable from unrestricted assets -	
Long - term	
General obligation bonds payable	
<b>Total liabilities</b>	<b>-----</b> <b>6,340.18</b> <b>-----</b>
<b>Equity and other credits:</b>	
Contributed capital -	
From municipality	
From grants	
Investments in general fixed assets	
Retained earnings	
Reserved for restricted assets	
Unreserved (Deficit)	
Fund balance	
Unreserved -	
Undesignated	53,653.30
<b>Total equity and other credits</b>	<b>-----</b> <b>53,653.30</b> <b>-----</b>
<b>Total liabilities, equity and other credits</b>	<b>\$ 59,993.48</b> <b>-----</b>

See accompanying notes and accountant's compilation report.

Proprietary Fund Type	Account Groups		Totals (Memorandum Only)
	General Fixed Assets	General Long- Term Debt	
Enterprise			
\$ 899.75	\$	\$	\$ 2,511.93
			0.00
7,871.06			7,871.06
1,475.00			1,475.00
1,800.00			1,800.00
			4,646.06
50,800.00			50,800.00
		30,000.00	30,000.00
60,245.81	-	30,000.00	100,587.99
65,324.00			65,324.00
699,292.48			699,292.48
	59,215.64		59,215.64
4,537.03			4,537.03
(81,146.92)			(81,146.92)
			53,653.30
887,046.69	59,215.64	-	799,815.63
\$ 750,293.00	\$ 59,215.64	\$ 33,000.00	\$ 806,583.62

VILLAGE OF CAPTOR, LOUISIANA  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES  
 FOR THE YEAR ENDED DECEMBER 31, 1998

	General Fund
<b>Revenues:</b>	
Sales taxes	\$ 25,032.34
Property taxes	7,138.11
Occupational licenses	23,927.80
Utility franchise taxes	3,814.37
Fines	4,179.80
Intergovernmental -	
Tobacco taxes	1,000.00
Interest	1,354.83
Grant funds	0.00
Other revenues	1,435.64
<b>Total revenues</b>	<b>57,863.69</b>
<b>Expenditures:</b>	
Mayor and Board	4,580.00
General government	29,374.98
Public safety	4,913.77
Debt service -	
Principal retirement	1,000.00
Interest	1,700.00
Capital outlays	17,108.64
<b>Total expenditures</b>	<b>58,495.69</b>
<b>Excess of revenues over</b> <b>(under) expenditures</b>	<b>( 631.00 )</b>
<b>Other financing sources (uses)</b>	<b>-</b>
<b>Excess of revenues and</b> <b>other sources over</b> <b>expenditures and other uses</b>	<b>( 631.00 )</b>
<b>Fund balance, January 1</b>	<b>85,149.21</b>
<b>Fund balance, December 31</b>	<b>\$ 84,518.21</b>

See accompanying notes and accountant's compilation report.

VILLAGE OF CANTON, LOUISIANA  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL - GOVERNMENTAL FUND TYPES - GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 1996

Revenues:	Budget	Actual	Variance- Favorable (Unfavorable)
Sales taxes	\$ 22,000.00	\$ 20,032.24	\$ 2,432.24
Property taxes	1,000.00	7,138.11	138.11
Occupational licenses	11,500.00	13,027.00	1,527.00
Utility franchise taxes	3,700.00	3,816.21	116.21
Fines	7,200.00	8,179.00	1,021.00
Intergovernmental -			
Tobacco taxes	1,100.00	1,859.00	40.00
Interest	500.00	1,234.03	734.03
Grant funds	10,000.00	0.00	(10,000.00)
Other revenues	1,000.00	1,495.64	495.64
<b>Total revenues</b>	<b>69,000.00</b>	<b>67,003.60</b>	<b>(2,596.31)</b>
Expenditures:			
Mayor and board	4,500.00	4,500.00	0.00
General government	28,350.00	28,226.89	2,074.89
Public safety	5,000.00	4,915.27	84.23
Sole services -			
Principal retirement	1,000.00	1,000.00	-
Interest	1,250.00	1,250.00	-
Capital outlays	21,000.00	17,000.00	3,000.00
<b>Total expenditures</b>	<b>69,000.00</b>	<b>68,493.60</b>	<b>1,100.40</b>
Excess of revenues over (or) expenditures	0.00	(11,495.91)	(11,495.91)
Other financing sources (uses)	-	-	-
Excess of revenues and other sources over expenditures and other uses	0.00	(11,495.91)	(11,495.91)
Fund balance, January 1	85,149.21	85,149.21	-
Fund balance, December 31	\$ 85,149.21	\$ 83,653.30	\$ (1,495.91)

See accompanying notes and accountant's compilation report.



VILLAGE OF CASTER, LOUISIANA  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS  
 PROPRIETARY FUND TYPE - ENTERPRISE FUND  
 FOR THE YEAR ENDED DECEMBER 31, 1990

	Proprietary Fund Type
	Enterprises
Operating revenues	
Water sales and sewer service charges	\$ 31,444.00
Total operating revenues	31,444.00
Operating expenses	
Salaries and truck allowance	10,135.00
Payroll taxes	150.88
Repairs and labor	3,380.64
Supplies	2,887.64
Service Contract	1,280.00
Purchase of water	0.00
Utilities	3,830.05
Depreciation	24,881.70
Other expenses	843.00
Insurance W/Comp.	781.20
Total operating expenses	47,990.26
Operating income (loss)	(16,546.26)
Nonoperating revenues (expenses)	
Interest revenues	487.63
Interest expenses	(2,975.00)
Total nonoperating revenues (expenses)	(2,487.37)
Income (loss) before other financing uses	(19,033.63)
Other financing uses:	
Operating transfers out	-
Total other financing uses	-
Net income (loss)	(19,033.63)
Retained earnings (deficit) - January 1	(97,518.17)
Retained earnings (deficit) - December 31	\$ (176,552.26)

See accompanying notes and accountant's compilation report.

VILLAGE OF CANTON, LOUISIANA  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS -  
 BUDGET AND ACTUAL - PROPRIETARY FUND TYPE - ENTERPRISE FUND  
 FOR THE YEAR ENDED DECEMBER 31, 1996

	Enterprise Fund Budget
	-----
Operating revenues:	
Water sales and sewer service charges	\$ 32,800.00
Total operating revenues	<u>32,800.00</u>
Operating expenses:	
Salaries and fringe allowances	9,600.00
Payroll taxes	600.00
Repairs and labor	4,000.00
Supplies	2,200.00
Service testing	1,200.00
Purchase of water	0.00
Utilities	4,000.00
Depreciation	20,000.00
Other expenses	1,000.00
Insurance - M/Comp.	0.00
Total operating expenses	<u>40,400.00</u>
Operating income (loss)	<u>(10,400.00)</u>
Nonoperating revenues (expenses):	
Interest revenue	400.00
Interest expense	(2,975.00)
Total nonoperating revenues (expenses)	<u>(2,575.00)</u>
Income (loss) before other financing uses	<u>(10,975.00)</u>
Other financing uses:	
Operating transfers out	-
Total other financing uses	<u>-</u>
Net income (loss)	<u>(10,975.00)</u>
Retained earnings (deficit) - January 1	<u>(59,516.17)</u>
Retained earnings (deficit) - December 31	<u>\$ (70,491.17)</u>

See accompanying notes and accountant's compilation report.

Enterprise Fund Actual	Variance Favorable (Unfavorable)
\$ 31,444.81	\$ 555.99
31,444.81	( 555.99)
18,125.80	( 525.80)
560.80	49.20
3,380.84	619.18
2,867.64	( 667.64)
2,300.80	0.00
0.00	0.00
3,930.80	869.95
28,481.13	518.37
663.80	337.80
181.20	( 181.20)
47,990.20	409.74
(18,546.25)	( 146.25)
467.63	67.63
(2,975.80)	0.00
(2,507.37)	67.63
(19,863.62)	( 76.62)
"	"
(19,863.62)	( 76.62)
(97,536.17)	0.00
\$ (76,569.79)	\$ ( 76.62)

VILLAGE OF CANTON, LOUISIANA  
 STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE - ENTERPRISE FUND  
 FOR THE YEAR ENDED DECEMBER 31, 1998  
 INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS\*

	Proprietary Fund Type
	Enterprise
Cash flows from operating activities:	
Cash received from customers	\$ 31,318.58
Cash payments for goods, services and employees	(24,979.88)
Net cash provided by operating activities	6,338.70
Cash flows from noncapital financing activities:	
Operating transfers - out to other funds	-
Operating transfers - in from other funds	-
Net cash provided by (used for) noncapital financing activities	-
Cash flows from capital and related financing activities:	
Community development block grant funds	2,670.88
Construction of capital assets	( 2,670.88)
Principal paid on revenue bonds	( 2,000.88)
Interest paid on revenue bonds	( 3,000.88)
Net cash used for capital and related financing activities	( 4,000.88)
Net cash provided by investing activities:	
Interest on investments	467.63
Net cash provided by investing activities	467.63
Net increase (decrease) in cash and cash equivalents	( 2,798.33)
Cash and cash equivalents, January 1	19,629.33
Cash and cash equivalents, December 31	\$ 22,427.92

\* For purposes of the statement of cash flows, the Enterprise Fund considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

VILLAGE OF CASTOR, LOUISIANA  
 STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE - ENTERPRISE FUND  
 FOR THE YEAR ENDED DECEMBER 31, 1990  
 INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS  
 (Continued)

	Proprietary Fund Type
	<u>Enterprise</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income (loss)	\$ (16,546.25)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation	24,481.73
Changes in assets and liabilities -	
(Increase) in accounts receivable	( 133.43)
(Increase) in due from general fund	( 2,897.04)
(Increase) in accounts payable	( 188.36)
Increase in deposits payable	1,334.05
	<u>22,836.95</u>
Total adjustments	22,836.95
Net cash provided by operating activities	\$ 6,330.70

See accompanying notes and accountant's compilation report.

VILLAGE OF CASTOR, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
As of and for the year ended December 31, 1996

**INTRODUCTION**

Pursuant to the provisions of Section 11, of the Act No. 128, of the Session Acts of the General Assembly of the State of Louisiana, approved July 19, 1898, and Acts amendatory thereof, the Village of Castor, Louisiana, (Village) was declared a corporation by Proclamation issued by Governor John M. Parker on June 28, 1920. The Village is located in Ward 3 of Bienville Parish, State of Louisiana, and is managed by an elected Mayor and three aldermen. The Village provides a basic range of municipal services. These include police protection, public works (streets and lights), public improvements, water and sewer services, planning and zoning, social, cultural and general administration services. Management is compensated for services rendered to the Village. The population of the Village is 130 with 150 water and sewer customers. The Village has four employees.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

The accompanying general purpose financial statements of the Village of Castor, Louisiana (Village) 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 establishing governmental accounting and financial reporting principles.

**B. REPORTING ENTITY**

The Village of Castor (Village) is the basic level of government which has financial accountability and control over all activities related to the Village operations and services provided. The Village is not included in any other governmental "reporting entity" as defined by GASB pronouncements, since the Village Mayor and Board of Aldermen are elected by the public and have decision making authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units as defined in Governmental Accounting Standards Board Statement 14 which are included in the Village's reporting entity.

VILLAGE OF CASTON, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (Continued)  
As of and for the year ended December 31, 1998

C. FUND ACCOUNTING

The accounts of the Village are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund balance, revenues and expenditures or expenses as appropriate. The various funds are summarized by type in the financial statements. The following fund types and account groups are used by the Village:

Governmental Fund Type

General Fund - The General Fund is the general operating fund of the Village and accounts for all revenues and expenditures of the Village not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund. Fixed assets and long-term debt of the general fund is accounted for in the Account Groups as described below under Account Groups.

Proprietary Fund Type

The Proprietary Fund (Enterprise Fund) is operated on a fund basis whereby a self-balancing set of accounts is maintained that comprise its assets, liabilities, fund equity, revenues and expenses. The operations are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the cost (expenses, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges. Fixed assets and long-term debt are recorded in the Proprietary Fund (Enterprise Fund).

Account Groups

General Fixed Assets Account Group - This group is established to account for all fixed assets of the Village Governmental Fund(s) - General Fund.

VILLAGE OF CANTON, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (Continued)  
As of and for the year ended December 31, 1998

General Long-Term Debt Account Group - This group is established to account for all long-term debt of the Village Governmental Fund(s) - General Fund, and for those long-term liabilities to be liquidated with resources to be provided in future periods.

B. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types (General Fund) 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., 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 followed by the governmental fund types (General Fund). Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, other than long-term debt, are recorded when the related fund liability is incurred, if measurable.

Revenues from local sources consist primarily of sales taxes, property taxes, occupational licenses, utility franchise taxes and tobacco taxes. Property tax revenues are recorded when susceptible to accrual. Other revenues, other than grants, are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant and, accordingly, when such funds are received they are recorded as deferred revenues until earned.

The proprietary fund type (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 all liabilities



VILLAGE OF CASTON, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (Continued)  
As of and for the year ended December 31, 1996

associated with the operation of this fund is included on the balance sheet. The Enterprise Fund uses the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized at the time liabilities are incurred.

**E. CASH AND CASH EQUIVALENTS  
AND INVESTMENTS**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Village may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the Village may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

**F. INVENTORIES**

Supplies are purchased in immaterial quantities and are recorded as expenditures in the General Fund and expenses in the Enterprise Fund as they become measurable.

**G. PREPAID ITEMS**

Prepaid items are recorded as a current asset in the fund benefiting from the prepaid item and recognized as an expenditure or expense over the useful life of the asset. Immaterial prepaid items are charged to the expenditure or expense as the item is paid or is measurable.

**H. RESTRICTED ASSETS**

Certain proceeds of the Enterprise Fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The specific restrictions are as follows:

VILLAGE OF CAYTON, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (Continued)  
As of and for the year ended December 31, 1988

The Enterprise Fund revenue bond is secured and payable in principal and interest exclusively by a pledge of the income and revenues of the Enterprise Fund Sewer System (System), subject only to the prior payment of the reasonable and necessary expenses of operating and maintaining the system.

All of the income and revenues to be earned by the operation of the System shall be deposited in a separate and special bank account designated as the "Sewer Revenue Fund". This bank account shall be maintained for the following express purposes:

- (a) The payment of all reasonable and necessary expenses of operating and maintaining the system.
- (b) Monthly transfer of (1/12th) of the total principal and interest requirement falling due in the ensuing year to an account designated as the "Sewer Revenue Bond and Interest Sinking Fund". Interest earned on the Sewer Revenue Bond and Interest Sinking Fund shall be deposited in the Sewer Revenue Fund.
- (c) Monthly transfer of (5%) of the amount to be paid into the aforesaid Sinking Fund provided for in paragraph (b) above, to an account designated as the "Sewer Reserve Fund". Such transfers to continue until the Sewer Reserve Fund has accumulated a balance equal to the highest combined principal and interest on the Bonds falling due in any year. Interest earned on the Sewer Reserve Fund shall be deposited in the Sewer Revenue Fund.
- (d) Monthly transfer of twenty-nine dollars (\$29.00) to an account designated as the " Depreciation and Contingency Fund" to be used for extensions, additions, improvements, replacements and system depreciation necessary to properly operate the System. Interest earned on the Depreciation and Contingency account shall be added to the Depreciation and Contingency account.

1. FIXED ASSETS AND DEPRECIATION

Property, plant and equipment of all funds are stated at historical cost. Beroated fixed assets are stated at their fair market value on the date donated. Governmental fund fixed assets are recorded in the General Fixed Asset Account Group and are not depreciated. Proprietary fund fixed

VILLAGE OF EASTON, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (Continued)  
As of and for the year ended December 31, 1996

assets are recorded in the Enterprise Fund and depreciated using the straight-line method. Estimated useful lives, in years, for depreciable assets are as follows:

Water System	10-25
Sewer System	20-40

Land is recorded at cost and not depreciated.

J. COMPENSATED ABSENCES

The Village has no formal leave policy. Therefore, no liability for compensated absences exists.

K. BUDGETS

The Village is required by state law to adopt annual budget for the General Fund. The Village also prepares a budget for the Proprietary Fund. The General Fund budget is presented on the modified accrual basis of accounting and the Proprietary Fund is presented on the accrual basis of accounting. Each basis is consistent with generally accepted accounting principles (GAAP).

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

(a) Prior to December 31 of the preceding calendar year, the Village prepares a budget for the next succeeding year beginning January 1, for the General Fund and the Proprietary Fund.

(b) The proposed budget is made available for public inspection at the Village office.

(c) Action necessary to adopt and finalize the budget is completed prior to year end. And the adopted budget contains the same information as that required by the proposed budget.

(d) After adoption, a certified copy of the budget is retained by the Mayor at the Village office.

(e) The budget amounts are compared to actual amounts on a monthly basis and when actual receipts plus projected revenue collections for the year fail to meet budgeted

VILLAGE OF CAYTON, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (Continued)  
As of and for the year ended December 31, 1996

revenues by five per cent or more, or when actual expenditures or expenses plus projected expenditures or expenses to year end exceeded budgeted expenditures or expenses by five per cent or more the budget is exceeded.

L. LONG-TERM LIABILITIES

Long-Term debt of the General Fund is recognized in the General Long-Term Debt Account Group.

Long-Term debt of the Enterprise Fund is recognized within the Enterprise Fund.

M. PROPERTY TAXES

The Village levies taxes on real and business personal property located within its boundaries. Property taxes are levied by the Village on property values assessed by the Bienville Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

For the year ended December 31, 1996, 14 mills were levied on property for the payment of general obligation bonds.

Village property tax revenues are recognized when levied and are recorded as current receivables.

The property tax calendar is as follows:

Assessment date.....	January 1, 1996
Levy date.....	June 1, 1996
Tax bills mailed.....	November 30, 1996
Total taxes are due.....	December 31, 1996
Penalties and interest are added..	January 1, 1997
Lien date.....	No set policy
Tax sale.....	No set policy

Property taxes levied for the current year are recognized as revenues, even though a portion is collectible in the period subsequent to the levy year.

VILLAGE OF CARVER, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (Continued)  
As of and for the year ended December 31, 1996

Assessed values are established by the Bienville Parish Tax Assessor each year on a uniform basis at the following per cent of fair market values:

Land.....	10%
Residential.....	10%
Industrial.....	10%
Machinery.....	10%
Commercial.....	10%
Public Service (excluding land).....	25%

A revaluation of all property is required to be completed no less than every four years. A revaluation was completed for the tax roll of January 1, 1994.

H. BAD DEBTS

Uncollectible amounts are charged against earnings at the time information becomes available which indicated the particular account is uncollectible. Although this method does not conform to generally accepted accounting principles, the amounts charged do not materially differ from those determined under generally accepted accounting principles.

G. TOTAL COLLARS (MEMORANDUM ONLY)

The total collars on the combined balance sheet - all fund types is captioned memorandum only to indicate that they are presented only to facilitate financial analysis. Interfund eliminations have not been made in the aggregation of this data; and it is, therefore, not comparable to a consolidation.

F. INTERFUND TRANSACTIONS

The Village has several types of transactions that are reported in the financial statements as interfund items. Interfund transactions which constitute reimbursements of a fund for expenditures or expenses initially made from that fund which are properly applicable to another fund, are recorded as expenditures or expenses in the reimbursing fund and as a reduction of the expenditures or expenses in the fund that is being reimbursed. Nonrecurring or nonroutine transfers of equity between funds are treated as residual equity transfers and are reported as additions to, or deductions from, fund balance. All other transfers are

VILLAGE OF CASTOR, LOUISIANA  
 NOTES TO THE FINANCIAL STATEMENTS (Continued)  
 As of and for the year ended December 31, 1996

treated as operating transfers and are included in the results of operations of governmental funds. As of the end of the year interfund transactions resulted in the General Fund owing the Enterprise Fund \$4,669.98.

Q. EQUITY AND OTHER CREDITS

Contributed Capital - Grants, entitlement, or shared revenue received 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 for such contributions.

2. CASH AND CASH EQUIVALENTS

At December 31, 1996, the Village has cash and cash equivalents (bank balances) totaling \$37,182.98 as follows:

	General Fund *****	Enterprise Fund *****
General Fund Operating	\$ 19,493.28	\$
Petty Cash	36.58	
Prosperity Tax Savings	6,157.57	
Water/Sewer Operating		11,504.83
	*****	*****
Total	\$ 25,677.27	\$ 11,504.83
	*****	*****

3. INVESTMENTS

At December 31, 1996, the Village has investments totaling \$33,337.77, and are as follows:

Certificates of deposit at Bank of Mississippi, LA = \$33,337.77

The certificates of deposit have maturities of more than 90 days.

VILLAGE OF CAYTON, LOUISIANA  
 NOTES TO THE FINANCIAL STATEMENTS (Continued)  
 As of and for the year ended December 31, 1986

4. RESTRICTED ASSETS

The Enterprise Fund has restricted assets as follows:

Revenue Bond Covenant:

Rever Revenue Bond & Int. Sinking Fund Account	\$2,864.88
Rever Reserve Fund Account	2,876.68
Rever Depreciation & Contingency Fund Account	2,310.55
Total	<u>\$7,852.11</u>

Water and Sewer Customer Deposits:

Rever Revenue Account	\$3,871.06
Certificate of Deposit	4,000.00
Total	<u>\$7,871.06</u>

5. INSURANCE OF BANK BALANCES

At December 31, 1986, the Village had total cash and cash equivalents, investments, and restricted cash of \$85,442.86. All funds were covered by Federal depository insurance (FDIC).

6. PROPERTY, PLANT AND EQUIPMENT

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

Item	Balance December 31, 1985	Additions	Deletions	Balance December 31, 1986
Buildings	\$12,106.00	\$13,524.00		\$ 25,630.00
Vehicles & Equipment	27,061.81			27,061.81
Office Furn. & Equipment	2,918.99	1,574.00		4,492.99
Total	<u>\$42,086.80</u>	<u>\$15,098.00</u>	\$ -	<u>\$ 57,184.80</u>

VILLAGE OF CARTER, LOUISIANA  
 NOTES TO THE FINANCIAL STATEMENTS (Continued)  
 As of and for the year ended December 31, 1998

Property, Plant and Equipment recorded in the Village's Enterprise Fund at December 31, 1998 are:

	Water System	sewer system	Totals
Carrying value	\$ 447,489.13	\$ 875,329.89	\$ 1,322,819.02
Less: Accumulated Depreciation	68,626.35	148,679.31	217,305.66
Net investment in Fixed Assets	\$ 382,812.78	\$ 726,650.58	\$ 1,109,463.36

The Water System and Sewer system are depreciated on a straight-line basis over their estimated useful life of 18-40 years.

7. LONG-TERM LIABILITIES

General Long-Term Debt

General Obligation Bonds of the Village, \$33,000. 5% serial bonds on July 15, 1965. Annual principal and interest payments are due through July 15, 2023. The principal balance at December 31, 1998 is \$18,500.

General Obligation Bonds of the Sewer District No. 1, 20,000. 5% serial bonds on July 15, 1965. Annual principal and interest payments are due through July 15, 2023. The principal balance at December 31, 1998 is \$16,500.

During 1998, interest of \$1,708.00 was charged on the above General Obligation Bonds. The annual principal requirements for the next five years are as follows:

July 15, 1997	\$1,000.00
July 15, 1998	1,000.00
July 15, 1999	1,000.00
July 15, 2000	1,000.00
July 15, 2001	1,000.00
Total	5,000.00
July 15, 2002-2023	18,000.00
Total	\$23,000.00



VILLAGE OF CASTOR, LOUISIANA  
 NOTES TO THE FINANCIAL STATEMENTS (Continued)  
 As of and for the year ended December 31, 1996

**Revenue Bonds**

The revenue bonds are accounted for in the Enterprise Fund and consists of the revenue bonds of the Village of Castor, LA - \$70,800.00, 5% serial bonds on July 15, 1992. Annual principal and interest payments are due through July 15, 2021. The principal balance at December 31, 1996 is \$60,800.00. During 1996, interest of \$3,975.00 was charged on the revenue bonds. The annual principal requirements for the next five years are as follows:

July 15, 1997	\$ 1,000.00
July 15, 1998	1,000.00
July 15, 1999	1,000.00
July 15, 2000	1,000.00
July 15, 2001	1,000.00
	-----
Total	5,000.00
July 15, 2002-2021	54,800.00
	-----
Total	\$59,800.00
	-----

**8. FUND DEFICIT**

At December 31, 1996, the unreserved retained earnings deficit of the Enterprise Fund totals \$ 81,146.82. Management plans to make necessary operating transfers over the next five years to reduce or eliminate the deficit balance in retained earnings.

**9. COMPENSATION PAID MAYOR AND BOARD OF ALDERMEN**

During 1996 the following amounts were paid or reimbursed to the Mayor and Board of Aldermen:

Leon H. Freeman - Mayor's salary	\$2,320.00
Leon H. Freeman - Travel reimbursements	1,280.00
	-----
Total to Mayor	\$3,600.00
	-----
Aldermen-	
C. P. Hogan	300.00
Charles Harper	300.00
Jimmy Jeter (Resigned 9-31-96)	330.00
Frank Sullivan (Appointed 9-23-96)	75.00
	-----
Total to Aldermen	900.00
	-----
Total	\$4,500.00
	-----

**LARRY G. TAYLOR**  
**CERTIFIED PUBLIC ACCOUNTANT**  
A PROFESSIONAL ACCOUNTING CORPORATION  
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—  
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To the Mayor and Board of Aldermen  
Village of Castor  
Castor, Louisiana

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of the Village of Castor, Louisiana and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village of Castor, Louisiana's compliance with certain laws and regulations during the year ended December 31, 1998 included in the accompanying Louisiana Attestation (Certification). 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 purposes for which this report has been requested or for any other purpose.

Public Bid Law

1. Selected all expenditures made during the year for material and supplies exceeding \$5,000, or public works exceeding \$50,000, and determine whether such purchases were made in accordance with LA-RR 88-2215-2281 (the public bid law).

I examined documentation which indicated that no expenditures were made during the year for materials and supplies exceeding \$5,000 and no expenditures were made for public works exceeding \$50,000.

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 in LA-RR 87-1191-1124 (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 requested 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.

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 and amended budget.

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 December 15, 1998 where the budget was unanimously adopted. All amendments were traced to the 1998 minute records.

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. The General Fund budget revenues exceeded actual revenues by 2%. Budgeted grant funds of \$15,000 were not paid from the State of Louisiana.

#### Accounting and Reporting

8. Randomly select 20 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 twenty 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

All 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 twenty selected disbursements indicated approvals from the Mayor and Village Clerk. In addition, each of the disbursements were traced to the Village's minute book where they were reviewed and approved for payment by the full board.

(d) determine if the report was timely filed with the Legislative Auditor, State of Louisiana.

Condition - Compilation engagement was not completed and report issued on a timely basis.

Criteria - LSA 24:513 requires that the compilation be completed and issued within six months of the close of the entity's year.

Effect - The compilation report was due on June 30, 1997, but was not filed until July 28, 1997.

Cause - Current procedures do not include controls to ensure that information will be accumulated within the six month period.

Recommendation - Procedures should be developed and implemented that ensure the compilation report will be filed within six months of the Village's year end.

Management's Response - We are implementing procedures to ensure the timely filing of the Village's compilation report.

#### Meetings

7. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RA 42:11 through 42:12 (the open meeting law).

Management has asserted that such documents were properly

posted on the door of the Village's office building. I reviewed approved, dated documentation to support the assertions by management.

#### Exhibit

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 Village for the year indicated no approval for the payments noted. 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 Carter, Louisiana, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.



Shagbald, Louisiana  
July 21, 1983