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VILLAGE OF GRAND CANE, LOUISIANA

**GENERAL PURPOSE FINANCIAL STATEMENTS
WITH ACCOUNTANT'S COMPILATION REPORT
AND AGREED-UPON PROCEDURES REPORT**

As of and for the year ended
June 30, 1997

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewed, equity and other responsible 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 807 12 1997

807 12 1997

Deborah D. Davis, MBA, CPA
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Monroe, Louisiana 70002
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VILLAGE OF GRAND CANE, LOUISIANA

General Purpose Financial Statements
with Accountant's Compilation Report
and Agreed-Upon Procedures Report
As of and for the Year Ended June 30, 1997

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Deborah D. Dees, MBA, CPA



122 JEFFERSON STREET • MONROE, LOUISIANA 71222 • (225) 832-0887 • FAX (225) 832-1267

CERTIFIED PUBLIC ACCOUNTANT

Accountant's Compilation Report

MAYOR AND BOARD OF ALDERMEN
VILLAGE OF GRAND CANE, LOUISIANA

I have compiled the accompanying general purpose financial statements of the Village of Grand Cane, Louisiana, as of and for the year ended June 30, 1997, as required by Louisiana Revised Statute 24:513. The annual general purpose financial statements were compiled 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 of any form of assurance on them.

Deborah D. Dees

Certified Public Accountant
Monroe, LA

September 30, 1997

VILLAGE OF GRAND CANE, LOUISIANA

ALL FUNG TYPES AND ACCOUNT GROUPS

Condensed Balance Sheet

June 30, 1987

	GOVERNMENTAL FUNDS		ACCRETIONARY FUNDS		ACCOUNT GROUP GENERAL FUND ASSETS	TOTAL FINANCIALS (ONLY)
	GENERAL FUND	RESERVE FUND	RESERVE FUND	RESERVE FUND		
ASSETS AND OTHER DEBITS						
Cash & Cash Equivalents	\$ 100,400	\$	\$ 5,912	\$	\$	\$ 110,404
Accounts Receivable	948		658			1,750
Fixed Assets			9,178		49,818	55,546
Accumulated Depreciation			(7,870)			(7,870)
Due from other funds			4,489			4,489
TOTAL ASSETS	\$ 100,375	\$	\$ 14,407	\$	\$ 49,818	\$ 175,179
LIABILITIES & FUND EQUITY AND OTHER CREDITS						
Liabilities:						
Accounts Payable	\$	\$ 604	\$	\$ 1,411	\$	\$ 2,015
Due to Other Funds	4,468					4,468
Debt	318		2,775			3,104
TOTAL LIABILITIES	\$ 4,742	\$	\$ 4,189	\$	\$	\$ 9,039
Fund Equities and Other Credits						
Retained Earnings			10,201			10,201
Investments in Fixed Assets					49,818	49,818
Fund Balance - Unassigned/Unbudgeted	95,633		5,127			102,718
TOTAL EQUITY AND OTHER CREDITS	\$ 95,633	\$	\$ 15,328	\$	\$	\$ 162,817
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	\$ 100,375	\$	\$ 14,417	\$	\$ 49,818	\$ 175,179

See accompanying notes and accountant's compilation report.

VILLAGE OF GRAND CAYE, LOUISIANA

Statement D

GOVERNMENTAL FUNDS
 Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ended June 30, 1997

	GENERAL FUNDS	WATER UTILITY FUND	TOTAL MONETARILY MEASURABLE FUNDS
REVENUES:			
Taxes:			
Ad Valorem	\$ 4,058	\$ 0.00	\$ 4,058
Sales	5,824		5,824
Franchise	2,756		2,756
Occupational Returns	14,222		14,222
Intergovernmental:			
Grants	16,000		16,000
Tobacco Tax	1,280		1,280
Other:			
Rent	2,800		2,800
Interest	1,500		1,500
Miscellaneous	1,611		1,611
TOTAL REVENUES	55,851	0.00	55,851
EXPENDITURES			
Current:			
General Government:			
Personal services	4,765		4,765
Operating	16,276		16,276
Public works-streets	2,280		2,280
Historical development	400		400
Capital outlay	18,224		18,224
TOTAL EXPENDITURES	41,951	0	41,951
EXCESS OF REVENUES OVER EXPENDITURES	13,900	0.00	13,900
OTHER FINANCING SOURCES (USES)			
Operating transfers in	800		800
Operating transfers out		(8,000)	(8,000)
TOTAL OTHER FINANCING SOURCES	800	(8,000)	(7,200)
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	14,700	0	14,700
FUND BALANCE, BEGINNING OF YEAR	19,217	23,178	42,395
Plus/minus net operating transfers	16,213	(16,213)	0
Residual/offset transfers		(2,820)	(2,820)
FUND BALANCE, END OF YEAR	\$ 35,920	\$ 6,145	\$ 42,065

See accompanying notes and accountant's completion report.

VILLAGE OF GRAND CAYNE, LOUISIANA

Combined Statement of Revenues, Expenses, and Changes in Fund Balances
Budget (Cash Basis) and Actual - General and Special Revenue Funds
For the Year Ended June 30, 2022

REVENUES:	ORIGINAL FUND		BUDGET		ACTUAL			
	SUBJECT	ACTUAL	AMOUNT APPROPRIATED	SUBJECT	ACTUAL	AMOUNT APPROPRIATED		
Taxes:	\$	4,028	\$	50	\$	4,081	\$	0
Ad Valorem	4,778	4,454		874				
Sales	2,758	2,758						
Fees/charges	14,175	14,225		50				
Occupational license	19,559	19,559						
Intergovernmental	1,288	1,288		48				
Grants	2,852	2,852						
Interest	1,523	1,523		78				
Other	1,428	1,427		122				
TOTAL REVENUES	33,423	33,858		1,272		4,881		0
EXPENSES:								
Current:								
General Government	6,990	4,788		826				
Personal services	19,424	19,278		842				
Operating	1,488	2,282		794				
Public improvements	840	450		448				
Capital outlay	18,427	18,224		198				
TOTAL EXPENSES	46,172	44,822		2,117		0		0
EXCESS OF REVENUES OVER EXPENSES	19,279	11,794		1,432		0		0

(Continued)

VILLAGE OF GRAND CAYE, LOUISIANA

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget (Cash Basis) and Actual - General and Special Revenue Funds
For the Year Ended June 30, 1997

	GENERAL FUND		SPECIAL REVENUE FUNDS
	BUDGET	ACTUAL	
OTHER FINANCING SOURCES (USES)			
Accounting transfers		485	
Operating transfers out			
TOTAL OTHER FINANCING SOURCES	2,750	485	0,000
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	12,875	12,060	1,000
ADJUSTMENTS TO NONCASH SOURCES			
Revenue arrears	887		887
Revenue credits	91		(91)
FUND BALANCE, BEGINNING OF YEAR	75,827	75,827	25,170
Plus/minus non-cash items	14,215	14,215	(14,215)
Residual equity transfer			(2,855)
FUND BALANCE, END OF YEAR	\$ 90,919	\$ 90,067	\$ 11,287

VILLAGE OF GRAND CAYE, LOUISIANA

PROPRIETARY FUND - Sewer Fund
Statement of Revenues, Expenditures, and Changes in Retained Earnings
 For the Year Ended June 30, 1997

OPERATING REVENUES:	
Service fees	\$ 19,787
Art Sale/own Terms	6,025
Miscellaneous	<u>100</u>
TOTAL OPERATING REVENUES	<u>25,912</u>
OPERATING EXPENSES:	
Personnel and contract	18,940
General & administration	648
Materials & Supplies	4,358
Depreciation	<u>1,064</u>
TOTAL OPERATING EXPENSES	<u>25,010</u>
OPERATING INCOME	<u>902</u>
NONOPERATING INCOME	
Interest Income	232
Operating transfer in	<u>8,059</u>
TOTAL NONOPERATING INCOME	<u>8,291</u>
NET INCOME	<u>3,380</u>
RETAINED EARNINGS, BEG. OF YEAR	0
Realized equity transfers	7,827
Five period adjustment record sewer facilities	754
Depreciation recorded on transferred assets	<u>11,580</u>
RETAINED EARNINGS, END OF YEAR	<u>\$ 12,231</u>

See accompanying notes and accountant's compilation report.

VILLAGE OF GRAND CAYE, LOUISIANA

PROPRIETARY FUND - Sewer Fund
Statement of Cash Flows
 For the Year Ended June 30, 1997

Cash flows from operating activities	
Cash received from customers	\$ 10,540
Ad valorem taxes collected	3,323
Other operating cash receipts	100
Cash payments to suppliers for goods and services	(8,221)
Cash payments to employees for services	(18,132)
Net cash (used) by operating activities	<u>(1,880)</u>
Cash flows from noncapital financing activities	
Operating transfers from special revenue fund	6,389
Net realized equity cash (transfer interest) funds	1,640
Net cash provided by noncapital financing activities	<u>7,992</u>
Cash flows from capital and related financing activities	
Acquisition of capital assets	<u>(828)</u>
Cash flows from investing activities	
Interest received	272
NET INCREASE IN CASH	5,912
CASH, BEGINNING OF YEAR	0
CASH, END OF YEAR	<u>\$ 5,912</u>
Reconciliation of net operating loss to net cash (used) by operating activities	
Net operating loss	\$ (3,189)
Adjustments to reconcile net income to net cash provided by operating activities	
Depreciation	1,824
(Increase) decrease in accounts receivable	(811)
Increase (decrease) in accounts payable	428
Increase (decrease) in accrued liabilities	14
Increase (decrease) in customer deposits	458
Total adjustments	<u>1,837</u>
Net cash (used) by operating activities	<u>\$ (1,352)</u>

(See accompanying notes and accountants' compilation report.)

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

INTRODUCTION

The Village of Grand Cane, Louisiana was incorporated under the provisions of the Louisiana Act in 1938. The village is governed by the mayor-board of aldermen form of government. The mayor and three aldermen are elected and serve four-year terms that expire on December 31, 1998. There is also an elected village marshal. The Village has one street/street employee and a part time clerk. The Village is located in northwest Louisiana in DeBato Parish.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

As the municipal governing authority, for reporting purposes, the Village of Grand Cane is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (municipality), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which 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 Village of Grand Cane 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:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the municipality 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 municipality.
2. Organizations for which the municipality does not appoint a voting majority but are fiscally dependent on the municipality;
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

As required by generally accepted accounting principles, these financial statements present the Village of Grand Cane (the primary government) and its component units. In prior years the Grand Cane Preservation District was considered a component unit of the Village. During this fiscal year the district was reorganized as an advisory board and the remaining monies transferred to the Village accounts. The expenses incurred for historical development are now part of the general fund.

B. FUND ACCOUNTING

The Village 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 relating to certain government functions or activities.

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

B. FUND ACCOUNTING (Continued)

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of a municipality are classified into three categories: governmental, proprietary, and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type used by the village at this time are described as follows:

Governmental Funds. Governmental funds are used to account for all or most of the village's general activities, including the collection and disbursement of specific or legally restricted monies and the acquisition or construction of general fund assets.

1. **General Fund**—the general operating fund of the municipality and accounts for all financial resources, except those required to be accounted for in other funds.
2. **Special revenue funds**—account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

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:

1. **Enterprise funds**—account for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

C. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues. Function taxes and intergovernmental revenues are recorded when the village is entitled to the funds. The state tobacco tax is received quarterly. Interest income (on demand) and time 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 village.

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

C. BASIS OF ACCOUNTING (Continued)

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

Other Financing Sources (Uses). Transfers between funds that are not expected to be repaid (and any other financing source/uses) are accounted for as other financing sources (uses). These transactions are recorded at the time of receipt or payment.

All proprietary funds are 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 associated with the operation of these funds are included on the balance sheet. The proprietary funds use the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time liabilities are incurred.

D. BUDGETS

The primary government municipality uses the following budget practices:

A preliminary budget for the ensuing year is prepared by the clerk and the mayor in May. The proposed budget is reviewed by the mayor and the board of aldermen and made available to the public. The budget is then adopted during the regular June meeting. The proposed budget for the General Fund is prepared on the cash basis of accounting. The budget is established and controlled by the mayor and the board of aldermen at the highest level of expenditures. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes in the budget must be approved by the mayor and the board of aldermen. The village does not use circumstance accounting in its accounting system.

E. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and other investments with original maturities of 90 days or less. Under state law, the village may deposit funds in demand deposits, interest bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

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. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. All purchased fixed assets are valued at cost where historical costs are available and estimated cost where no historical records are available. Approximately 12 per cent of fixed assets are valued at estimated historical costs based on the actual costs of the items, while the remaining 88 percent are based on actual historical costs.

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

F. FIXED ASSETS (continued)

Depreciation of all depreciable fixed assets used by sewer fund operations is charged as an expense against operations. Depreciation is computed on the equipment using the straight-line method over seven years.

G. SALES TAX

A one percent sales and use tax was levied in the Village beginning January, 1997. The tax is to be used for constructing, improving and maintaining public roads, streets and bridges in the village.

H. INTERFUND TRANSACTIONS

All interfund transactions are reported as transfers. Nonrecuring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

I. TOTAL COLUMN ON THE BALANCE SHEET

Total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, 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.

2. CASH AND CASH EQUIVALENTS

At June 30, 1997, the village has cash (bank balances) totaling \$110,484, with \$110,459 in demand deposits and \$25 in cash.

These deposits are titled 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. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or collateral bank that is mutually acceptable to both parties.

At June 30, 1997, the primary government has \$114,840 in deposits (bank balances). These deposits are secured from risk by \$180,000 of federal deposit insurance. The remaining balance of \$14,842 is not secured by the pledge of securities and is a violation of state law.

VILLAGE OF GRAND CAME, LOUISIANA
Notice to the Financial Statements
 As of and for the Year Ended June 30, 1997

3. LEVIED TAXES

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

Property Tax Calendar:

Assessment date	January 1, 1996
Levy date	June 30, 1996
Tax bills mailed	October 15, 1996
Total taxes and dues	December 31, 1996
Penalties & interest added	January 21, 1997
Tax sale	May 10, 1997

The village is permitted to levy taxes up to 10% of the assessed property valuation for each specified purpose, or, in the aggregate for all purposes, 25% of the assessed valuation for the payment of principal and interest on long-term debt after the approval by the voters of the Village. Property taxes are recorded as revenues in the year assessed. No receivable is recorded at June 30, for all taxes are considered paid at the time of the tax sale.

The following is a summary of authorized and levied ad valorem taxes (tax rate per \$1,000 assessed value)

Village taxes:	Authorized Millage	Levied Millage	Expiration Date
General	6.00	6.00	Indefinite
Sewer system	5.00	5.01	2007
Sewer/Streets	5.00	5.01	2006
Sewer/Streets	5.40	5.40	2007

The difference between authorized and levied millages is the result of reassessments of taxable property within the parish as required by Louisiana Constitution Art. VII, Section 189F. This reassessment of property is required to be completed no less than every four years. The last reassessment was completed for the roll of January 1, 1996. Total assessed value was \$286,306 in 1996.

Total ad valorem tax revenues recognized by the Village were \$14,263 for the year ended June 30, 1997. The following are the principal taxpayers for the village and their 1996 assessed valuations:

Taxpayer	Type of Business	1997 Assessed Valuation	Percentage of Total Assessed Valuation
Central La. Electric Co.	Utility	\$ 80,850	28.24%
South Central Bell	Utility	28,210	9.85%
First National Bank, Marshfield	Financial Institution	28,820	10.07%
United Post Office Investment	Real Estate Investment	9,740	3.40%
Gerald Meyers	Real Estate Investment	9,300	3.25%
		\$286,320	100.00%

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

4. RECEIVABLES

The following is a summary of receivables for June 30, 1997:

	General Fund	Sewer Fund
Sales and use tax	\$ 657	\$
Sewer fees	\$	660
Other	83	\$
Total	\$ 740	\$ 660

Substantially all receivables are considered to be fully collectible, and no allowance for uncollectibles is used.

5. FIXED ASSETS

The changes in general fixed assets follow:

	Balance 12/31/96	Additions	Depreciate	Transfers	Balance 6/30/97
Land and buildings	\$24,000	17,750	\$	\$	\$24,000
Furniture & equipment	12,340	484	\$	(4,800)	8,024
Total	\$36,340	18,234	\$	(4,800)	\$49,534

6. PENSION PLAN

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

7. ACCOUNTS PAYABLE

The following is a summary of payables at June 30, 1997:

	General	Sewer
Accounts	\$ 824	\$ 800
Accrued payroll taxes	\$	480
Total	\$ 824	\$ 1,411

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

B. INTERFUND ASSETS/LIABILITIES

Receivable Fund	Payable Fund	Amount
Sewer Fund	General Fund	\$ <u>4408</u>

B. LITIGATION AND CLAIMS

The village is not involved in any litigation at June 30, 1997, nor is it aware of any unasserted claims.

10. PER DIEM REIMBURSEMENTS TO MAYOR AND BOARD OF ALDERMEN

Per diem or reimbursements paid to the Mayor and Board of Aldermen for the year ended June 30, 1997 is as follows:

Honorable Linda Brown, Mayor	\$	405
Dorcas Crocker		80
Billy Frankie		105
Scott Rutherford		10
Sheldon Farmer		90
Mike Nivet		10

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, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

Independent Accountant's Report On Applying Agreed-Upon Procedures

Mayor and Board of Aldermen
Village of Grand Cane
Grand Cane, Louisiana

I have performed the procedures included in the Louisiana Governmental Audit Guide (and enumerated below), which were agreed upon by the management of Village of Grand Cane and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Village of Grand Cane's compliance with certain laws and regulations during the year ended June 30, 1997, included in the accompanying Louisiana Arbitration 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 the disbursement journal for the year. That review did not disclose any expenditures in the above parameters.

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 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

The Board 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.

None of the employees included on the list of employees provided by management in agreed-upon procedure No. 3 appeared on the list provided by the Board in agreed-upon procedure No. 2.

Budgeting

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

Management provided me with a copy of the original budgets. There were two amendments to the budget during the year.

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

I traced the adoption of the original budgets to the minutes of the meeting held on June 4, 1986, which indicated that the budgets had been adopted by the Board of Aldermen of the Village of Grand Care by a vote of 3 in favor and 0 opposed. The budget was amended at a meeting held January 7, 1987, and again on June 3, 1987.

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.

I compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures for the year did not exceed budgeted amounts by more than 5%, except that ad valorem tax revenue for streets was 14% less than budgeted for the year.

BOARD RESPONSE: The budget will be more closely monitored.

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;

I examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

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

The payments were found to be coded to the correct fund and general ledger accounts.

- c. determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the mayor and the village clerk.

Meetings

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

Village of Grand Cayo is only required to post a notice of each meeting and the accompanying agenda on the door of the district's meeting place. Although management has asserted that such documents were properly posted, I could find no evidence supporting such assertion other than a copy of the notices and agendas.

Debt

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

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

Advances and Bonuses

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

A reading of the minutes of the district for the year indicated no approval for 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.

Other Matters

As June 30, 1997, the Village's bank balance of First National Bank in Monticello was \$114,641.76. This amount is over the FDIC insurance of \$100,000 and leaves the Village in violation of LRS 30-1225 which provides that security shall at all times be equal to 100% of the deposit.

BOARD RESPONSE: The Board will comply with the statute and be more cognizant of cash balances in the future.

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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 Village of Grand Core 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.

Albert W. Adams, CPA

Minerfield, Louisiana

September 30, 1997