

RECEIVED
COMPTROLLER GENERAL
90 MAY -6 AM 2:01

OFFICIAL
FULL COPY

DO NOT SIGN OUT

Public documents
except from the
1960 and 1961
years to 1964

VILLAGE OF LISBON
Lisbon, Louisiana

**General Purpose Financial Statements
With Accountant's Certification Report
And Agreed-Upon Procedures Report
As of and For the Year Ended
December 31, 1988
With Supplemental Information Schedules**

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

Release Date: _____

VILLAGE OF LISBON

Lisbon, Louisiana

General Purpose Financial Statements
With Accountant's Compilation Report
and Agreed-Upon Procedures Report
As of and For the Year Ended
December 31, 1998
With Supplemental Information Schedules

C O N T E N T S

	Statement	Page No.
Accountant's Compilation Report		3
General Purpose Financial Statements		
Combined Balance Sheet - All Fund Types and Account Groups	A	5
Governmental Fund Type - General Fund - Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual	B	6
Proprietary Fund Type - Water System Enterprise Fund		
Statement of Revenues, Expenditures, and Changes in Retained Earnings	C	7
Statement of Cash Flows	D	8
Notes to the Financial Statements		9
	Schedule	Page No.
Supplemental Information Schedules:		
Schedule of Per Diem Paid Mayor and Aldermen	E	10

CONTENTS (CONT'D.)

	Schedule	Page No.
Supplemental Information Schedules (Cont'd.):		
Summary Schedule of Prior Year Findings	3	20
Corrective Action Plan for Current Year Findings	3	21
Accountant's Report on Applying Agreed-Upon Procedures		23
Louisiana Attestation Questionnaire		27

M. Carleen Dumas
CERTIFIED PUBLIC ACCOUNTANT

349 DOWDLEIGH ROAD • COLLEEN, LOUISIANA 71225 • TELEPHONE 518-644-8726

Accountant's Compilation Report

MAYOR AND BOARD
OF ALDERMEN
VILLAGE OF LISBON
Lisbon, Louisiana

I have compiled the accompanying general purpose financial statements and supplemental information schedules, as listed in the foregoing table of contents, of the Village of Lisbon as of December 31, 1998, 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 and schedules information that is the representation of management of the Village of Lisbon. I have not audited or reviewed the accompanying general purpose financial statements and schedules and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, I have based a report dated April 28, 1999, on the results of my agreed-upon procedures.



Colleen, Louisiana
April 28, 1999

**GENERAL PURPOSE FINANCIAL STATEMENTS
(OVERVIEW)**

VILLAGE OF LEDGON
Ledger, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet, December 31, 1988

	GOVERNMENTAL FUND TYPE - GENERAL FUND	PROPRIETARY FUND TYPE - WATER SYSTEM INTERFUND FUND	ACCOUNT GROUP - GENERAL FUND ASSETS	TOTAL MEMORANDUM ONLY
ASSETS				
Cash	\$17,575	\$38,779		\$56,354
Investments	27,688			27,688
Receivables:				
Franchise taxes	862			862
Tobacco taxes	216			216
Water sales		2,156		2,156
Property, plant and equipment (net of accumulated depreciation)		41,885	\$88,442	130,377
Other assets		10		10
TOTAL ASSETS	<u>\$45,841</u>	<u>\$82,840</u>	<u>\$88,442</u>	<u>\$217,123</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$289	\$2,298		\$2,687
Bonds payable		38,000		38,000
Customer deposits		8,273		8,273
Total Liabilities	<u>389</u>	<u>44,671</u>	<u>NONE</u>	<u>45,062</u>
Fund Equity:				
Investment in general fixed assets			\$88,442	88,442
Contributed capital		3,857		3,857
Retained earnings - unreserved - undesignated		34,310		34,310
Fund balance - unreserved - undesignated	\$49,452			49,452
Total Fund Equity	<u>49,452</u>	<u>38,167</u>	<u>88,442</u>	<u>176,061</u>
TOTAL LIABILITIES AND FUNDS EQUITY	<u>\$45,841</u>	<u>\$82,840</u>	<u>\$88,442</u>	<u>\$217,123</u>

See accompanying notes and accountant's compilation report.

VILLAGE OF LISBON
 Lisbon, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget
 (GAAP Basis) and Actual
 For the Year Ended December 31, 1998

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE: EXPENDABLE UNAVAILABLE</u>
REVENUES			
Franchise taxes	\$2,500	\$2,326	(\$174)
Licenses and permits	1,500	1,290	(210)
Intergovernmental:			
State funds	950	1,151	181
Local funds	500		(500)
Traffic fines	175	158	(17)
Use of money and property:			
Interest earnings	525	1,309	1,184
Rent	800	675	(125)
Royalties	20	78	58
Other income	375	450	75
Total revenues	<u>9,165</u>	<u>9,819</u>	<u>654</u>
EXPENDITURES			
General government:			
Circuit:			
Personal services	1,000	1,061	61
Operating services	9,250	8,621	1,059
Supplies	1,000		1,000
Other expenditures	350	182	168
Capital outlay		789	(789)
Total expenditures	<u>12,390</u>	<u>10,683</u>	<u>1,417</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(2,925)</u>	<u>(864)</u>	<u>2,071</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>45,667</u>	<u>46,316</u>	<u>1,349</u>
FUND BALANCES AT END OF YEAR	<u>\$42,132</u>	<u>\$45,452</u>	<u>\$3,320</u>

See accompanying notes and accountant's compilation report.

VILLAGE OF LISBON
Lisbon, Louisiana
PROPRIETARY FUND TYPE -
WATER SYSTEM ENTERPRISE FUNDS

Statement of Revenues, Expenses, and
Changes in Retained Earnings
For the Year Ended December 31, 1998

OPERATING REVENUES	
Water sales	<u>372,666</u>
OPERATING EXPENSES	
Salaries and related benefits	3,806
Utilities	4,620
Materials and supplies	3,124
Maintenance and labor	2,880
Contract money handling	3,121
Insurance	1,580
Office and administration	898
Bank charges	59
Depreciation	2,629
Other operating expense	223
Total operating expenses	<u>29,549</u>
OPERATING INCOME	<u>7,117</u>
NON-OPERATING REVENUES (Expenses)	
Earnings on bank deposits	788
Other income	303
Interest expense	<u>(1,803)</u>
Net operating revenues (expenses)	<u>(812)</u>
NET INCOME	<u>6,305</u>
RETAINED EARNINGS AT BEGINNING OF YEAR	<u>28,810</u>
RETAINED EARNINGS AT END OF YEAR	<u>35,115</u>

See accompanying notes and accountant's compilation report.

VILLAGE OF LISBON
Lisbon, Louisiana
PROPRIETARY FUND TYPE -
WATER SYSTEM ENTERPRISE FUND

Statement of Cash Flows
For the Year Ended December 31, 1998

CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income	<u>\$7,317</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	2,629
Decrease in accounts receivable	1,850
Decrease in customer deposits	(1,296)
Increase in accounts and taxes payable	858
Total adjustments	<u>3,261</u>
Net cash provided by operating activities	<u>\$10,778</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Principal on revenue bonds	(2,800)
Interest on revenue bonds	(1,800)
Acquisition of fixed assets	(1,713)
Non-operating income	300
Net cash used by capital financing activities	<u>(5,213)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest earnings on bank deposits	<u>780</u>
NET INCREASE IN CASH	5,845
CASH AT BEGINNING OF YEAR	<u>32,851</u>
CASH AT END OF YEAR	<u>38,779</u>

See accompanying notes and accountant's compilation report.

VILLAGE OF LISBON
Lisbon, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 1988

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Lisbon was incorporated under the provisions of the Louisiana Act. The village is governed by the mayor-board of aldermen form of government. The mayor and aldermen serve four-year terms which expire on December 31, 2000. The village is one part-time employee and a chief of police.

A. BASIS OF PRESENTATION

The accompanying general purpose financial statements of the Village of Lisbon 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 village, for reporting purposes, the Village of Lisbon is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (the village), (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.

GASB Statement 14 established criteria for determining which, if any, component units should be considered part of the Village of Lisbon 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, which includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the village to impose its will on that organization and/or

VILLAGE OF LISBON

Lisbon, Louisiana

Notes to the financial statements (Continued)

- b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the village.
2. Organizations for which the village does not appoint a voting majority but are fiscally dependent on the village.
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.

Based on the previous criteria, the village has determined that there are no component units that should be considered as part of the village reporting entity.

C. 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 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 fund assets and general long-term obligations) that are not recorded in the funds because they do not directly affect net reportable available financial resources.

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

Governmental Funds

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

General Fund

VILLAGE OF LISBON

Lisbon, Louisiana

Notes to the Financial statements (Continued)

The General fund is the general operating fund of the village. It accounts for all financial resources, except those required to be accounted for in the Water System Enterprise Fund.

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:

Water System Enterprise Fund

The Water System Enterprise Fund is used to account for operation of the village water 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 village 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 and decreases in net current assets. The modified accrual basis of accounting is used for reporting all governmental fund types. The village uses the following practices in recording revenues and expenditures:

Revenues

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

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

VILLAGE OF LISBON

Lisbon, Louisiana

Notes to the Financial Statements (Continued)

Interest income on demand deposits is recorded in the month earned and credited to the account.

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

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

Expenditures

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

The Water System 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 Water System 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 are recognized in the period for service is provided to the customer. Salaries and other expenses are recognized when incurred.

E. BUDGET PRACTICES

The proposed budget for the General Fund, prepared on the modified accrual basis of accounting, is formally adopted by the mayor and board of Aldermen at the December board meeting each year. The budget is established and controlled by the mayor and board of Aldermen 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 statements include the original adopted budget amounts and all budget amendments.

F. CASH

Cash includes amounts in demand deposits and interest-bearing demand deposits.

VILLAGE OF LISBON

Lisbon, Louisiana

Notes to the financial statements (Continued)

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

G. INVESTMENTS

Investments are limited by Louisiana Revised Statute (R.S.) 33:2853. 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 equivalents. At December 31, 1998, the village'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.

H. 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 asset account group. Public domain or infrastructures are not capitalized. All purchased fixed assets are valued at cost when historical records are available and at estimated cost when no historical records are available. Approximately 94 per cent of fixed assets are valued at actual cost, while the remaining 6 per cent are valued at estimated cost based on the actual cost of like items. Donated fixed assets are valued at their estimated fair market value on the date received. No depreciation has been provided on general fixed assets.

The fixed assets used in the proprietary fund type operations are included on the balance sheet of the fund net of accumulated depreciation. Depreciation of all exhaustible fixed assets used by the proprietary fund type operations is charged as an expense against operations. Depreciation is computed using the straight-line method over a 40 year estimated useful life for the water system and a five year estimated useful life for equipment.

I. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from proprietary fund operations are accounted for within the fund.

VILLAGE OF LISBON

Lisbon, Louisiana

Notes to the financial statements (Continued)

J. CONTRIBUTED CAPITAL

Grants, entitlements, 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.

**K. TOTAL COLUMN ON THE
COMBINED BALANCE SHEET**

The total column on the combined balance sheet is captioned Memorandum Only (overview) to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position nor results of operations 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.

L. CASH

At December 31, 1998, the village has cash (bank balances) totaling \$56,354 as follows:

Demand deposits:	
Non-interest bearing	\$6,272
Interest bearing	<u>50,082</u>
Total	<u>\$56,354</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, 1998, are \$56,354, and are fully secured from risk by federal deposit insurance.

M. FIXED ASSETS

The following schedule presents changes in general fixed assets for the year ended December 31, 1998:

VILLAGE OF LISBON

Lisbon, Louisiana

Notes to the financial statements (Continued)

	<u>Land</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Total</u>
Balance, January 1, 1998	\$1,000	\$77,500	\$0,153	\$80,653
Additions			789	789
Balance, December 31, 1998	<u>\$1,000</u>	<u>\$77,500</u>	<u>\$0,942</u>	<u>\$80,442</u>

A summary of plant and equipment used in the Water System Enterprise Fund follows:

Water system	\$700,988
Equipment	1,713
Accumulated depreciation	<u>(60,459)</u>
Plant and equipment, net	<u>\$11,242</u>

4. BONDS PAYABLE

On July 14, 1999, the village issued water revenue bonds in the amount of \$24,000 to construct the village water system. The bonds bear interest at the rate of five per cent per annum and are due January 1 of each year. Principal and interest payments are made solely from revenues derived from operation of the water system.

The following is a summary of changes in bonds payable for the year ended December 31, 1998:

Bonds payable at January 1, 1998	\$28,000
Retirements	<u>(2,000)</u>
Bonds payable at December 31, 1998	<u>\$26,000</u>

The annual requirements to retire the bonds, including interest payments of \$11,400, are as follows:

<u>Year</u>	
1999	\$4,800
2000	4,650
2001	4,500
2002	4,350
2003	4,200
2004-2008	20,700
2009	<u>4,200</u>
Total	<u>\$47,400</u>

VILLAGE OF LISBON

Lisbon, Louisiana

Notes to the financial statements (Continued)

5. LITIGATION AND CLAIMS

The village is not involved in any litigation at December 31, 1998, nor is it aware of any unasserted claims. The village maintains commercial insurance to provide protection against losses resulting from the damage or destruction of property or liability claims against the village.

6. YEAR 2000 ISSUE

The Year 2000 issue is the result of shortcomings in many electronic data-processing systems and other equipment that may adversely affect the village's operations in the year 1999 and beyond. The village maintains its water system billing records on a computer system. The village believes that the computer hardware and software is Year 2000 compliant. However, there is no assurance that the systems of other governmental agencies or companies on which the village relies will be timely corrected or that any such failure to correct by a governmental agency or other company would not have an adverse effect on the village's operations.

SUPPLEMENTAL INFORMATION SCHEDULES

VILLAGE OF LISBON
Lisbon, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and For the Year Ended December 31, 1998

COMPENSATION PAID MAYOR AND ALDERMEN

The schedule of per diem paid the mayor and aldermen is presented in compliance with House Concurrent Resolution No. 34 of the 1999 Session of the Louisiana Legislature. Compensation of the mayor and aldermen is included in personal services expenditures of the General Fund. In accordance with Louisiana Revised Statute 33:403, the mayor and aldermen receive \$200 each year.

PRIOR YEAR FINDINGS

The follow-up and corrective action taken on all prior year findings is presented in the summary schedule of prior year findings (Schedule 2).

CURRENT YEAR FINDINGS

The corrective action plan for current year findings is presented in Schedule 3.

VILLAGE OF LISBON
Lisbon, LouisianaSchedule of Per Diem Paid Mayor and Aldermen
For the Year Ended December 31, 1998

Wayne Tamm, Mayor	\$200
Shelby Mahan	200
Marilyn Myers	200
Sony Gracena	<u>200</u>
Total	<u>\$800</u>

VILLAGE OF LISBON
Lisbon, Louisiana

Summary Schedule of Prior Year Findings
For the Year Ended December 31, 1998

Reference Number	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken
Procedure 4	1997	The village entered into a contract with a member of an employee's immediate family.	Yes
Procedure 6	1997	The 1997 budget was not adopted prior to January 1, 1997.	Yes
Procedure 9	1997	The village did not publish or post agendas for meetings.	Yes

VILLAGE OF LISBON

Lisbon, Louisiana

Corrective Action Plan
For Current Year Findings
For the Year Ended December 31, 1998

<u>Reference Number</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
-----------------------------	-------------------------------	--	-----------------------------------	--

There were no current year findings.

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

M. Carleen Dumas
CERTIFIED PUBLIC ACCOUNTANT

169 DONALDSON ROAD • CALIBORN, LOUISIANA 70025 • TELEPHONE 218/644-0706

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

MAYOR AND BOARD
OF ALDERMEN
VILLAGE OF LISBON
Lisbon, Louisiana

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and summarized below, which were agreed to by the management of Village of Lisbon and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Village of Lisbon's compliance with certain laws and regulations during the year ended December 31, 1998, included in the accompanying *Louisiana Allocation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for materials and supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with RSA-RS 38:2211-2250 (the public bid law).

A review was made of all disbursements for the year. There were no disbursements exceeding \$15,000 made during the year.

Code of Ethics for Public Officials and Public Employees

1. Obtain from management a list of the immediate family members of each board member as defined by RSA-RS 42:1106-1124 (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.

Village of Lisbon
Independent Accountant's Report on
Applying Agreed-Upon Procedures
December 31, 1998

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 (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

Budgeting

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

Management provided me with a copy of the original budget and the final revised budget for 1998.

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 December 9, 1997. I traced the adoption of the final revised budget to the minutes of a meeting held December 8, 1998.

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 General Fund final revised budget to actual revenues and expenditures. Actual revenues and expenditures for the year did not exceed budgeted amounts by more than 5%.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:

- (a) trace payments to supporting documentation as to correct amount and purpose;

Village of Lisbon
Independent Accountant's Report on
Applying Agreed-Upon Procedures
December 31, 1998

I examined supporting documentation for each of the six selected disbursements and found that the 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 six selected payments were properly coded to the correct fund and general ledger account.

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

Inspection of documentation supporting each of the six selected disbursements indicated 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 village posted the agenda for meetings at the village civic center at least 24 hours prior to the time of the meeting.

Debt

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

I reviewed all deposits made during the period under examination and found no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Expenses

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.

Prior year findings are included in the accompanying schedule of prior year findings.

Village of Lisbon
Independent Accountant's Report on
Applying Agreed-Upon Procedures
December 31, 1998

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 Lisbon and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and takes 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.



Colton Burnett
Caldwell, Louisiana
April 20, 1999

Louisiana Affidavit Questionnaire

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

M. Carlton Dumas
Certified Public Accountant
309 Donaldson Rd.
Caldwell, La 71225

Mrs. Dumas,

In connection with your completion of our financial statements of the Village of Lisbon as of December 31, 1998 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 3-22-1999.

PUBLIC BID LAW

1. The provisions of the public bid law, LSA-RS Title 24:2212, 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 42:1001-1124.

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 42:1119.

Yes No N/A

BUDGETING

4. We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:63.

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 33:463, and/or LSA-RS 39:92, 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 47:1410-60.

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 14:158, and AG opinion 79-779.

Yes No N/A

We have disclosed to you all known non-compliance 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 non-compliance 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 non-compliance which may occur subsequent to the issuance of your report.

Wayne Towner
Mayor

3-22-99
Date