

2369

**OFFICIAL
FILE COPY**
DO NOT SEND OUT
Please thoroughly
inspect items and
return and PLACE
BACK in FILE

**VILLAGE OF EDGEFIELD
ANNUAL FINANCIAL REPORT
DECEMBER 31, 1987**

RECEIVED
MAY 22 4 11 PM
COUNTY CLERK'S OFFICE

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

Release Date MAY 11 1988

Village of Edgely

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
Accountants' Compilation Report on the Financial Statements	—	1
Financial Statements:		
Combined Balance Sheet - All Fund Types and Account Group	A	5
Combined Statement of Revenues, Expenditures and Changes in Fund Balance-Budget (GAAP Basis) and Actual-General Fund	B	4
Statement of Revenues, Expenses and Changes in Retained Earnings-Proprietary Fund Type-Enterprise Fund	C	3
Statement of Cash Flows-Proprietary Fund Type-Enterprise Fund	D	8
Notes to Financial Statements	—	8-12
Independent Accountants' Report on Applying Agreed-Upon Procedures	E	13-15

Johnson, Thomas & Cunningham

Chartered Public Accountants

1006 P. O. Box 1006 • Baton Rouge, Louisiana 70801

Also P. O. Box 2020 • New Orleans, Louisiana

Also P. O. Box 1006 • Baton Rouge, Louisiana

Member American Institute of Certified Public Accountants

Member Louisiana CPA's

Member Louisiana CPAs

ACCOUNTANTS' COMPILATION REPORT ON THE FINANCIAL STATEMENTS

To the Board of Aldermen of
the Village of Edgeland

We have compiled the accompanying general purpose financial statements of the Village of Edgeland as of December 31, 1997, and for the year then ended, in accordance with Statements on Standards for accounting and review services issued by the American Institute of Certified Public Accountants. The financial statements have been prepared on the modified accrual basis of accounting, which is the generally accepted accounting methods established by the Governmental Accounting Standards Board for governmental units.

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

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

March 25, 1998
Baton Rouge, Louisiana

FINANCIAL STATEMENTS

THIS PAGE LEFT BLANK INTENTIONALLY

Village of Edgefield

Combined Balance Sheet-All Fund Types and Account Group
December 31, 1997

	Governmental Fund Types
	General Fund
<u>Assets</u>	
Cash & Investments	\$20,840
Accounts Receivable	260
Restricted Assets-	
Customer's Meter Deposits	0
Plant and Equipment	0
Less, Accumulated Depreciation	0
Total Assets	<u>\$21,100</u>
<u>Liabilities</u>	
Accounts Payable	\$ 0
Payable From Restricted Assets-	
Customer's Meter Deposits	0
Total Liabilities	<u>\$ 0</u>
<u>Fund Equity</u>	
Contributed Capital	\$ 0
Investment in General Fixed Assets	0
Residual Earnings-	
Unreserved	0
Fund Balances-	
Unreserved	
Undesignated	21,840
Total Fund Equity	<u>\$21,840</u>
Total Liabilities & Fund Equity	<u>\$21,840</u>

See accountants' compilation report.

Proprietary Fund Enterprise Fund	Account Group General Fixed Assets	Funds (Miscellaneous Only) December 31, 1992
\$ 52,883	\$ 0	\$ 71,726
4,883	0	4,883
6,875	0	6,875
183,514	0	183,514
(185,317)	0	(185,317)
<u>0</u>	<u>18,880</u>	<u>18,880</u>
\$ 281,826	\$ 18,880	\$ 289,681
\$ 349	\$ 0	\$ 349
<u>6,023</u>	<u>0</u>	<u>6,023</u>
\$ 6,344	\$ 0	\$ 6,344
\$ 176,396	\$ 0	\$ 176,396
0	14,800	14,800
79,186	0	79,186
<u>0</u>	<u>0</u>	<u>21,043</u>
\$ 255,482	\$ 14,800	\$ 280,327
\$ 251,826	\$ 14,880	\$ 280,681

See accountants' compilation report.

Village of Edgemoor

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

	General Fund		Variance- Favorable (Unfavorable)
	Budget	Actual	
REVENUES:			
Licenses & Permits	\$ 4,388	\$ 7,461	\$3,073
Intergovernmental	282	1,171	787
Miscellaneous	<u>1,815</u>	<u>4,457</u>	<u>2,638</u>
Total Revenues	\$ 6,485	\$13,089	\$6,588
EXPENDITURES:			
Current-			
General Government	\$ 8,326	\$ 9,941	\$ 1,615
Total Expenditures	\$ 8,326	\$ 9,941	\$ 1,615
Excess (Deficiency) of Revenues over Expenditures	\$ 44	\$ 3,047	\$3,003
Fund Balance-Beginning of Year	11,008	12,188	1,180
Fund Balance-End of Year	\$11,442	\$15,235	\$3,793

See accountants' compilation report.

Village of Edgefield

Statement of Revenues, Expenses and Changes in Retained Earnings
Proprietary Fund Type
Enterprise Fund
Year Ended December 31, 1997

OPERATING REVENUES:	
Water Sales	\$ 38,023
Sewerage Sales	17,080
Installations & Connection Fees	796
Miscellaneous	<u>1,369</u>
Total Operating Revenues	\$ <u>57,268</u>
OPERATING EXPENSES:	
Depreciation	\$ 9,268
Personnel Cost	10,568
Utilities	3,218
Repairs & Maintenance	6,464
Insurance	1,505
Treatment Costs	2,190
Rent	930
Office Expenses	2,134
Deut & Miscellaneous	120
Professional Fees	<u>1,922</u>
Total Operating Expenses	\$ <u>48,319</u>
Operating Income (Loss)	\$ 8,949
Retained Earnings (Deficit)- Beginning of Year	246,881
Retained Earnings (Deficit)- End of Year	<u>255,830</u>

See accountants' compilation report.

Village of Edgefield
Proprietary Fund Type
Enterprise Fund
Statement of Cash Flows
Year Ended December 31, 1997

Cash Flows from Operating Activities:		
Net Income (Loss) for the Year	\$8,691	
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	9,588	
(Increase) in Accounts Receivables	(1,070)	
(Increase) in Restricted Assets	(125)	
Increase in Accounts Payable	119	
Increase in Customer's Deposits	326	
Prior Period Adjustment	<u>226</u>	
Net Cash Provided by (Used by) Operating Activities		\$17,824
Cash Flows Used by Investing Activities:		
Construction of Plant & Equipment		\$1,000
Cash Flows from Financing Activities:		
Repayment of Long-Term Debt	\$ 0	
Capital Contributed by State of Louisiana	<u>0</u>	
Total Cash Flows from Financing Activities		\$ 0
Net Increase (Decrease) in Cash		17,824
Cash at Beginning of Year		<u>34,919</u>
Cash at End of Year		<u>\$52,743</u>

NOTES TO THE FINANCIAL STATEMENTS

Village of Edgfield
Notes to Financial Statements
December 31, 1997

1. The Reporting Entity:

The Village of Edgfield is incorporated under the Louisiana Act with a Mayor-Bound (v) At-Large form of government. The executive branch of government is headed by the Mayor and a Legislative branch consisting of three Aldermen.

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

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

2. Summary of Significant Accounting Policies:

The accounting and reporting policies of the Village of Edgfield conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, *Audit of State and Local Governmental Units*.

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

Fund Accounting: The accounts of the Village of Edgfield are organized on the basis of funds and an account group, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into three generic fund types and two broad fund categories as follows:

Governmental Funds-

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

Village of Edgerfield
Notes to Financial Statements
December 31, 1997

Proprietary Fund-

Enterprise Fund- The Enterprise Fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (as proved, 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 the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

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

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

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

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

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

Water System-1968	48 years
Sewer System-1983	48 years
Equipment	10 years

Village of Edgefield
Notes to Financial Statements
December 31, 1997

Basis of Accounting

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

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

Budget and Budgetary Accounting

The Village utilizes the following procedures in establishing the budgetary data reflected in the financial statements.

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

Inventories

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

Retirement Commitments

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

Unpaid Accumulated Vacation and Sick Pay

The Village of Edgefield has no employees.

Encumbrance Accounting

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

Village of Edgfield
Notes to Financial Statements
December 31, 1997

Bad Debts

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

Total Columns on Combined Statements - Overview

Total columns on the combined statements-overview are captioned "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.

3. Changes in General Fixed Assets:

A summary of changes in general fixed assets follows:

	Balance 1-1-82	Additions	Deletions	Balance 12-31-97
Land	\$ 1,500	0	0	\$ 1,500
Building	15,300	0	0	15,300
Total	\$16,800	0	0	\$16,800

4. Litigation:

At December 31, 1997, there were no pending civil suits against the Village.

5. Cash and Investments

The Village's cash is held in separate cash accounts, and accounted for separately in each of the Village's funds. As December 31, 1997, the Village's cash totaled \$74,204. All of this cash is held by banks, and \$74,204 is covered by FDIC insurance.

The Village's cash is categorized below to give an indication of the level of risk assumed by the Village as December 31, 1997. Category 1 includes cash held by the Village which is insured and held in the Village's name. Category 2 would include cash and investments held in the Village's name which is uninsured or unregistered. Category 3 would include the Village's cash held by a trustee or other third party not in the Village's name and uninsured and unregistered.

Village of Edgefield
Notes to Financial Statements
December 31, 1997

	Category 1	Category 2	Category 3	Carrying Value
Total Cash & Investments	\$75,726	\$0	\$0	\$75,726
FIDIC Insurance	26,326	0	0	26,326
Balance Uninsured	\$_____	\$0	\$0	\$_____

6. Plant & Equipment

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

	Useful Life	Cost	Accumulated Depreciation	Net	Depreciation This Year
Water System-1985	40	\$142,773	\$ 98,501	\$ 44,274	\$2,384
Sewer System-1983	40	240,478	86,786	153,694	6,824
Land	∞	_____315	_____0	_____315	_____0
Total		\$383,514	\$185,287	\$198,227	\$9,208

7. Village Officials

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

Name	Position	Amounts
Charles Perkins	Mayor	\$1,200
Vernon Coffey	Alderman	800
Herman Long	Alderman	800
Laura Stratton	Alderman	800
Total		\$3,600

Office of Director of State and Local Government Auditors

1001 Canal Street

Office of Director of State and Local Government Auditors

Metairie, Louisiana 70002

Office of Director of State and Local Government Auditors

Phone (504) 885-6667

Fax (504) 885-6667

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING ACCREDITATION PROCEDURES**

To the Board of Aldermen of
the Village of Edgerfield

We 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 Edgerfield and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village of Edgerfield's compliance with certain laws and regulations during the year ended December 31, 1997 included in the accompanying *Financial Information 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 this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select 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 LSA-RS 48:2211-2213 (the public bid law).

Not applicable.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1181-1124 (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 us with the required list, including the noted information.

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

Not applicable.

4. Determine whether any of these employees included in the listing obtained from management in approval procedures (1) were also included on the listing obtained from management in approval procedures (2) as immediate family members.

Not applicable.

Budgeting

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

*Management provided us with a copy of the original budget.
There were amendments to the budget during the year.*

6. Trace the budget adoption to the minute book.

We traced the adoption of the budget to the minute book.

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%.

We 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%.

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

- (a) trace payments to supporting documentation as to proper amount and payee;

We 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; and

All payments examined were properly coded to the correct fund and general ledger account.

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

All payments examined were properly approved by 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 (2:1) through (2:12) (for open meetings law).

The Village of Edgelyde is only required to post a notice of each meeting and the accompanying agenda on the door of the Village's office building.

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.

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

Advances and Loans

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.

Not applicable.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Village of Edgefield 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.


Johnson, Thomas & Cunningham, CPAs

March 26, 1998
Marrichouba, Louisiana