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VILLAGE OF RICHMOND, LOUISIANA

FINANCIAL STATEMENTS

JUNE 30, 1958

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VILLAGE OF RICHMOND, LOUISIANA

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Honorable Mayor and Members of  
the Board of Aldermen  
Village of Richmond, Louisiana

I have compiled the accompanying combined financial statements of the Village of Richmond, Louisiana as of and for the year ended June 30, 1988, 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 the city officials. 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.

*John David Knight, CPA*

AUGUST 28, 1988

VILLAGE OF  
COMBINED BALANCE SHEET

	Governmental Fund Types		
	General	Special Revenues	Debt Service
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 74,778	\$438,713	\$ 6,721
Restricted Assets (Note 1)	-	-	35,358
Fixed Assets - (Notes 1 & 2)	-	-	-
Amount Available in Debt Service Fund	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-
Other Assets	73	-	-
<b>Total Assets</b>	<b>\$ 74,851</b>	<b>\$438,713</b>	<b>\$42,079</b>
 <b>LIABILITIES AND FUND EQUITY:</b>			
<b>Liabilities:</b>			
Accrued Expense	\$ 614	\$ -	\$ -
Notes Payable	-	-	-
<b>Total Liabilities</b>	<b>614</b>	<b>-</b>	<b>-</b>
 <b>FUND EQUITY:</b>			
Investment in General Fixed Assets	-	-	-
Fund Balances:			
Reserved for Debt Service	-	-	42,079
Unreserved	74,851	438,713	-
<b>Total Fund Equity</b>	<b>74,851</b>	<b>438,713</b>	<b>42,079</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 74,851</b>	<b>\$438,713</b>	<b>\$42,079</b>

UNAUDITED - See accompanying notes to financial statements.

MONROE, LOUISIANA  
 ALL FUND TYPES AND ACCOUNT GROUPS  
 June 30, 1998

	Capital Projects Fund	Account Groups		Totals (Memoranda Only)
		General Fixed Assets	General Long-Term Debt	
\$	34,765	\$ -	\$ -	\$ 354,977
	-	-	-	25,359
	-	574,106	-	574,106
	-	-	42,071	42,071
	-	-	110,929	110,929
	-	-	-	75
	<u>34,765</u>	<u>574,106</u>	<u>153,000</u>	<u>1,312,508</u>
	-	-	-	834
	-	-	253,000	253,800
	-	-	253,000	253,834
	-	574,106	-	574,106
	-	-	-	42,071
	<u>34,765</u>	-	-	<u>347,217</u>
\$	<u>34,765</u>	<u>574,106</u>	<u>\$ -</u>	<u>1,313,834</u>
\$	<u>34,765</u>	<u>574,106</u>	<u>\$153,000</u>	<u>\$1,313,508</u>

UNAUDITED - See accompanying notes to financial statements.

VILLAGE OF RICHMOND, LOUISIANA  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE  
 For the Year Ended June 30, 1998

	General	Special Revenues	Debt Service	Capital Projects	Totals Memorandum Only
<b>REVENUES:</b>					
<b>Taxes:</b>					
Property	\$11,548	\$ -	\$ -	\$ -	\$ 11,548
Sales	-	126,188	-	-	126,188
Fire Protection	8,800	-	-	-	8,800
Tobacco	2,899	-	-	-	2,899
Franchise	14,811	-	-	-	14,811
Other Licenses, Permits, Fines, Fees, etc.	20,379	-	-	-	20,379
Rent	13,640	-	-	-	13,640
Video Poker Income	1,350	-	-	-	1,350
Interest	1,838	21,871	1,138	886	26,633
Other Revenues	440	-	-	13,800	14,240
<b>Total Revenues</b>	<b>70,881</b>	<b>148,059</b>	<b>1,138</b>	<b>15,686</b>	<b>225,764</b>
<b>EXPENDITURES:</b>					
<b>CURRENT:</b>					
General Government	78,152	-	-	-	78,152
Highways, Streets & Buildings	-	-	-	4,402	4,402
Miscellaneous	-	2,406	-	-	2,406
Capital Outlay	-	-	-	74,879	74,879
Debt Service:					
Principal Retirement	-	-	8,000	-	8,000
Interest & Fiscal Charges	-	-	11,836	-	11,836
<b>Total Expenditures</b>	<b>78,152</b>	<b>1,896</b>	<b>19,836</b>	<b>79,281</b>	<b>179,825</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>					
	(7,271)	146,163	(18,700)	(63,595)	(23,403)
<b>OTHER FINANCING SOURCES (USES):</b>					
Operating					
Transfers In	12,318	-	18,663	75,281	107,262
Operating					
Transfers Out:	(2822)	(107,373)	-	-	(107,373)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>12,302</b>	<b>(107,373)</b>	<b>18,663</b>	<b>75,281</b>	<b>0</b>

DETAILED--See accompanying notes to financial statements.

VILLAGE OF RICHMOND, LOUISIANA  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 For the Year Ended June 30, 1998

	Special	Subt	Capital	Total	
<u>General</u>	<u>Revenue</u>	<u>Service</u>	<u>Project</u>	<u>(Memorandum)</u>	
				<u>Only</u>	
EXCESS (DEFICIENCY) IN REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) AND EXPENDITURES AND OTHER FINANCING USES	5,038	39,480	946	11,573	57,037
FUND BALANCES, Beginning of Year	<u>48,301</u>	<u>309,211</u>	<u>83,135</u>	<u>31,102</u>	<u>572,749</u>
FUND BALANCES, End of Year	<u>\$ 74,339</u>	<u>\$438,711</u>	<u>\$ 82,081</u>	<u>\$ 34,763</u>	<u>\$930,294</u>

UNAUDITED - See accompanying notes to financial statements.

VILLAGE OF RICHMOND, LOUISIANA  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 SUBJECT AND ACTUAL-GENERAL FUND  
 For the Year Ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES:			
Taxes:			
Property	\$17,000	\$11,540	\$(5,460)
Fire Protection	5,500	5,500	-
Tobacco	2,500	2,000	( 500)
Franchise	8,000	14,011	6,011
Other Licenses, Permits, Fines Fees, etc.	19,300	20,375	1,075
Rent	11,000	11,640	640
Video Poker Income	3,000	3,300	(3,000)
Interest	2,000	1,938	( 62)
Other Revenue	<u>3,300</u>	<u>440</u>	<u>(2,860)</u>
Total Revenues	71,000	70,881	( 119)
EXPENDITURES:			
General Government	<u>82,300</u>	<u>78,352</u>	<u>4,348</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(11,300)	(7,271)	4,229
OTHER FINANCING SOURCES (USES):			
Transfers In	11,000	12,550	1,010
Transfers Out	<u>-</u>	<u>(1,280)</u>	<u>1,201</u>
	11,300	12,300	800
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	-	5,000	5,000
FUND BALANCE, BEGINNING OF YEAR	\$5,201	<u>5,201</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 5,201</u>	<u>\$ 10,201</u>	<u>\$ 5,000</u>

UNAUDITED - See accompanying notes to financial statements.



VILLAGE OF RICHMOND, LOUISIANA  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL-SPECIAL REVENUE FUND  
 For the Year Ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES:			
Taxes - sales	\$124,000	\$126,188	\$ 288
Interest	28,000	21,823	6,177
Total Revenues	152,000	148,011	3,989
EXPENDITURES:			
Miscellaneous	1,400	1,386	14
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	150,600	146,625	3,975
OTHER FINANCING SOURCES (USES):			
operating transfers out	(108,000)	(107,323)	677
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	42,600	39,302	3,298
FUND BALANCE, BEGIN OF YEAR	202,222	202,222	—
FUND BALANCE, END OF YEAR	\$244,822	\$241,524	\$ 3,298

UNAUDITED - See accompanying notes to financial statements.

VILLAGE OF RICHMOND, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Richmond, Louisiana have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies of the Village of Richmond are described below.

A. Reporting Entity:

In evaluating how to define the government, for financial reporting purposes previous management considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic test set the only criterion for including a potential component unit with the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, the Village has no component units that are to be included within the reporting entity.

B. Fund Accounting:

The government 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 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 that are not recorded in the funds because they do not directly affect net expendable available financial resources.

VILLAGE OF RICHMOND, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--CONTINUED

B. Fund Accounting--Continued:

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

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 generally are included on the balance sheet. Operating statements of these funds present increases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers revenues as available if they are collected within sixty days after year end. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Those revenues susceptible to accrual are property taxes, franchise taxes, sewer fees, rents and interest revenues. Licenses and permits and sales taxes are not susceptible to accrual because generally they are not measurable until received in cash.

D. Budgets:

The Village of Richmond, Louisiana adopted a budget for the year ended June 30, 1998. The general purpose financial statements include a comparison of revenues and expenditures to budget for the General Fund and the Special Revenue Fund.

VILLAGE OF HICKSBORO, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS  
 As of and for the Year Ended June 30, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--CONTINUED

K. Encumbrances:

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation-is not utilized in the governmental funds.

L. Cash

Cash includes amounts in demand deposits. Under state law, the Village may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state bank organized under Louisiana law and national banks having their principal offices in Louisiana.

G. Restricted Assets

Certain resources set aside for repayment of bonds, are classified as restricted assets on the general purpose financial statements because their use is limited by applicable bond covenants.

H. General Fixed Assets Account Group

Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group, rather than in governmental fund types. Public domain (infrastructure) general fixed assets including roads, bridges, curbs, and gutters, streets and sidewalks, drainage systems and lighting systems, are capitalized along with other general fixed assets. No depreciation has been provided on such assets.

All fixed assets are valued at historical cost. Donated assets are valued at their estimated fair value on the date of donation. Repairs and maintenance are recorded as expenditures, renewals and betterments are capitalized.

F. General Long-Term Debt Account Group

The General Long-Term Debt Account Group is used to account for long-term liabilities to be financed from governmental fund types.

VILLAGE OF RICHMOND, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--CONTINUED

J. Fund Equity

Reserves represent those portions of fund equity not appropriated for expenditures or legally segregated for specific future use.

K. Property Taxes

Advalorem taxes were levied for 1997 at seven mills. These taxes, which attach as an enforceable lien on property as of January 1, are levied in October, become due on receipt and until December 31, 1997, and become delinquent on January 1 of the following year. The taxes are generally collected in December of the current year and January and February of the following year.

L. Compensated Absence

The Village of Richmond has four employees on a part-time basis. Employees only participate in the social security retirement system. The Village has no formal vacation policy. However, employees were given one or two weeks vacation by the Board of Aldermen for the year ended June 30, 1998. No vacation accrual was recorded since the Village has no liability to provide a vacation for employees.

M. Memorandum Only--Total Columns

Total columns on the general purpose financial 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 or results of operations in conformity with generally accepted accounting principles, neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

VILLAGE OF RICHMOND, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 1988

## NOTE 2 - CASH AND CASH EQUIVALENTS

Cash and investments in certificates of deposit at June 30, 1988 were secured as follows:

	Insured Deposit	Certificates of Deposit	Total
Carrying amount on Balance Sheet	<u>\$216,027</u>	<u>\$774,100</u>	<u>\$990,127</u>
Insured (FDIC) or collateralized with securities held by the entity or its agent in the entity's name	\$134,765	\$100,800	\$234,765
collateralized with securities held by pledging financial institution's trust department or agency in the entity's name	108,000	364,952	472,952
Total FDIC Insurance and Pledged Securities	<u>\$242,765</u>	<u>\$465,752</u>	<u>\$708,517</u>

As reflected in the combined balance sheet, the village of Richmond had cash and investments in certificates of deposit totaling \$216,027 and \$774,100, respectively. The bank balances at June 30, 1988 were \$594,979. Cash and investments are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities covered 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 pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

VILLAGE OF RICHMOND, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS  
 As of and for the Year Ended June 30, 1990

NOTE 3 - FIXED ASSETS

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

	Balance July 1, 1989	Additions	Deletions	Balance June 30, 1990
Sewage plant & Improvements	\$166,567	\$74,679	\$ -	\$241,246
Buildings & Improvements	138,101	-	-	138,101
Equipment	22,816	1,450	-	24,266
Streets & Improvements	148,683	-	-	148,683
Donated Property	22,880	-	-	22,880
	<u>\$499,047</u>	<u>\$76,129</u>	<u>\$ -</u>	<u>\$575,176</u>

NOTE 4 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS

During 1990, the Village issued a \$200,000 Public Improvement Bond. The Bond was issued for the purpose of paying the costs of constructing, acquiring, extending and improving streets, roads, bridges, sewers and sewerage disposal works, drainage facilities, waterworks facilities, fire protection facilities and public buildings and acquiring the necessary land, equipment and furnishings for the aforesaid public works, improvements and facilities. Maturities are from October 1, 1990 to April 1, 2010 and has interest rates from 10 percent to 7.1 percent. This bond will be payable from and secured by the proceeds of a 2 percent sales and use tax.

The \$200,000 Public Improvement Bond Ordinance established the following funds of the Village for deposit and application of revenues of the system.

A. Special Revenue Fund-Sales Tax Fund

The Village will pay into the Fund all proceeds of the sales tax. Out of the funds on deposit in the sales Tax Fund, the Village shall first pay all reasonable and necessary costs and expenses of collecting and administering the sales tax. After payment of such costs and expenses, 10 percent of the net proceeds of the sales tax can be used for any lawful purpose. Proceeds can also be used to make a required transfer to the Sales Tax Sinking Fund each month to cover principal and interest payments on outstanding bonds. Any surplus funds remaining after the above transactions may be used for any of the purposes for which the imposition of the taxes are authorized or for the purpose of retiring outstanding bonds.

VILLAGE OF RICHMOND, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS  
 As of and for the year ended June 30, 1988

NOTE 4 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS--CONTINUED

B. Debt Service Fund-Sales Tax Sinking Fund

Not later than the twentieth day of each month, commencing on April 30, 1988, the Village shall transfer a sum equal to one-sixth of the interest falling due on the next interest payment date and sum equal to one-twelfth of the principal falling due on the next principal date. The Village shall transfer from the Sinking fund to the paying Agent Bank, at least five business days in advance of the date on which payment of principal or interest fall due, funds sufficient to cover these amounts.

C. Debt Service Fund-Reserve Fund

Upon the delivery of the bonds, there shall be deposited into this fund an amount equal to the Reserve Fund Requirement. Monies preventing a default in the payment of principal and interest on the bonds.

The bond is due, in total years, by years as follows:

	Principal	Interest	Total
1988-1999	\$,000	11,344	11,344
1999-2000	8,000	10,878	18,878
2000-2001	8,000	9,928	17,928
2001-2002	10,000	8,271	18,271
2002-2003	11,000	6,541	17,541
Thereafter	105,000	13,228	118,228
	<u>\$132,000</u>	<u>\$51,672</u>	<u>\$183,672</u>

The following is a summary of general long-term debt of the Village for the year ended June 30, 1988.

	1988 Public Improvement Bond
BALANCE, beginning of year	\$181,000
Additions	-
Reductions	<u>(58,000)</u>
BALANCE, end of year	<u>\$123,000</u>



VILLAGE OF RICHMOND, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 1998

NOTE 3 - COMPENSATION PAID TO MAYOR AND ALDERMEN

There was no compensation paid to any Aldermen during the period. The Mayor was paid a salary totaling \$9,600 for the period.

NOTE 4 - LITIGATION AND CLAIMS

The Village of Richmond is not involved in any litigation or aware of any claims at June 30, 1998.

#### ADDITIONAL INFORMATION

VILLAGE OF NICHOLSON, LOUISIANA  
 DEBT SERVICE FUNDS  
 COMBINING BALANCE SHEET  
 June 30, 1988

	Sales Tax Sinking Fund	Reserve Fund	Total
ASSETS			
Cash-Restricted	\$6,721	\$ -	\$ 6,721
Restricted Assets (Certificate of deposit)	-	35,350	35,350
Total Assets	\$6,721	\$35,350	\$42,071
FUND EQUITY			
Reserved for debt service	\$6,721	\$35,350	\$42,071

UNAUDITED - See accompanying notes to financial statements.

VILLAGE OF RICHMOND, LOUISIANA  
DEBT SERVICE FUND  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
For The Year Ended June 30, 1999

	Sales Tax Withholding Fund	Reserve Fund	Total
<b>REVENUES</b>			
Interest	\$ 118	\$ 813	\$ 1,119
Total Revenues	\$ 118	\$ 813	\$ 1,119
<b>EXPENDITURES</b>			
Debt Service:			
Principal retirement	8,000	-	8,000
Interest and fiscal charges	11,838	-	11,838
Total Expenditures	19,838	-	19,838
<b>OTHER FINANCING SOURCES</b>			
Operating transfers in	19,663	-	19,663
Excess (deficiency) in revenues and other financing sources over expenditures and other financing uses	133	813	946
FUND BALANCES, beginning of year	6,588	38,517	45,105
FUND BALANCES, end of year	\$ 6,721	\$39,330	\$46,051

UNLIMITED - See accompanying notes to financial statements.

VILLAGE OF RICHMOND, LOUISIANA  
 SCHEDULE OF GENERAL FUND REVENUE AND EXPENDITURES  
 For the Year Ended June 30, 1988

<b>REVENUE:</b>		
Property Taxes		\$11,848
Fire Protection		5,500
Tobacco		2,000
Franchises		14,011
Other Licenses, Permits, Fines, etc.		
Occupational Licenses	\$7,500	
Building Permits	1,400	
Traffic Fines	1,300	
Sewer Fees	2,350	
Total		10,550
Building Rent		5,210
Civic Center Rent		8,427
Video Poker		1,500
Interest		1,918
Other Revenue		488
Sub-Total		10,601
Transfers In		12,510
Transfers Out		<u>1,281</u>
<b>Total Revenue</b>		<b>\$3,129</b>
<b>EXPENDITURES:</b>		
Salaries		13,487
Advertising		490
Bank, Bond, & Court Fees		790
Fire Protection Service		3,000
Fuel and Oil		1,471
Insurance		4,581
Legal, Accounting and Professional		3,948
Office Expense		3,000
Postage		379
Recreation-Ball Field		298
Repairs & Maintenance		6,390
Supplies-Police		1,100
Payroll Taxes		2,728
Telephone		684
Travel		694
Fees and Subscriptions		800
Uniforms		830
Utilities		11,604
Contract Labor		<u>1,055</u>
<b>Total Expenditures</b>		<b>28,182</b>
<b>Total Revenue in Excess of Expenditures</b>		<b>\$ 5,038</b>

UNAUDITED-See accompanying notes to financial statements.

JOHN DAVID KNIGHT  
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Honorable Mayor and Members of  
 the Board of Aldermen  
 Village of Richmond, 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 Richmond and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village's compliance with certain laws and regulations during the year ended June 30, 1998 included in the accompanying Louisiana Attestation (certificatons). This agreed-upon procedure 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 material and supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LA-BS 18:2231-2233 (the public bid law).

No expenditures were made during the year for materials and supplies that exceeded \$15,000 or were made for public works exceeding \$100,000.

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 by LA-BS 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 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 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.

(3)

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 (3).

#### Budgeting

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

Management provided me with a copy of the original budget and all amendments made to the budget during the year.

a. 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 June 17, 1998 which indicated that the budget had been adopted by the Board of Aldermen of the Village of Richmond by a vote of all in favor. The three amendments made were approved at a meeting held on January 6, 1998 and June 2, 1998 and June 28, 1998 vote of all in favor.

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 or 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 and to proper 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; and

Six of the 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 approvals from the mayor. The mayor indicated his approval by signing the check paying the expenditure.

#### Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by ISA-RS 221 through 42:12 (New open meetings law).

(3)

The Village of Richmond is only required to post a notice of each meeting and the accompanying agenda on the door of the district's office building. Management has asserted that such documents were posted and has furnished copies of such notices supporting such assertion.

#### 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 any bonus, advance, or gift. 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 Richmond 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.

*John A. Knight, CPA*

August 28, 1988



**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**(For Attestation Engagements of Government)**  
 August 28, 1998 (Revised Transmitted)

John David Knight, CPA

411 Madeline Street

Bayou La Batre, LA 71289

(Auditor)

In connection with your compilation of our financial statements as of (date) 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 regulation 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 the information available to us as of June 30, 1998 (date of completion/representations).

**Public Bid Law**

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes  No

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes  No

It is true that 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 that would constitute a violation of LSA-RS 42:1119.

Yes  No

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 38:1301-14) or the budget requirements of LSA-RS 39:34.

Yes  No

**Accounting and Reporting**

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

We have filed our annual financial statements in accordance with LSA-RS 24:514, 24:483, and/or 24:92, as applicable.

Yes  No

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

Yes  No

#### Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes  No

#### Debt

It is true 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 38:1419.00-1419.06.

Yes  No

#### Advances and Bonuses

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

Yes  No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

<u><i>Shirley Ellis</i></u>	CITY CLERK Secretary	<u>8-28-98</u>	Date
	Treasurer		Date
<u><i>E. L. Fargas</i></u>	MAJOR Auditors	<u>8-28-98</u>	Date

## Village Of Richmond, Louisiana

Summary Schedule of Prior Findings  
For the Year Ended June 30, 1988

Ref. No.	Fiscal Year Finding Initially Occurred	Description Of Finding	Corrective Action Taken (Yes, No, Partially)	Planned Corrective Action/Partial Corrective Action Taken	Additional Explanation
1	8/30/87	Deposit cash more frequently	Yes	Deposits are made frequently	
2	8/30/87	Prepare a budget for the special Revenue Fund	Yes	Budget prepared	

## Village of Richwood, Louisiana

Corrective Action Plan for  
Current Year Findings  
For the Year Ended June 30, 1998

Ref. No.	Description of Finding	Corrective Action Planned	Name(s) of Contact Person(s)	Anticipated Completion Date
1	City Clerk should take an accounting course	Enrolled in acctg. course	Genevieve Ellis	11/31/98
2	Determine that software is Y2K compliant	Contacted Acc-Pac regarding Y2K status. Company advised that software was Y2K compliant	Genevieve Ellis	8/31/98

JOHN DAVID KNIGHT  
CERTIFIED PUBLIC ACCOUNTANT  
611 MADRID • P.O. BOX 666  
BAYVILLE, LOUISIANA 70319  
OFFICE: (504) 726-6666  
RESIDENCE: (504) 746-6166

Honorable Mayor and Members of  
the Board of Aldermen  
Village of Richmond, Louisiana

MANAGEMENT LETTER

I have compiled the financial statements and performed the procedures listed in the Louisiana Government Audit Guide as agreed upon by the management of the Village and the Legislative Auditor, State of Louisiana, for the year ended June 30, 1998, and have issued my reports on the financial statements dated August 28, 1998.

As a result of planning and performing the compilation/attestation, certain matters have come to my attention, that is not reflected in any of the aforementioned reports, which I feel worthy of consideration by management. These matters are presented below:

1. Accounting training for city clerk

I believe that it would improve the operating and financial activities of the Village if the City Clerk would enroll in a accounting course at Tallulah Technical College. They have classes that start at 8:00 a.m., so the City Clerk should not have to miss very much work. I suggest accounting 110 and 120. Often employers reimburse the cost of job related courses so the Village of Richmond may wish to consider reimbursing the tuition and books for successfully completed accounting courses.

2. Year 2000 Compliance

The Village of Richmond needs to contact Computer Associates to ascertain that their accounting software is Year 2000 compliant. Computer Associates should be able to furnish written confirmation regarding year 2000 compliance.

Error Comments and Recommendations

Item 1 - Deposit cash more frequently

Cash is being deposited on a frequent basis.

Item 3 - 1997-98 Budget - Special Revenue Fund

The Village of Richmond is preparing a budget for the Special Revenue Fund

As always, I wish to express my appreciation to you and your staff for all the courtesy and assistance I received during this year's compilation/attestation. I hope that this year's comments and recommendations will further assist you in enhancing the Village's financial management.

Sincerely,



John David Knight

Certified Public Accountant

August 28, 1996