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**VILLAGE OF BENSEVILLE  
FINANCIAL STATEMENTS 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 public, as required, and other appropriate public officials. The report is available for public inspection at the State Board of Legislative Audit and, where appropriate, at the office of the parish clerk of court.**

Release Date July 6, 1998

**VILLAGE OF HENNVILLE  
GENERAL PURPOSE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 1997**

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**WILLIAM D. EDWARDS**

*Certified Public Accountant*  
A Professional Accounting Corporation  
Member - AICPA / Society of CPAs

**VILLAGE OF BIRNVILLE  
COMPILATION REPORT  
YEAR ENDED JUNE 30, 1997**

**Mayor and Board of Aldermen  
Village of Birnville  
Birnville, Louisiana**

I have compiled the accompanying general purpose financial statements of the Village of Birnville, Louisiana for the year ended June 30, 1997, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management on the Village of Birnville, Louisiana. 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.



**William D. Edwards, CPA**

**VILLAGE OF HENSVILLE**  
**COMBINED BALANCE SHEETS-ALL FUND TYPES AND ACCOUNT GROUPS**  
**JUNE 30, 1997**

**Governmental Fund Types**

<b>ASSETS</b>	<b>General</b>	<b>Debt Service</b>
Cash and Cash Equivalents	\$ 38,990	
Accounts Receivable		
Due from Other Funds	10,000	1988
Restricted Assets-Cash		88,323
Plant, Property & Equipment		
Net Amount Available in Debt		
Service Fund		
Amount Available in Debt		
Service Fund		
Amount to be provided for		
retirement of general long-		
term debt	_____	_____
<b>TOTAL ASSETS</b>	<b><u>49,990</u></b>	<b><u>90,311</u></b>
 <b>LIABILITIES &amp; FUND EQUITY</b>		
<b>Liabilities</b>		
Accounts Payable		
Payroll Taxes Payable	\$ 1,271	
Notes Payable	473	
Customer Deposits		
Due to other Funds		
Notes Payable-Long Term		
General Long Term Debt	1808	118
<b>Total Liabilities</b>	<b><u>3,552</u></b>	<b><u>316</u></b>
<b>Fund Equity</b>	<b><u>3,250</u></b>	<b><u>211</u></b>
Investment in General Fund		
Funds Provided	\$	\$
Contributed Grant		
Retained Earnings:		
Contributed Capital		
Unreserved		
Fund Balance:		
Reserved for debt service		
Reserved for capital		88,608
projects in process		
Unreserved	41,128	
<b>Total Fund Equity</b>	<b><u>81,188</u></b>	<b><u>89,609</u></b>
<b>Total Liabilities and Equity</b>	<b><u>44,500</u></b>	<b><u>90,311</u></b>

The accompanying notes are an integral part of the financial statements.

	Proprietary Fund (Water Fund)	General Long Term Debt	Account Group Fund Account Group	Total if/Account Group
Cash	2,479			26,239
Accounts Receivable	1,318			1,518
Due From Funds				11,653
Res. Cash	34,491			134,836
Plant, Property, & Equipment	59,881		681,917	688,598
Amount Available Debt Serv.		71,000		71,000
Amount Provided for Retirement		20,000		20,000
	<u>97,149</u>	<u>91,000</u>	<u>681,917</u>	<u>748,808</u>
Accounts Payable	\$ 797			2,028
Payroll Taxes Payable	655			1,572
Sales Taxes Payable	213			318
Notes Payable Current	1,290			2,128
Customer Deposits	5,060			9,098
Due to Funds	9,881			11,643
Notes Payable Long Term	36,517	91,000		16,117
General long term debt				91,000
	<u>53,383</u>	<u>91,000</u>	<u>-0-</u>	<u>113,858</u>
	\$	\$	\$	
			18,384	18,384
			581,533	581,533
				500
	580			61,867
	<u>61,867</u>			
				99,009
				41,148
	<u>64,167</u>	<u>-0-</u>	<u>681,917</u>	<u>808,940</u>
<b>\$</b>	<b><u>97,149</u></b>	<b><u>91,000</u></b>	<b><u>681,917</u></b>	<b><u>748,808</u></b>

The accompanying notes are an integral part of these financial statements.

**VILLAGE OF RIENVILLE**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 1997**

**Revenues**

<b>Taxes</b>	
Property Taxes	\$ 42,943
Occupational License	2,369
Franchise Fees	2,307
Tobacco and Beer Tax	2,288
<b>Other Revenue</b>	
Interest Earned	775
Miscellaneous	83
<b>Total Revenue</b>	<u>51,665</u>

**Expenditures**

<b>General Government Operations and Maintenance</b>	
Maintenance	19,920
Street Expense	8,866
<b>Total Expenditures</b>	<u>28,786</u>
<b>Excess of Revenue over Expenditures</b>	<u>22,879</u>
<b>Other Financing Sources (Uses)</b>	
Operating Transfer to Debt Service Fund	(22,744)
<b>Excess (deficiency) of Revenues and Other</b>	<u>135</u>
<b>Financing Sources Over (under)</b>	<u>(864)</u>
Expenditures and Other Financing (uses)	
<b>Fund Balance - Unreserved at Beginning</b>	<u>42,112</u>
<b>Fund Balance - Unreserved at End of Year</b>	<u>41,248</u>

The accompanying notes are an integral part of the financial statements.

**VILLAGE OF BENVILLE**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE**  
**DEBT SERVICE FUND**  
**YEAR ENDED JUNE 30, 1997**

**Revenues**

Interest Income	\$	<u>1,250</u>
-----------------	----	--------------

**Expenditures**

Debt Service		
Principle		30,000
Interest		3,013
Bank Charges		668
Total Expenditures		<u>33,681</u>

Excess (Deficiency) of Revenues Over (under) Expenditures		(\$27,417)
--	--	------------

Other Financial Sources		
Operation Transfer from General Fund		32,740
		<u>          </u>

Excess of Revenues and Other Financing Sources over Expenditures and Other Financing (uses)		5,323
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Fund Balance - Beginning		94,264
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Fund Balance - Ending		<u>99,587</u>
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**VILLAGE OF BIENVILLE**  
**STATEMENTS OF REVENUES, EXPENSES,**  
**AND CHANGES IN RETAINED EARNINGS**  
**PROPRIETARY FUND TYPES**  
**YEAR ENDED JUNE 30, 1997**

<b>Operating Revenue</b>		
User Fees	\$	16,886
Total Operating Revenue		16,886
<b>Operating Expenses</b>		
Salaries and Related Benefits		5,911
Office Expenses		1,278
Maintenance and Repairs		3,887
Insurance		3,371
Depreciation		3,004
Utilities		2,582
Total Operating Expenses		19,871
Operating Income (Loss)		(2,985)
<b>Nonoperating Revenue (Expenses)</b>		
Interest Expense		(484)
Interest Income		1,381
Total Nonoperating Revenue (Expenses)		897
Net Income (Loss)		(1,288)
Beginning Retained Earnings		65,415
Ending Retained Earnings		64,127

The accompanying notes are an integral part of the financial statements.



**VILLAGE OF HENNVILLE**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND TYPE - WATER FUND**  
**YEAR ENDED JUNE 30, 1997**

<b>Cash Flows from Operating Activities</b>		
Operating Loss	\$	(2,181)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities		
Depreciation		3,024
Increase in Accounts Receivable		695
Increase in Due to Other Funds		2,374
Increase (decrease) in Accounts Payable		353
Increase (decrease) in Customer Deposits		-0-
		<hr/>
Net Cash (Used) Provided from Operating Activities		4,864
 <b>Cash Flows from Noncapital Financing Activities</b>		
		<hr/>
		-0-
 <b>Cash Flows from Capital and Related Financing Activities</b>		
Principal Paid on Notes		(2,290)
Interest Paid on Notes		(1,483)
		<hr/>
Net Cash (Used) by Financing Activities		(3,773)
 <b>Cash Flows from Investing Activities</b>		
Interest Income		1,341
		<hr/>
Net Increase in Cash		1,149
Cash at Beginning of Period		36,280
Cash at End of Period		<hr/>
		38,559
 <b>CASH SHOWN ON BALANCE SHEET</b>		
<b>Current Assets</b>		
Cash - Operating	\$	2,459
Cash - Restricted		36,176
		<hr/>
Taxes Paid - Cash Basis	\$	38,933
		<hr/>
Interest Paid - Cash Basis	\$	418
		<hr/>

The accompanying notes are an integral part of the financial statements.

**VILLAGE OF RIENVILLE**  
**STATEMENT OF CHANGES IN GENERAL LONG - TERM DEBT**  
**YEAR ENDED JUNE 30, 1997**

	General Long-Term Debt (6.5%)	New Issues	Principal Retirement	General Long-Term Debt (6.5%)
General Obligations Debt Issued Bonds	\$ 115,000	\$ -	\$ 20,000	\$ 95,000
Totals	<u>\$ 115,000</u>	<u>\$ -</u>	<u>\$ 20,000</u>	<u>\$ 95,000</u>

The accompanying notes are an integral part of the financial statements.

**VILLAGE OF BIRNVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 1997**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -**

The accounting and reporting policies of the Village of Birnville, Louisiana conforms to generally accepted accounting principles as applicable to government units. Such accounting and reporting procedures also conform to the requirements of Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Auditor of State and Local Governmental Units.

The following is a summary of certain significant accounting policies.

**FINANCIAL REPORTING ENTITY**

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

**A. Fund Accounting**

The accounts of the Village of Birnville are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprises 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 one generic fund type and one broad fund category 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.

**Capital Projects Fund** - Capital Projects Funds are used to account for the receipt and disbursement of resources for the purpose of building or buying major capital assets.

**Debt Service Fund** - Debt Service Funds are used to account for resources accumulated for the purpose of paying principal and interest on long term general obligation debt other than those payable from the Proprietary Fund.

**VILLAGE OF HENNVILLE**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 1997**

**Proprietary Fund** - Enterprise funds are 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 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 body has decided that periodic determination of revenues earned, expenses incurred and/or net income (or expense) for capital maintenance, public policy, management control, accountability or other purposes.

**ACCOUNT GROUP**

**Fixed Assets Account Group** - The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus. All governmental fund type operations 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. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenses and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Public domain infrastructure fixed assets consisting of certain improvements other than buildings, including roads, bridges, sidewalks, and drainage improvements, are not capitalized. No depreciation has been provided on general fixed assets.

All fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair value on the date donated.

**General Long Term Debt** - Long term liabilities expected to be financed from governmental funds are accounted for in the General Long Term Debt Account Group, not in the governmental funds. Long term liabilities expected to be financed from Enterprise Fund operations are accounted for in those Enterprise Funds.

**B. Basis of Accounting**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of collecting governments and are recognized as revenues at that time.

**VILLAGE OF BIRNVILLE**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 1997**

Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principle and interest on long term debt is recognized when due.

Proprietary funds are accounted for using the accrual basis of accounting. Its revenues are recognized when they are earned, and its expenses are recognized when incurred.

**C. Budgets and Budgetary Accounting**

The Village did not use the same chart of accounts for passing transactions as used for budget preparation, therefore no budget to actual data is presented herein.

**D. Advances to Other Funds**

Accounts shown as "advances" to other funds are not expected to be available or spendable during the next accounting cycle. However, amounts designated as "due from other funds" are considered "available spendable resources."

**E. Bad Debts**

Uncollectible amounts for ad valorem taxes are generally not significant. As a result, the direct write off method for recognizing bad debts is used.

**F. Fixed Assets - Proprietary Fund**

Depreciation of all exhaustible fixed assets used by the proprietary funds are charged as an expense against operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful life using the straight-line method over the estimated useful lives of 5-40 years.

**G. Accumulated Unpaid Vacation, Sick Pay and Other Employee Benefits and Pensions Amounts**

Accumulated vacation, sick pay, and other employee benefits and pensions are not material and are therefore not accrued.

**H. Total columns on combined statements**

Total columns on the combined statements are captioned "Memorandum Only" to indicate that

**VILLAGE OF BENVILLE**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 1997**

They are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows 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**

The Village's cash at June 30, 1997 is categorized below to give an indication of the level of risk assumed by the Village at year end. Category 1 includes cash that is insured or registered, or securities held by the Village or its agent in the Village's name. Category 2 includes uninsured and unregistered cash and investments, with securities held by the counter party or by its trust department or agent, but in the Village's name. Category 3 includes uninsured and unregistered cash and investments, with securities held by the counter party or by its trust department or agent but not in the Village's name. In accordance with GASB 3, this category includes certificates of deposit or money market accounts that are collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the Village's name although balances so collateralized meet the requirements of state law.

	Category			Bank Balance
	1	2	3	
Cash in Bank	\$ 171,671	\$ -0-	\$ -0-	\$ 171,671

**(3) AD VALOREM TAXED**

The Village considers ad valorem taxes receivable as October 31 and recognizes income in the year of assessment.

For the year ended June 30, 1997, taxes of 18.56 mills were levied on property with assessed valuations totaling \$ 3,985,808 and were dedicated entirely for general purposes.

Total Taxes originally levied were \$ 43,943.

**VILLAGE OF BIRNVILLE**  
**NOTES TO FINANCIAL STATEMENT (CONTINUED)**  
**YEAR ENDED JUNE 30, 1997**

**Property Tax Calendar**

Assessment Date	June 30, 1996
Lay Date	October 31, 1996
Tax Bills Mailed	October 15, 1996
Date Taxes are Due	December 31, 1996
Penalties and Interest are Added	December 31, 1996
Limit Date	January 15, 1997
Anticipated Tax Sale - 1996 Delinquent Taxes	February 23, 1997

Assessed values are established by the Birnville Parish Tax Assessor each year.

**(4) FIXED ASSETS**

A summary of the changes in fixed assets is shown below:

**General Fixed Asset Account Group**

	<u>06/30/96</u>	Increase	Decrease	<u>06/30/97</u>
Land	\$ 3,000	\$	\$	\$ 3,000
Equipment	7,384			7,384
Vehicle	1,000			1,000
Fire District				-
Improvements	591,523			591,523
<b>Total</b>	<u>\$ 601,917</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 601,917</u>

**VILLAGE OF BIRNVILLE**  
**NOTES TO FINANCIAL STATEMENT (CONTINUED)**  
**YEAR ENDED JUNE 30, 1997**

	<u>Emergency Fund</u>			
	<u>06/30/96</u>	<u>Income</u>	<u>Decrease</u>	<u>06/30/97</u>
Land	\$ 300	\$	\$	\$ 300
Water Well and System	120,950			120,950
	<u>121,250</u>			<u>121,250</u>
Accumulated Depreciation	(58,145)	(3,024)		(62,169)
Net Fixed Assets	<u>\$ 62,105</u>	<u>\$ (3,024)</u>	<u>\$</u>	<u>\$ 59,081</u>

(5) **LONG TERM DEBT - PROPRIETARY FUND**

The following is a summary of long term debt transactions for the Village for the year ended June 30, 1997:

Notes Payable, June 30, 1996	\$ 20,897
Notes Retired Year Ended June 30, 1997	(3,290)
	<u>18,607</u>
Notes Payable June 30, 1997	<u>18,607</u>

Notes payable at June 30, 1997, consists of one note payable to the U.S. Department of Agriculture - Farmers Home Administration. The note, dated May 20, 1996, in the amount of \$ 56,900, is payable over 40 years with interest at the rate of 5.77% per annum. The note is to be retired from revenues derived from user fees of the Water Fund.



**VILLAGE OF BENVILLE  
NOTES TO FINANCIAL STATEMENT (CONTINUED)  
YEAR ENDED JUNE 30, 1997**

(c) **GENERAL LONG TERM DEBT**

Description	June 30 1996	Issued	Retired	June 30 1997
General Obligation Bonds, \$200,000 originally issued, interest rates from 7.25% to 10.00%	\$ 115,000	\$ -/0	\$ 30,000	\$ 85,000

Following is a summary of bond principal maturities and interest requirements:

Year Ending June 30	General Obligation Bonds
1997	27,273
1998	30,775
1999	28,875
2000	26,938
Total	\$ 113,861
Less Interest	28,862
Outstanding Principal	\$ 115,000

General obligation bonds of the Village are reflected in the General Long term Debt Account Group, and current requirements for principal and interest expenditures are accounted for in a Debt Service Fund.

**VILLAGE OF BIRNVILLE**  
**NOTES TO FINANCIAL STATEMENT (CONTINUED)**  
**YEAR ENDED JUNE 30, 1997**

**(7) INTERFUND RECEIVABLES AND PAYABLES**

At June 30, 1996, interfund receivables and payables were as follows:

		Interfund Receivable	Interfund Payable
General Fund	\$	10,435	1,385
Debt Service Fund		1,595	228
Water Fund			9,877
<b>Total</b>	<b>\$</b>	<u><u>11,613</u></u>	<u><u>11,613</u></u>

**(8) PENSIONS AND RETIREMENT PLAN**

The Village does not provide pension or retirement plan benefits to any employees.

**(9) CHANGE IN RESTRICTED ASSETS - CASE**

	Debt Service Fund
<b>June 30, 1996</b>	
Beginning Balance	94,284
Increase: Transfer from General Fund	32,742
Interest Income	1,256
Decrease: Expenditures	28,673
Transfer to General Fund	
<b>Balance June 30, 1997</b>	<u><u>99,609</u></u>

**VILLAGE OF BIRNVILLE**  
**NOTES TO FINANCIAL STATEMENT (CONTINUED)**  
**YEAR ENDED JUNE 30, 1997**

	<u>Expansary Fund</u>	
Beginning Balance - July 1, 1996	34,176	
Increase July 1, 1996 - June 30, 1997	2,315	
	36,491	
<b>Balance June 30, 1997</b>	<b>36,491</b>	

(10) PER DIEM FOR MAYOR AND ALDERMAN

	<u>Year Ended June 30, 1997</u>
Ms. Collingsworth	30
Mr. Boston	600
Mr. Cuskey	300
Ms. Kirkham	300
Ms. Elice	248
Mr. Russell	45
	<b>\$ 1,823</b>

## WILLIAM D. EDWARDS

Certified Public Accountant  
A Professional Accounting Corporation  
Member - AICPA / Society of CPAs

### Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Management of Village of Bienville, Louisiana

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of Village of Bienville, Louisiana and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Village of Bienville's compliance with certain laws and regulations during the year ended June 30, 1997 included in the accompanying Louisiana *Assessive 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 user 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 \$5,000, or public works exceeding \$50,000, and determine whether such purchases were made in accordance with LSA-RS 38:2311-2351 (the public bid law).

No expenditures were made during the year for materials and supplies exceeding \$5,000, or no expenditures was made for public works exceeding \$50,000. I examined each cash disbursement record which indicated no purchases which would require public bidding requirements.

#### *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 42:131-134 (the code of ethics), and a list of outside business interest of all board members and employees, as well as their immediate families.

Management provided me with the required list including the noted information.

INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES (continued)

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

Management provided me 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.

None of the employees included on the list of employees provided by management in agreed-upon procedure (3) appeared on the list provided by management in agreed-upon procedure (2).

*Budgeting*

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

A budget was not adopted.

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

As noted in 5 above, there is no record of the approval of the budget for the fiscal year ended June 30, 1997.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenue or expenditures exceed budgeted amounts by more than 5%.

As noted in 5 above, there is no record of the approval of the budget for the fiscal year ended June 30, 1997.

*Accounting and Reporting*

8. Randomly select 6 disbursements made during the period under examination and:  
a) trace payments to supporting documentation as to proper amount and payee;

I examined supporting documentation for each of the six selected disbursements and found that all six checks were for proper amount and payee.

INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES (continued)

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

Two of the six payments were not properly coded to the correct fund or 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 Town Clerk and the Mayor.

*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 through 42:12 (the open meetings law).

Village of Hiramville, Louisiana is only required to post a notice of each meeting and the accompanying agenda on the door of the district's office building. Although management has asserted that such documents were properly posted, we could find no evidence supporting such assertion other than an unmarked 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 Allowances*

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.

INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES (continued)

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. In addition to the exceptions noted above, the following findings were noted:

**INTERNAL CONTROL**

**Findings:**

The Village does not adequately control receipts. There is no receipt journal and records in subsidiary accounts receivable records for the water fund are inadequate to document receipts or protect against misappropriation of funds. A list of deficiencies is shown above:

1. The records do not document exactly whose money is being deposited nor what was the nature of the receipt.
2. There are no adequate subsidiary accounts receivable records for the water bills and when the subsidiary record is updated, it is not possible to determine if or when the money for payments was received.
3. The deposits are not made timely and in some cases up to two months goes between deposits. Normally, there is only one deposit each month.
4. Bank accounts are not reconciled correctly. The balance of the Water Operations account was off by more than \$300.
5. Many documents were not filed. Stacks of unopened correspondence were found in the town hall.
6. No quarterly payroll tax reports were available. I was unable to determine whether the reports had or had not been filed. In one instance the Village paid an old tax bill, which was actually incorrect and about ten times the correct amount. Most of these conditions have been noted before but the situation has deteriorated significantly in this fiscal year.
7. No action has been taken on the recommendations made in the June 30, 1996 report.

### **Recommendation**

The Village needs to immediately set up adequate controls over monies received, especially cash. These controls should include as a minimum:

1. A general ledger which is posted monthly
2. A receipts journal for recording each receipt of money for each fund
3. An accounts receivable subsidiary system where both billings and collections are posted with enough detail to verify the posted data.
4. The subsidiary records should be reconciled to the general ledger each month.
5. Any write downs of accounts receivable should be approved by the council
6. Make an immediate review of water bill receivables to determine that all monies received are deposited to the bank.

### **Response**

We are a small village, with a limited budget, but we will try to implement all of these recommendations as soon as possible.

## **COMPLIANCE**

### **Finding**

The Village did not submit its annual audit report until after the six month deadline established by Louisiana law. This was the result of not having the financial records complete and not retaining an auditor on a timely basis. This is a repeat finding.

### **Recommendation**

The Village should prepare timely financial statements and retain the auditor on a timely basis.

### **Response**

We will retain our auditor immediately to insure timely preparation of all year end financial reports.



### Findings

Tax reports are frequently filed late. As noted in the internal control section, I could not determine which reports for payroll taxes were filed nor could I tell which sales tax reports were filed. I did observe several delinquent notices however.

### Recommendation

The Village should insure that all tax reports are prepared and paid timely.

### Response

The Village will take the necessary steps to insure timely filing of all tax reports.



William D. Edwards, CPA

May 14, 1998