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VILLAGE OF KILLIAN

Leaders

FINANCIAL REPORT

June 30, 1998

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VILLAGE OF KILLIAN

Louisiana

June 30, 1998

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Accountant's Compilation Report

The Honorable Mayor Orlin Windham
and Members of the Board of Aldermen
Village of Killian, Louisiana

I have compiled the accompanying financial statements of the Village of Killian, Louisiana, as of and for the year ended June 30, 1998, 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. 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.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Village's financial position and results of operations. Accordingly, these financial statements are not designed for those who are not informed about such matters.



Certified Public Accountant

October 28, 1998

Village of Millis

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 2022

	Governmental Fund Types		Proprietary Fund Type	Account Group General	Total Commemorative Fund
	General Fund	Capital Projects Fund	Enterprise Fund	Fixed Assets	
ASSETS					
Cash	\$ 3,777	\$ -	\$ 182	\$ -	\$ 3,959
Taxes receivable	7,569	-	-	-	7,569
Accounts receivable	-	-	14,317	-	14,317
Due from other governments	2,590	-	-	-	2,590
Due from Water Fund	2,525	-	-	-	2,525
Fixed assets, net	-	-	22,258	258,790	281,048
TOTAL ASSETS	\$16,461	\$ -	\$22,802	\$258,790	\$308,053
LIABILITIES AND FUND EQUITY					
Liabilities					
Cash overdraft	\$ -	\$ 4	\$ -	\$ -	\$ 4
Accounts payable	2,328	-	714	-	3,042
Other accrued expenses	4,345	-	4,993	-	9,338
Due to General Fund	-	-	2,515	-	2,515
Unearned interest	-	-	11,280	-	11,280
Total Liabilities	11,368	4	18,394	-	30,006
Fund Equity					
Contributed capital, net	-	-	1,904	-	1,904
Investment in general fixed assets	-	-	-	193,790	193,790
Retained earnings	-	-	17,272	-	17,272
Fund balance (deficit) - unreserved	-	-	-	-	-
- unassigned	2,805	0	-	-	2,805
Total Fund Equity	2,805	0	19,176	193,790	312,041
TOTAL LIABILITIES AND FUND EQUITY	\$16,461	\$ -	\$22,802	\$258,790	\$308,053

See accountant's compilation report.

Village of Kilian

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - ALL GOVERNMENTAL FUND TYPES

For the Year Ended June 30, 1998

	General Fund	Capital Projects Fund	Total (Memorandum Only)
REVENUES			
Taxes	\$ 57,811	\$ -	\$ 57,811
Licenses	3,748	-	3,748
Intergovernmental	4,811	-	4,811
Fees	47,666	-	47,666
Other	2,244	40	2,284
Louisiana Community Development Block Grant	-	40,797	40,797
Rural Development Grant	15,000	-	15,000
Law Enforcement Grant	7,303	-	7,303
COPS FASST Grant	6,300	-	6,300
Donations	3,000	-	3,000
Total Revenues	<u>146,823</u>	<u>40,837</u>	<u>187,660</u>
EXPENDITURES			
General and administrative	50,168	54	50,222
Public safety	49,034	-	49,034
Road maintenance	46,427	-	46,427
Capital outlay	4,512	40,797	45,309
Total Expenditures	<u>150,141</u>	<u>40,851</u>	<u>191,092</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	14,280	40	14,320
FUND BALANCE, BEGINNING	<u>7,091</u>	<u>-</u>	<u>7,091</u>
FUND BALANCE (DEFICIT), ENDING	<u>\$ 2,831</u>	<u>\$ 40</u>	<u>\$ 2,831</u>

See accountant's compilation report.

Village of Killam

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET (ORAS BASIS) AND ACTUAL
 GOVERNMENTAL FUND-TYPE
 GENERAL FUND

For the Year Ended June 30, 1998

	Budget	Actual	Variance Favorable Unfavorable
REVENUES			
Taxes		\$ 85,811	
Licenses		2,344	
Intergovernmental		4,811	
Fees		47,666	
Other		2,244	
Rural Development Grant		15,000	
Law Enforcement Grant		7,205	
CTPS PART Grant		6,000	
Donations		3,000	
Total Revenues	\$132,180	146,082	\$13,902
EXPENDITURES			
General and administrative	39,094	89,188	(14,294)
Public safety	67,085	49,034	17,952
Road maintenance	28,523	46,427	(17,905)
Capital outlay	-	5,512	(5,512)
Debt service -			
Principal retirement	1,512	-	1,512
Total Expenditures	136,124	131,141	14,983
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	(4,944)	(4,259)	(1,685)
FUND BALANCE, BEGINNING	7,081	7,081	-
FUND BALANCE, ENDING	\$ 2,137	\$ 2,822	\$ 6,885

See accountant's compilation report.

Village of Killis

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
 PROPRIETARY FUND TYPE - ENTERPRISE FUND

For the Year Ended June 30, 1998

OPERATING REVENUES

Charges for services -	
Water sales	\$22,288
Total Operating Revenues	<u>22,288</u>

OPERATING EXPENSES

Salaries and payroll taxes	3,397
Bank charges	142
Contract labor	3,400
Depreciation	1,351
Miscellaneous	847
Postage	64
Repairs and maintenance	5,372
Utilities	<u>3,080</u>
Total Operating Expenses	<u>20,613</u>

NET OPERATING INCOME 975

RETAINED EARNINGS - BEGINNING 16,161

AMORTIZATION OF CONTRIBUTED CAPITAL 540

RETAINED EARNINGS, ENDING \$17,771

See accountant's compilation report.

Village of Killis

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPE - ENTERPRISE FUND

Year Ended June 30, 1998

CASH FLOWS FROM OPERATING ACTIVITIES

Operating income	\$ 571
Adjustments to reconcile net operating income to net cash provided by operating activities -	
Depreciation	1,551
Changes in accounts receivable	5,080
Changes in accounts payable	32
Changes in other accrued expenses	538
Changes in amount due to General Fund	1,512
Changes in deferred revenue	<u>(10,480)</u>
Net Cash Used in Operating Activities	<u>(6,826)</u>

CASH FLOWS FROM CAPITAL ACTIVITIES

Payments for capital acquisitions	<u>(3,679)</u>
Net Cash Used in Capital Activities	<u>(3,679)</u>

NET CASH DECREASE	(4,598)
CASH, BEGINNING	<u>4,780</u>
CASH, ENDING	<u>\$ 182</u>

See accountant's compilation report.

LEE BRAY
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MEMBER

MEMBER SOCIETY OF CPAs
MEMBER OF LOUISIANA STATE

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**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

The Honorable Mayor Gillis Windham
and Members of the Board of Aldermen
Village of Kithian, Louisiana

I have performed the procedures included in the Louisiana Government Audit Guide and referenced below, which were agreed to by the management of the Village of Kithian and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about The Village of Kithian's compliance with certain laws and regulations during the year ended June 30, 1998, included in the accompanying Louisiana Assertion 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 material and supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2215 (the public bid law).

There were no expenditures made during the year for materials and supplies exceeding \$15,000, or 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 LSA-RS 42:1103-1124 (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 Killam
Independent Accountant's Report
on Applying Agreed-Upon Procedures - (cont'd)

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 (2) 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 [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.

No formal budget document was prepared.

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

I noted the adoption of the original budget in the minutes of a meeting held July 3, 1997. However, no dollar amounts were available. According to clerk Stacy Bruce, the budget was established for the same amounts as the amounts received and expended for the prior fiscal year, but no formal budget document was prepared.

The minutes of a board meeting dated June 3, 1998, indicated that the general fund budget was amended. However, no details were available.

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

I compared the revenues and expenditures of the original budget (using the same amounts as the amounts received and expended for the prior fiscal year - see # 6 above) to actual revenues and expenditures on the Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Governmental Fund Type - General Fund, for the year ended June 30, 1998. Actual expenditures for the year exceeded budgeted amounts by 14%, which is more than the 5% allowed by law.

In the prior year, expenditures of the General Fund exceeded budgeted amounts by 28%.

Village of Killen
Independent Accountant's Report
on Applying Agreed-Upon Procedures - (cont'd)

RECOMMENDATIONS:

LSA 88 09:1304 requires a municipality to prepare a comprehensive budget presenting a complete financial plan for the ensuing fiscal year for the general fund and each special revenue fund.

The budget must show estimates of all revenues to be received, itemized by source; recommended expenditures itemized by agency, department, function, and character; other financing sources and uses by source and use; and the estimated fund balance at the end of the fiscal year.

A budget reflecting the above estimates should be prepared by the Village and included in the minutes of the meeting when adopted.

Also, management should be provided a budget comparison at each monthly meeting. The budget should be amended if anticipated revenues are 3% less than budgeted revenues, or anticipated expenditures are 3% greater than budgeted expenditures.

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

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

All of the payments were approved by the Board of Aldermen.

9. I also noted during my engagement the following accounting and reporting problems:

(a) Total deposits entered into the computer do not agree with the detailed account credits. The accounting software used by the Village requires the entry of deposits twice - once as a debit

**Village of Kilian
Independent Accountant's Report
on Applying Agreed-Upon Procedures - (cont'd)**

to cash and again as a credit to various accounts. Evidently, all deposits were not included in the credit entry.

Also, the checking account balance per the computer and the balance per the bank reconciliation are not compared and reconciled.

(f) Salaries are recorded in the general ledger at net rather than gross.

RECOMMENDATIONS:

I recommend that a different accounting software be used by the Village that does not require a double-posting of deposits and that will record salaries at gross.

I also recommend that the checking account balance per the computer be compared each month with the balance per the bank reconciliation.

Meetings

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

The Village is required to post a notice of each meeting and the accompanying agenda on the door of the Town Hall. Management asserted that this was done and evidence of the posting of the meeting notice was examined but no posting of the agenda.

RECOMMENDATIONS:

The meeting notice and agenda should be marked with the date and time posted and signed by the clerk. This meeting notice and agenda should be filed with the minutes.

Other

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

I found no deposits which appeared to be proceeds of bank loans, bonds, or EOs indebtedness.

Village of Killian
Independent Accountant's Report
on Applying Agreed-Upon Procedures - (cont'd)

Advances and Bonuses

12. *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 Village for the year indicated no approval for payments which may constitute bonuses, advances, or gifts. 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 Killian 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.



Certified Public Accountant

October 28, 1998

**LOUISIANA
ATTESTATION
QUESTIONNAIRE**

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)
October 7, 1998 (Date Transmitted)

Lee Bray, CPA
P.O. Box 348
Baton Rouge, LA 70822

(Auditors)

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 02/17/98 (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, 1990, 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 44:35.

Yes [] No []

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 38:92, 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 1874 Louisiana Constitution, Article VI, Section 39 of the 1874 Louisiana Constitution, and LSA-RS 38-1410.00-1410.05.

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 1874 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.

	Secretary	10-7-98	Date
	Treasurer	10-7-98	Date
	President	10-7-98	Date

Village of Elgin

Summary Schedule of Prior Assurance Findings

For the Year Ended June 30, 1998

Ref. No.	Fiscal Year Finding Initially Disclosed	Description of Finding	Corrective Action Taken (See No. Detailed)	Forward Corrective Action/Partial Corrective Action Taken
97-1	6/30/97	Approved general fund budget adopted - no funds available	No	In the future the budget will be filed and included in future reports by category.
97-2	6/30/97	Annual expenditures exceeded budgeted amounts by 28%.	No	Budget will be reviewed and compared to expenditures on a quarterly basis and amended when necessary.
97-3	6/30/97	Deposits entered into computer do not agree with detailed account credits	No	A different accounting software is now being used that will correct this.
97-4	6/30/97	No copies of deposit slips	Yes	N/A
97-5	6/30/97	Salaries recorded in the general ledger do not reflect their gross	No	A different accounting software is now being used that will correct this.
97-6	6/30/97	Payroll taxes were not withheld from performer's semi-monthly gross pay, net was these amounts included in wage totals.	Yes	N/A
97-7	6/30/97	Evidence not available of posting of meetings and accompanying agenda	Partially	Agendas of meetings are now posted on file.

Village of Kildee

Corrective Action Plan for
Current Year Audit Findings

For the Year Ended June 30, 1998

Def. No.	Description of Finding	Corrective Action Planned	Name(s) of Contact Person(s)	Anticipated Completion Date
98-1	No formal budget documents	The budget will be reviewed and compared and put in the minutes.	Gills Winifram	12-31-98
98-2	Actual expenditures exceeded budgeted amounts by 14%	The budget will be reviewed on a quarterly basis and amended when necessary.	Gills Winifram	12-31-98
98-3	Deposit debits in cash do not equal credits in various accounts	A different accounting software will be used to prevent double-posting of deposits.	Gills Winifram	12-31-98
98-4	Salaries recorded in the general ledger at net rather than gross	A different accounting software will be used which will record salaries at gross.	Gills Winifram	12-31-98
98-5	Cash balance per computer not agreed to bank reconciliation	The computer accounts will be compared to reconciliation each month.	Gills Winifram	12-31-98
98-6	Meeting agendas not posted	The agendas will be posted on the door.	Gills Winifram	01-04-99