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**Village of Natchez**  
**Natchez, Louisiana**  
**FINANCIAL REPORT**  
**JUNE 30, 1987**

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

Release Date JUN 17 1988

**Eugene W. Fremoux II**  
Certified Public Accountant

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Certified Public Accountant

Metairie, Louisiana 70002

504-885-0000

**INDEPENDENT AUDITOR'S REPORT**

The Honorable Elmer M. Davis, Mayor  
and Board of Aldermen  
Village of Metairie, Louisiana

I have audited the accompanying general purpose financial statements and the combining, individual fund and account group financial statements of the Village of Metairie, Louisiana, as of June 30, 1997 and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the Village of Metairie's management. My responsibility is to express an opinion on these financial statements based on my audit.

Except as discussed in the following paragraph, I conducted my audit in accordance with generally accepted auditing standards, the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, "Audits of State and Local Governments". These standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

I was unable to satisfy myself as to whether fines and forfeitures revenue was fairly presented for the year ended June 30, 1997 since the Village had inadequate internal controls over processing traffic tickets during the year. Due to the nature of the Village's records, and inadequate internal controls over traffic tickets and receipt of funds therefrom, I was unable to satisfy myself as to the fines and forfeitures revenue by means of other auditing procedures. Fines and forfeitures revenue as stated in the general purpose and individual fund financial statements represents 4% of the revenues of the general purpose financial statements and 5% of the revenues of the General Fund individual fund financial statements. Also, the general purpose and account group financial statements referred to in the first paragraph include the financial activities of the general fixed assets account group. The Town has not maintained a complete record of its general fixed assets. Therefore, the general fixed asset account group was not audited by me and I express no opinion on it. These financial activities of the general fixed assets account group, which are included in the general purpose financial statements, represent 8% of the assets of the general purpose financial statements. Also, as discussed in Note 9 to the financial statements, The Village of Metairie, Louisiana, has expended certain federal grant funds relating to a grant from the Louisiana Housing Finance Agency, in a manner that may have violated certain of the restriction provisions of the related grant agreement. The possible outcome of these matters, which have been reported to appropriate federal officials, is uncertain at this time. Accordingly, no provision for any liability, except for the amount of \$11,367 as discussed in Note 9, has been made in the general purpose financial statements for possible federal claims for reimbursement of those grant funds.

In my opinion, except for the effect on the financial statements of the matters described in the preceding paragraph, if any, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Village of Metairie, Louisiana, as of June 30, 1997, the results of its operations and the cash flows of its proprietary fund type for the year then ended, in conformity with generally accepted accounting principles. Also, in my opinion, except for the effect on the financial statements of the matters described in the preceding paragraph, if any, the combining, individual fund, and account group financial statements referred to in the

first paragraph present fairly, in all material respects, the financial position of each of the individual funds and account groups of the Village of Metairie at June 30, 1969, and the results of operations of such funds and the cash flows of the individual proprietary fund for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated May 5, 1969 on my examination of the Village of Metairie, Louisiana's internal control structure and a report dated May 5, 1969 on its compliance with laws and regulations.



ERNEST W. FRANK II, CPA

May 5, 1969

STATE OF MICHIGAN, LOCALS  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
 JUNE 30, 1987

ASSETS	GOVERNMENTAL FUND TYPE		PROPRIETARY FUND TYPE	ACCOUNT GROUP GENERAL FUND ASSETS (Unaudited)	TOTAL METROPOLITAN ONLY
	GENERAL	SPECIAL REVENUE			
Cash and cash equivalents	\$0	\$0	\$1,762		\$1,762
Investment cash	8,887		6,000		14,887
Receivables	11,871		7,028		18,899
Due from Utility Fund					56
Prepaids	56			\$153,187	153,243
Grants, bond issues			1,214,983		1,214,983
Gifts, grants and equipment			(209,254)		(209,254)
Accumulated depreciation					
Total assets	\$21,814	\$0	\$1,940,598	\$153,187	\$2,115,699
LIABILITIES AND FUND EQUITY					
Liabilities					
Cash credits	\$1,075				\$1,075
Accounts payable	1,140		61,199		62,339
Accounts payable from restricted assets			8,828		8,828
Payroll taxes payable	2,251		747		3,000
Accrued interest	1,244		367		1,611
Due to Utilities/Housing/Finance Agency	20,287		0		20,287
Due to General Fund			11,881		11,881
Total liabilities	48,174	\$0	83,264		131,438
Fund Equity					
Contributed capital			1,910,760		1,910,760
Residuals in general fund assets				\$153,187	153,187
Residuals in OMBOS - Unrestricted			202,200		202,200
Fund balances:					
Unrestricted	(20,544)				(20,544)
Restricted	(20,287)				(20,287)
Total fund equity	(40,831)		1,910,760		1,869,929
Total liabilities and fund equity	\$7,343	\$0	\$1,910,598	\$153,187	\$2,141,228

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

VILLAGE OF HATCHEE, LOUISIANA  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 GENERAL AND SPECIAL REVENUE FUND TYPES  
 YEAR ENDED JUNE 30, 1997

	GENERAL	SPECIAL REVENUE	TOTAL (MEMORANDUM ONLY)
<b>Revenues:</b>			
Taxes	\$14,812	\$0	\$14,812
Intergovernmental	5,048	1,500	6,548
Fees and forfeits	27,699	0	27,699
Miscellaneous	6,791	0	6,791
<b>Total revenues</b>	<u>54,350</u>	<u>1,500</u>	<u>55,850</u>
<b>Expenditures:</b>			
Current:			
General government	24,191	1,500	25,691
Public safety	33,600	0	33,600
<b>Total expenditures</b>	<u>57,791</u>	<u>1,500</u>	<u>59,291</u>
<b>Excess (deficiency) of revenues over expenditures</b>	(3,441)	0	(3,441)
<b>Other financing sources (uses):</b>			
Transfers out to grantor agency	0	0	0
<b>Excess (deficiency) of revenues and other financing sources over (under) expenditures</b>	(3,441)	0	(3,441)
<b>Fund balances, beginning of year</b>	<u>(18,917)</u>	<u>0</u>	<u>(18,917)</u>
<b>Fund balances, end of year</b>	<u>(\$22,358)</u>	<u>\$0</u>	<u>(\$22,358)</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF NATCHEZ, LOUISIANA  
 COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS -  
 PROPRIETARY FUND TYPE  
 YEAR ENDED JUNE 30, 1997

Operating revenues:	
Sewer charges	<u>508,239</u>
Total operating revenues	<u>508,239</u>
Operating expenses:	
Clerk's salary	5,875
Bond debt expense	2,294
Payroll taxes	448
Audit	798
Depreciation	24,217
Insurance	719
Testing fees	1,837
Supplies	3,134
Repairs and maintenance	18,120
Equipment lease payments	6,283
Miscellaneous	3,693
Office supplies	802
Utilities	<u>8,817</u>
Total operating expenses	<u>87,575</u>
Net loss	<u>(81,340)</u>
Retained earnings (deficit), beginning of year	<u>(179,812)</u>
Retained earnings (deficit), end of year	<u>(261,152)</u>

The accompanying notes are an integral part of these statements.



VILLAGE OF HATCHEE, LOUISIANA  
 COMBINED STATEMENT OF CASH FLOWS – PROPRIETARY FUND TYPE  
 YEAR ENDED JUNE 30, 1997

Cash flows from operating activities:	
Cash received from customers	\$52,660
Cash payments to suppliers and employees	<u>(64,060)</u>
Net cash provided (used) by operating activities	<u>(11,400)</u>
Cash flows from capital and related financing activities:	
Grant from Louisiana Rural Development	15,000
Payments for capital acquisitions	<u>0</u>
Net cash provided (used) by capital and related financing activities	<u>15,000</u>
Net increase (decrease) in cash and cash equivalents	(3,400)
Cash and cash equivalents, beginning of year	<u>19,308</u>
Cash and cash equivalents, end of year	<u>\$15,908</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating loss	<u>(\$28,340)</u>
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:	
Depreciation	24,317
Provision for doubtful accounts receivable	2,284
(Increase) decrease in accounts receivable	(4,870)
(Increase) decrease in prepaid insurance	480
Increase (decrease) in payroll taxes payable	(724)
Increase (decrease) in accounts payable	1,123
Increase (decrease) in accrued payroll	(180)
Increase (decrease) in due to other funds	<u>2,671</u>
Total adjustments to operating income (loss)	<u>34,600</u>
Net cash provided (used) by operating activities	<u>(\$17,340)</u>

The accompanying notes are an integral part of these statements.

**VILLAGE OF HATCHER, LOUISIANA**  
**MEMO TO FINANCIAL STATEMENTS**  
**JUNE 30, 1991**

12) Summary of Significant Accounting Policies

The Village of Hatcher, Louisiana was incorporated under the provisions of the Louisiana Act. The Village operates under a Mayor-Board of Aldermen form of government. The Village's operations include police protection, public works, and general and administrative services.

The accounting and reporting policies of the Village of Hatcher conform to generally accepted accounting principles as applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:511 and to the guides set forth in the Louisiana Municipal Budget and Accounting Guide, and to the industry audit guide, *Guide of State and Local Governmental Units*.

The more significant of the government's accounting policies are described below.

Financial reporting entity

In evaluating how to define the Village of Hatcher for financial reporting purposes, management has 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 GASB. The basic, but not only, criterion for including a potential component unit within 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 financial matters. A second criterion used in evaluating potential component units is the scope of public services. Application of these criterion involves considering whether the entity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third 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 financial statements of the Village of Hatcher consists of only the funds and account groups since the Village has no oversight responsibility for any other governmental entity.

Fund accounting

The accounts of the Village 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 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 purpose 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 two generic fund types and two broad fund categories as follows:

Governmental Fund  
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.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The special revenue funds consist of the Community Development Block Grant and Louisiana Housing Finance Agency Grant Funds.

**VILLAGE OF WOODRIDGE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1992**

**Proprietary Fund  
Enterprise 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 water and sewer 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.

**Fixed assets and long-term liabilities**

The accounting and reporting treatment applied to the fixed assets and long-term liabilities 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.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. 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.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group.

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 its balance sheet.

The fixed assets of the proprietary fund are depreciated over the estimated useful lives using the straight-line method. Estimated useful lives of the fixed assets range from 5 to 50 years.

All fixed assets are stated at historical cost.

**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 fund types are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available or net current assets. Miscellaneous revenues are recorded when received in cash because they are generally not measurable until actually received. Franchise taxes, sales taxes, earned grant revenues, intergovernmental revenues, and interest income, are accrued, when their receipt occurs soon enough after the end of the accounting period so as to be both measurable and available.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred except that principal and interest on general long-term debt is recognized when due. Purchase of various operating supplies are expensed 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 they are incurred.

**VILLAGE OF HATCHER, LOUISIANA**  
**NOTE TO FINANCIAL STATEMENTS**  
**June 30, 1997**

**Notes and Subsidiary Information**

The Village did adopt a budget for the year ended June 30, 1997.

**Cash and cash equivalents**

Consistent with GSNB Statement 9, Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Activities that Use Proprietary Fund Accounting, the Village of Hatcher defines cash and cash equivalents as follows:

Cash - includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents - short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments with original maturities of three months or less qualify under this definition.

**Bad debts**

Uncollectible amounts various revenues receivable are recognized as bad debts through the establishment of an allowance account 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 "(REORGANIZED ONLY)" to indicate that they are presented only to facilitate financial analysis. Since 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 preparation of this data.

**Compensated Absence**

Employees of the Village of Hatcher do not accrue or "carry forward" vacation or sick pay from year to year nor do employees cash with respect to vacation or sick pay. As such, there are no accruals made in either the General Fund, or in the General Long-Term Debt Revenue Group for these payments.

**(2) Birmingham**

Revenues receivable at June 30, 1997 consisted of the following:

Sales taxes	\$ 1,578
Beer and tobacco taxes	750
Reimburse from elected officials	1,808
Franchise tax receivable	448
Cash receivable	1,027
	-----
Total General Fund	5,611
	-----
Beer tax, net of allowance for	
bad debts of \$4,380	4,378
Cash receivable	2,800
	-----
Total Utility Fund	7,176
	-----
	\$12,787
	-----

**VILLAGE OF WABATCHO, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 1997**

The receivables from elected officials in comparison of 1996 due from the Mayor for fines received by him, had not deposited, and 1996 due from the police chief for alleged theft of Village funds relating to a check which he made payable to himself and 008040.

(3) Changes in Fixed Assets

During the year ended June 30, 1997 the following additions were made to general fixed assets:

Office equipment	\$ 818
Police equipment	3,214
	-----
	\$3,728
	*****

A summary of proprietary fund type property, plant and equipment at June 30, 1997 follows:

Building	\$ 48,828
Maintenance equipment	19,253
Water treatment plant	876,492
Collection system	880,820
Total	1,825,393
Less accumulated depreciation	(228,282)
Net	\$1,597,111
	*****

During the year ended June 30, 1997 there were no additions or deletions from property, plant and equipment.

(4) Retirement System

All employees of the Village of Wabatcho, including police employees, are covered under the Social Security System. The employees pay 7.65% of their total salaries into the system, while the Town pays in a like amount. Data concerning the actuarial status of this system are unavailable. Future deficits in this system will be financed by the Federal government and the Town has no further liability to the system.

(5) Lease Obligations

The Village was not obligated under any capital lease commitments at June 30, 1997. The Village was obligated under two operating leases which require annual lease payments as follows:

<u>Year ending</u>	<u>Amount</u>
June 30, 1998	\$18,188
June 30, 1999	5,483
June 30, 2000	2,140
June 30, 2001	178

(6) Cash and Cash Equivalents

Louisiana revised Statutes authorize the Village to invest in United States bonds, Treasury notes or certificates, or to deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

The Village had no investments at June 30, 1997. The Village's cash on deposit at June 30, 1997, is deposited in financial institutions insured by the Federal Government through Federal Depository Institutions. The Village's cash on deposit was fully insured by FDIC insurance at July 30, 1997 as well as at all times during the year then ended.

VILLAGE OF WATSON, LOUISIANA  
NOTE TO FINANCIAL STATEMENTS  
JUNE 30, 1992

**(7) Pending Litigation**

The Village is a party to legal proceedings involving suits filed against the Village for various reasons. However Village management does not believe the Village is exposed to any material losses in these proceedings. Accordingly, no provision for losses is included in the financial statements.

**(8) LCRBG**

On December 1, 1989, the Village of Watson was notified by the State of Louisiana, Division of Administration that an administrative sanction was being imposed upon the Village which prohibits the Village from participating in all LCRBG programs for a period of five years. This period encompasses the LCRBG funding years 1990 through 1994. The sanctions have been extended through the 1993 funding year, therefore the Village will be eligible to apply for LCRBG funding after 1993.

**(9) Noncompliance**

On February 1, 1994 the Village was awarded a \$75,000 Small Cities Health and Safety Rehabilitation Grant from the Louisiana Housing Finance Agency (LHFA). The Village was forced to return \$6,498 of the \$75,000 grant in October 1994 in connection with a performance monitoring visit from LHFA representatives due to LHFA's findings that the Village was in material noncompliance with the provisions of the grant. As a result of these findings, LHFA has indicated that the Village must reimburse LHFA for the remainder of the grant unless certain of the deficiencies are corrected. The Village is working toward correcting noncompliance problems such as financial and program documentation, and has made demand on the contractors to bring the books up to minimum housing standards as required by the grant. In addition, the Village has requested additional time from LHFA to correct the noncompliance problems. With the exception of the amount of \$32,367 discussed in the following paragraph, no provision has been made in the general purpose financial statements for any liability that may result from these problems.

One of the above noncompliance problems resulted from rehabilitation of three homes for individuals specifically prohibited from participating in the program under the "prohibit of tenants" provisions of the grant agreement. Since the Village does not believe it will be possible to correct this problem to the satisfaction of LHFA, the Village has recorded a liability in the amount of \$32,367 to reimburse LHFA for these ineligible costs. The Village does not presently have the resources needed to reimburse LHFA.

The Village intends to pursue all available legal action against the contractors. The Village's attorney and any others that may be responsible for these deficiencies. On August 13, 1994 the Village's co-attorney was found guilty in U. S. District Court of theft of government funds relating to disbursements under this grant and was ordered to make restitution of \$32,367.

In addition, the Village has received other Federal and State grants for specific purposes that are subject to review and audit by Federal and State agencies. Such audits could result in a request for reimbursement by Federal and State for expenditures disallowed, if any, under the terms of the appropriate Agency.

The Village sewer system is operating with expired discharge permits from the Louisiana Department of Environmental Quality (DEQ) and the Environmental Protection Agency (EPA). The Village applied to DEQ on April 17, 1990 and the EPA on June 28, 1990 for updated discharge permits, but has not received a valid permit. Operation of the sewer system without valid discharge permits could result in the assessment of fines by DEQ and/or EPA. In addition, on January 21, 1997 DEQ issued a Compliance Order (CDO) existing to operating with a valid discharge permit and numerous operating deficiencies in the wastewater collection and treatment system. Failure of the Village to comply with the Order could result in assessed civil penalties of up to \$50,000 per day of violation. No provision has been made in the general purpose financial statements for any liability

VILLAGE OF WATCHER, LOUISIANA  
STATE VS. FINANCIAL HEALTH  
JUNE 30, 1997

that may result from noncompliance with the Order.

(i) Deficit in fund balances

As of June 30, 1997 the General Fund has a deficit fund balance of \$21,889 which is due primarily to the recording of the liability of \$29,367 to OPEB as discussed in note 7. Management of the Village does not yet have a plan to eliminate the deficit fund balance. In addition, the Utility Fund has a deficit fund balance of \$203,283, primarily due to accumulated depreciation of \$208,663 on contributed assets. The Village is incurring operating losses with the sewer system and presently does not have a plan to eliminate the operating losses.

(ii) Compensation paid to Mayor and Aldermen

In accordance with the requirements of the Office of the Legislative Auditor, State of Louisiana, the following reflects compensation paid to the Mayor and member of the Village Council for the year ended June 30, 1997:

Mayor Clave M. Davis	\$ 600
Aldermen:	
George Johnson	400
James L. Johnson	400
Anna Bentley	400

VILLAGE OF WATCHEE, LOUISIANA  
 GENERAL FUND  
 BALANCE SHEET  
 JUNE 30, 1997

ASSETS

Cash and cash equivalents	\$0
Receivables	5,087
Due from Utility Fund	11,621
Deposits	<u>50</u>
Total assets	<u>\$17,328</u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Cash overdraft	\$1,076
Accounts payable	5,240
Payroll taxes payable	2,287
Accrued payroll	1,243
Due to Louisiana Housing Finance Agency	<u>30,987</u>
Total liabilities	<u>40,173</u>
Fund balance:	
Fund balance (deficit) — undesignated	<u>(22,845)</u>
Total fund balance (deficit)	<u>(22,845)</u>
Total liabilities and fund balance	<u>\$17,328</u>

The accompanying notes are an integral part of these statements.



VILLAGE OF NATCHEZ, LOUISIANA  
GENERAL FUND  
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET (GAAP BASIS) AND ACTUAL  
YEAR ENDED JUNE 30, 1997

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues:</b>			
<b>Taxes:</b>			
Ad valorem taxes	3,070	\$3,791	\$821
Franchise taxes	5,550	4,789	(761)
Sales taxes	6,680	6,095	(585)
<b>Total taxes</b>	<u>15,300</u>	<u>14,675</u>	<u>625</u>
<b>Intergovernmental:</b>			
Beer tax	877	1,208	331
Tobacco tax	2,349	1,790	(559)
Grants	0	2,093	2,093
<b>Total intergovernmental revenue</b>	<u>3,226</u>	<u>5,091</u>	<u>1,865</u>
Fines and forfeitures	35,200	27,879	(7,321)
Miscellaneous revenues	4,000	4,791	791
<b>Total revenues</b>	<u>52,596</u>	<u>54,590</u>	<u>1,994</u>
<b>Expenditures:</b>			
<b>General government:</b>			
Salaries - Mayor & Aldermen	2,700	2,700	0
Salaries - clerical	884	6,688	(5,794)
Legal	1,200	1,874	(674)
Payroll taxes	800	1,299	(499)
Office supplies & printing	500	2,900	(2,393)
Insurance	512	684	(172)
Utilities and telephone	3,500	4,510	(1,010)
Collection fee	0	172	(172)
Capital outlay	2,140	515	1,625
Audit	1,200	768	432
Miscellaneous	1,400	2,140	(740)
<b>Total general government</b>	<u>14,846</u>	<u>24,791</u>	<u>(9,945)</u>
<b>Public safety:</b>			
Salaries	13,200	13,200	0
Fuel & supplies	2,300	2,849	(549)
Repairs	500	511	(11)
Miscellaneous	5,500	3,816	1,684
Payroll taxes	2,689	1,910	779
Insurance	3,028	1,389	1,639
Equipment lease payments	0	6,261	(6,261)
Capital outlay	10,188	2,214	7,974
<b>Total public safety</b>	<u>37,475</u>	<u>33,600</u>	<u>3,875</u>

The accompanying notes are an integral part of these statements.

VILLAGE OF NATCHEZ, LOUISIANA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET (GAAP BASIS) AND ACTUAL  
YEAR ENDED JUNE 30, 1997

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Expenditures: (continued)			
Total expenditures	<u>52,059</u>	<u>58,021</u>	<u>(5,962)</u>
Excess of revenues over expenditures	0	(3,921)	(3,921)
Fund balance, beginning of year	<u>(18,917)</u>	<u>(18,917)</u>	<u>0</u>
Fund balance, end of year	<u>(18,917)</u>	<u>(22,838)</u>	<u>(3,921)</u>

The accompanying notes are an integral part of these statements.

VILLAGE OF MATCHEE, LOUISIANA  
 SPECIAL REVENUE FUND  
 LOUISIANA HOUSING FINANCE AGENCY FUND  
 BALANCE SHEET  
 JUNE 30, 2007

ASSETS	
Cash and cash equivalents	\$0
Total assets	\$0
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable to LHFA	\$0
Fund Balance:	
Unreserved	0
Total liabilities and fund balance	\$0

The accompanying notes are an integral part of these statements.

BOARD OF METROPOLITAN COUSARMA  
 SPECIAL REVENUE FUND  
 LOUISIANA TOURISM PROMOTION AGENCY - GRANT FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
 BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
 YEAR ENDED JUNE 30, 1987

	TOTAL BUDGET	PERIOD TO 6/30	REMAINING BUDGET	TOTAL ACTUAL 1987	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:					
Intergovernmental	\$75,000	\$75,000	\$1,000	\$1,200	\$2,000
Interest	0	0	0	0	0
Total revenues	<u>75,000</u>	<u>75,000</u>	<u>1,000</u>	<u>1,200</u>	<u>2,000</u>
Expenditures:					
General Government	75,000	80,112	3,112	1,000	2,888
Excess (deficiency) of revenues over (under)	0	0	0	0	0
Other financing sources (uses):					
Transfers in to grantor agency	0	0	0	0	0
Financing sources over (under)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues and other					
financing sources over (under)	0	0	0	0	0
Fund balance, beginning of year	0	0	0	0	0
Fund balance, end of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

The accompanying notes are an integral part of these statements.

VILLAGE OF NATCHEZ, LOUISIANA  
 ENTERPRISE FUND - SEWER FUND  
 BALANCE SHEET  
 JUNE 30, 1997

## ASSETS

Current assets:	
Cash and cash equivalents	\$4,762
Restricted cash	9,000
Receivables, less allowance for bad debts of \$0,150	5,375
Grant receivable	<u>2,000</u>
Total current assets	<u>19,137</u>
Land	9,106
Plant and equipment, at cost, net of accumulated depreciation of \$228,260	<u>1,277,806</u>
Total assets	<u>\$1,301,049</u>

## LIABILITIES AND FUND EQUITY

Current liabilities:	
Accounts payable	\$0,199
Accounts payable from restricted assets	9,000
Accrued payroll	367
Payroll taxes payable	143
Due to General Fund	<u>11,621</u>
Total current liabilities	<u>20,330</u>
Fund Balances:	
Contributed capital -	
LCDBG	600,454
Louisiana Rural Development	30,000
EPA	<u>691,326</u>
Total contributed capital	<u>1,321,780</u>
Retained earnings (deficit)	<u>(209,252)</u>
Total fund equity	<u>1,012,528</u>
Total liabilities and fund equity	<u>\$1,301,049</u>

The accompanying notes are an integral part of these statements.

VILLAGE OF NATCHEZ, LOUISIANA  
 ENTERPRISE FUND – SEWER FUND  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS –  
 BUDGET (GAAP BASIS) AND ACTUAL  
 YEAR ENDED JUNE 30, 1997

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Operating revenues:			
Sewer charges	<u>\$25,598</u>	<u>\$24,236</u>	<u>(\$1,362)</u>
Total operating revenues	<u>25,598</u>	<u>24,236</u>	<u>(1,362)</u>
Operating expenses:			
Salaries	19,300	5,675	13,625
Bail claim expense	212	2,284	(2,072)
Payroll taxes	2,404	449	1,955
Audit	0	768	(768)
Depreciation	33,125	34,317	(1,192)
Insurance	1,894	719	1,175
Testing fees	1,700	1,837	(137)
Supplies	1,187	3,104	(1,917)
Repairs and maintenance	6,985	18,720	(11,735)
Equipment lease payments	0	6,280	(6,280)
Miscellaneous	9,400	3,890	5,510
Office supplies	1,088	632	456
Utilities	9,334	8,917	417
Total operating expenses	<u>83,322</u>	<u>87,579</u>	<u>(4,257)</u>
Net loss	<u>(47,824)</u>	<u>(63,343)</u>	<u>(14,419)</u>
Retained earnings (deficit), beginning of year	<u>(179,910)</u>	<u>(179,910)</u>	<u>0</u>
Retained earnings (deficit), end of year	<u>(\$227,634)</u>	<u>(\$243,253)</u>	<u>(\$14,419)</u>

The accompanying notes are an integral part of these statements.

VILLAGE OF MATCHES, LOUISIANA  
 STATEMENT OF GENERAL FIXED ASSETS  
 JUNE 30, 1997  
 (Unaudited)

General fixed assets, at cost:	
Office equipment	\$3,000
Police equipment	15,361
Street and sanitation equipment	4,512
Recreation facilities	<u>89,024</u>
Total general fixed assets	<u>\$122,197</u>
Investment in general fixed assets:	
General fund revenues	<u>\$122,197</u>
Total investment in general fixed assets	<u>\$122,197</u>

The accompanying notes are an integral part of these statements.

VILLAGE OF MATCHEZ, LOUISIANA  
 STATEMENT OF CHANGES IN GENERAL FIXED ASSETS  
 YEAR ENDED JUNE 30, 1997  
 (Continued)

	OFFICE	EQUIPMENT POLICE	STREETS	RECREATION FACILITIES	TOTAL
General fixed assets, July 1, 1995	\$2,768	\$12,167	\$4,812	\$98,824	\$118,488
Additions	<u>818</u>	<u>2,214</u>	<u>0</u>	<u>0</u>	<u>3,729</u>
General fixed assets, June 30, 1996	<u>\$3,586</u>	<u>\$14,381</u>	<u>\$4,812</u>	<u>\$98,824</u>	<u>\$121,487</u>

The accompanying notes are an integral part of these statements.



Certified Public Accountant

Mary Leblanc 7499

100-376-0004

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL,  
STRUCTURE RELATED MATTERS NOTED IN FINANCIAL STATEMENT  
REPORT COMPLETED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Glenn E. Davis, Mayor  
and Board of Aldermen  
Village of Metairie, Louisiana

I have audited the general purpose financial statements of the Village of Metairie, Louisiana, and the combining, individual fund, and account group financial statements of the Village of Metairie, Louisiana, for the year ended June 30, 1997, and have issued my report thereon dated May 3, 1998. In my report, my opinion was qualified because of the lack of complete records of fines and surcharges and general fund assets, and the uncertain liability that may arise due to possible violations of restrictive provisions of a grant from the Louisiana Housing Finance Agency.

I conducted my audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-119, "Audits of State and Local Governments". Those standards and OMB Circular A-119 require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of the Village of Metairie, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are recorded in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing my audit of the general purpose, combining, individual fund, and account group financial statement of the Village of Metairie, Louisiana, for the year ended June 30, 1997, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

I noted certain matters, described below, involving the internal control structure and its operation that I consider to be a material weakness and a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgment, could adversely affect the entity's ability to record, process, summarize, and

report financial data consistent with the assertions of management in the component unit financial statements. A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structures does not ensure to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

#### STATUS OF PRIOR YEAR RECOMMENDATIONS

##### 1. Existing condition

controls over disbursements relating to the grant from Louisiana Housing Finance Agency (LHFA) were not adequate to assure that disbursements were properly documented and met the requirements of the grant agreement.

##### Recommended action

Village management establish procedures that assure that grant disbursements are proper under the terms of the related grants before the disbursement is made. Monthly reports of grant activity should be submitted to the Council.

##### Action taken

The Village hired a consultant to assist in completing proper documentation relating to this grant. In addition, on August 13, 1997 the Village's police mayor was found guilty in U. S. District Court of theft of government funds relating to disbursements under this grant and was ordered to make restitution of \$21,947. Monthly reports of grant activity are not being submitted to the Board of Aldermen.

##### 2. Existing condition

controls over traffic tickets are not adequate to assure that all tickets are accounted for and that all cash receipts from the payment of the tickets are deposited in the Village bank account. Access to traffic ticket books not yet used and traffic tickets issued is not adequate. In addition, the police chief has not provided an accounting for all traffic ticket books issued to him. The Mayor received cash amounting to \$287 for the payment of 5 traffic tickets, however the funds were never deposited into the Village's bank account. Records of tickets issued are not maintained in ticket number order.

##### Recommended action

Village management must improve physical control over traffic ticket records so that responsibility can be established for tickets. In addition, the Village should establish procedures that only allow for payment of traffic tickets at the Village's office or the Village clerk. The Mayor should reimburse the Village for the unaccounted for \$287. In addition, records of tickets should be maintained so that reports can be generated for missing tickets, with responsibility assigned to specific individuals.

##### Action taken

Procedures have been changed to only allow tickets to be paid at the Village's office, however the Mayor still receives payments for tickets when the Village clerk is not in the office. In addition, ticket records are being maintained in numerical order with specific individuals assigned to each book of tickets. However these control logs were not maintained during the period from March through November 1997 when the current Village clerk was not working for the Village. Also, while appropriate physical safeguards were installed on the file cabinets containing the Village's records to limit access to these records in February 1997, these controls were not followed in during the period from March through November 1997. No action has been taken by the Mayor or reimbursement of the \$287 of unaccounted for funds.

#### Additional revised existing conditions

For the year ended June 30, 1990, there were five traffic tickets, amounting to \$104 of 1984, marked paid by either the Mayor or the clerk, however no corresponding cash receipts could be located. In addition, it is common for changes on tickets to be reduced or dismissed, such change being indicated on the tickets; however in many cases there is no documentation that the Mayor, who is the only authorized official allowed to make such a change, had actually approved the change.

#### Additional recommended action

Cash receipts should only be received by the Village Clerk so that responsibility can be assigned should cash discrepancies arise. In addition, when a ticket is paid, a copy of the cash receipt should be attached to the file copy of the paid ticket, thereby further documenting the payment.

Any change in the original charge on the ticket should be documented on the file copy of the ticket, such documentation to include the Mayor's signature.

#### Management's response

The above recommended actions will be implemented by June 1, 1990.

\* \* \* \* \*

#### CURRENT YEAR RECOMMENDATIONS

##### 1. Billing condition

Internal controls over sewer revenues are not adequate to protect the Village from substantial loss of revenues from non-payment of sewer billings. As of June 30, 1990 approximately 73 percent of total sewer billings were past due, which represents an increase of 18 percent from the prior year. The established cutoff policy adopted by the Village is not being followed, despite a grant from Louisiana which was required to install cutoff valves on the customer's lines as that service could be cut off when appropriate. In addition, as of January 31, 1990 Mayor Davis' sewer account had a past due balance of \$434. Since the basic sewer charge is \$18 per month, this amount represents more than a year of delinquent charges.

#### Recommended action

The Mayor and Aldermen should begin to enforce the present cutoff policy on a consistent basis as soon practical after customers are notified and an appropriate time period is given to past due customers to get their account current.

#### Management's response

In April the Village notified all customers over three months past due that cutoffs would take place within 10 days if account not paid, however the Village really does not have any employees who would do the actual cutoff of the service.

By consideration of the internal control structure would not necessarily disclose all there is in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above.

I also noted certain matters involving the internal control structure and its operation that I have reported to the management of the Village of Natchez, Louisiana, in a separate letter dated May 5, 1990.

This report is intended for the information of the Mayor and Board of Aldermen and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.



EUGENE W. FERRARO, CPA

May 5, 1988

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH LAWS  
AND REGULATIONS BASED ON AN ASSESS OF FINANCIAL  
STATEMENTS PREPARED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Honoréla Clara M. Davis, Mayor  
and Board of Aldermen  
Village of Natchez, Louisiana

I have audited the general purpose financial statements of the Village of Natchez, Louisiana, and the combining, individual fund, and account group financial statements of the Village of Natchez, Louisiana, for the year ended June 30, 1996, and have issued my report thereon dated May 3, 1996. In my report, my opinion was qualified because of the lack of complete records of dues and forfeitures and general fund assets, and the uncertain liability that may arise due to possible violations of restrictive provisions of a grant from the Louisiana Housing Finance Agency.

I conducted my audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-135, "Audits of State and Local Governments". These standards and the circular A-135 require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contract, and grants applicable to the Village of Natchez, Louisiana, is the responsibility of the Village of Natchez, Louisiana, management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, I performed tests of the Town's compliance with certain provisions of laws, regulations, contracts, and grants. However, my objective was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

Material instances of noncompliance consist of failures to follow requirements, or violations of prohibitions, contained in statutes, regulations, contracts, or grants, that cause me to conclude that the aggregation of the misstatements resulting from those failures or violations is material to the general purpose financial statements. The results of my tests of compliance disclosed the following material instances of noncompliance.

**STATE OF PRIOR YEAR RECOMMENDATIONS**

**1. Existing condition**

During the year ended June 30, 1996, as well as the prior year, the Village received and disbursed funds in connection with a grant from the Louisiana Housing Finance Agency (LHFA) for housing rehabilitation. However the Village failed to follow many of the key requirements of the grant agreement as follows:

- a) Funds were requested by the ex-mayor after she left office when she had no official position with the Village.
- b) Funds were disbursed to contractors without supporting documentation and for work that was not done.
- c) Contracts for renovation were awarded without following the

public bid law.

d) The work done by contractors did not meet minimum housing standards.

e) Contractors were hired without proper documentation of performance bonds or workers' compensation insurance.

f) Funds were used on the rehabilitation of three homes for individuals specifically prohibited from participating in the program under the "conflict of interest" provisions of the grant agreement.

The above items resulted in numerous misrepresentations to LEPA. In addition, in October 1988 LEPA performed a monitoring visit to the Village and has requested that the Village reimburse LEPA for substantially all the funds advanced to the Village unless the noncompliance problems can be corrected.

#### Recommended action

The Village should take immediate steps to correct as many of these problems as possible to LEPA's satisfaction. In addition, the Village should take any available legal actions to enforce compliance with contracts or to get reimbursed for funds spent on ineligible homes.

#### Action taken

The Village hired a consultant to assist in completing proper documentation relating to this grant. In addition, on August 15, 1989 the Village's prior mayor was found guilty in U. S. District Court of theft of government funds relating to disbursements under this grant and was ordered to make restitution of \$21,000. The Village is not in a financial position to allow reimbursement of the funds to LEPA.

### CURRENT YEAR RECOMMENDATIONS

#### 1. Existing condition

Beginning with the second calendar quarter for 1987, payroll tax reports were not submitted timely (second and third quarter reports not filed until December 1987) and payroll taxes have not been deposited timely. As of February 18, 1988 approximately \$2,178 of Federal payroll taxes for 1987 had not been deposited. The Village will be responsible for significant amounts of penalties for these untimely deposits, and, in addition, the Mayor and Aldermen could be assessed penalties individually for failure to timely deposit these taxes.

#### Recommended action

The Village should contact the Internal Revenue Service and explain why this situation arose and work out a suitable payment plan to eliminate these past due payroll taxes. The Aldermen should require a report from the Village about such matters on the status of payroll tax deposits.

#### Management's response

The Mayor will contact the Internal Revenue Service immediately and work out a suitable payment plan, and report the results of this contact to the Aldermen. The clerk will provide a monthly payroll tax status report to the Aldermen beginning with the June meeting.

#### 2. Existing condition

During the year ended June 30, 1987 the Village received a grant from the Louisiana Commission on Law Enforcement & Administration of Criminal Justice for \$1,000 to purchase a portable radio. The radio was purchased on April 14, 1987, but was not paid for until December 18, 1987. The grant required that grant funds be disbursed by July 30, 1987. Under the terms of the

grant, the grantor agency could request the funds be returned since the disbursement provisions were not met.

During the year ended June 30, 1987 the Village received a \$15,000 grant from the Governor's Office of Rural Development for sewer lift station repairs. The second draw on the grant of \$4,000 was received by the Village on June 5, 1987, but was not disbursed until August 7, 1987. The third and final draw was received on September 17, 1987, but was not disbursed until December 22, 1987. In February 1988 payment was stopped on this check and it was replaced since the Mayor indicated that the vendor had never received the check. In addition, the Governor's Office granted an extension, at the Village's request, until August 30, 1987 to complete the grant work. However the vendor's invoice dated April 29, 1987 indicated that the work was completed on March 30, 1987.

#### Recommended action

The Village should adopt procedures to insure that grant funds are used only for grant expenditures and that grant expenditures are made on a timely basis. In addition, there should be taken to insure that supporting vendor documentation matches grant documentation.

#### Accountant's comment

The Village will deposit all future grants in a separate bank account to be used only for grant disbursements. The Mayor will make monthly status reports to the Aldermen during periods when grants are in progress.

#### 3. Existing condition

The audit of the Village's general purpose financial statements for the year ended June 30, 1987 was not completed within six months as required by state law since the cash receipt and disbursement journals, and police ticket logs, for the year were not completed until February 1988. During the period from March 1, 1987 to December 1987 another individual was employed as Village clerk and these records were not maintained.

#### Recommended action

The Aldermen should review the cash receipt and disbursement journals on a monthly basis to be sure these records are being maintained on a current basis. The ticket log should also be reviewed monthly.

#### Accountant's comment

The Aldermen will review these records monthly beginning with the June meeting.

I considered these instances of noncompliance in forming my opinion on whether the Village of Hatchers, Louisiana's 1987 general purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does affect my report dated May 5, 1988 on those general purpose financial statements.

I noted certain immaterial instances of noncompliance that I have reported to the management of the Village of Hatchers in a separate letter dated May 5, 1988.

This report is intended for the information of the Mayor and Board of Aldermen and the auditing legislative auditor. However, this report is a matter of public record and its circulation is not limited.



Edwin M. Fournier II, CPA

May 5, 1988

Certified Public Accountant

Metairie, Louisiana 70001  
101-226-0000

Honorable Claude M. Davis, Mayor  
and Board of Aldermen  
Village of Metairie, Louisiana

Dear Mayor and Aldermen:

In connection with my audit of the general purpose, combining, individual fund, and account group financial statements of the Village of Metairie, Louisiana for the year ended June 30, 1987, I offer the following observations and recommendations, which are intended to help improve recordkeeping procedures and are intended to be constructive in nature:

#### **STATUS OF PRIOR YEAR RECOMMENDATIONS**

##### **1. Existing condition**

Cash receipts and disbursement journals do not include bank generated debit and credit advices. In addition, the journals are not reconciled to the bank statements.

##### **Recommended action**

Cash receipts and disbursement journals should include all transactions and be reconciled monthly to the bank statements. Reports to the Board of Aldermen should be based upon these records.

##### **Action taken**

The above recommended action will be implemented effective July 1, 1988.

##### **2. Existing condition**

Payments amounting to \$1,741 were made to the Village's clerk's immediate family for grass cutting services and miscellaneous equipment in apparent violation of the Code of Governmental Ethics. The majority of these payments were for grass cutting services at the Village's sewer treatment plant. Although the Village clerk was not responsible for authorizing this work, nor did she sign the checks to pay for the work, using members of her immediate family to perform services for the Village is in conflict with the Code of Governmental Ethics.

##### **Recommended action**

The grass cutting services should be discontinued as soon as possible. The Board of Aldermen should not authorize any procurement of services or equipment that they know to be a violation of the Code of Governmental Ethics.

##### **Action taken**

These purchases were discontinued as soon as the above condition was brought to the attention of the Board of Aldermen.



CURRENT YEAR RECOMMENDATIONS

1. Existing conditions

During January 1988 the Mayor increased the Village's TP and for a short time, perennal use of governmental property is a violation of Louisiana law.

Recommended action

The Board of Aldermen should make sure that all Village officials and employees understand Louisiana law regarding personal use of Village property.

Management's response

The Board of Aldermen will require all officials and employees to acknowledge this policy in writing by June 30, 1988.

2. Existing condition

During April 1987 the Mayor hired an individual to handle grass cutting and other maintenance needs of the Village for a payment of \$100 per month. No time records were maintained for this individual, nor was the individual treated as an employee for payroll purposes. This individual meets the requirements to be treated as an employee.

Recommended action

The Village should begin to report this individual as an employee and require time reporting. Consideration should be given to amending payroll reports for 1987 to reflect this individual as an employee.

Management's response

The individual no longer works for the Village.

\* \* \* \* \*

The above observations and recommendations are not all inclusive. I would like to thank you, the Board of Aldermen, and the Village employees for your cooperation during my engagement.

Sincerely,

  
EUGENE W. FOREMAN, CPA  
May 5, 1988