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VILLAGE OF RODESSA, LOUISIANA

FINANCIAL STATEMENTS

DECEMBER 31, 1997

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 Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date AUG 12 1998

Marsha O. Millican
Certified Public Accountant
Shreveport, Louisiana

VILLAGE OF RODESSA, LOUISIANA

Financial Statements
December 31, 1997

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Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

The Honorable Milton Hartsell, Mayor
Members of the Board of Aldermen
Village of Rodessa, Louisiana

I have compiled the accompanying general purpose financial statements of Village of Rodessa, Louisiana, as of December 31, 1997, and for the year then ended in accordance with Statements for 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 ordinarily included in the financial statements. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Village's assets, liabilities, fund balance/retained earnings, revenues, and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Marsha O. Millican

Certified Public Accountant
June 30, 1998

Exhibit 1

VILLAGE OF ATHENS, RODESSA

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

	<u>Governmental Proprietary</u>		<u>Account Group</u>	<u>Totals</u>
	<u>Fund Type</u>	<u>Fund Type</u>		
<u>Assets</u>				
Cash	\$ 9,270	\$ 16,962	\$ -	\$ 26,232
Receivables:				
Accounts	-	256	-	256
Taxes	5,714	-	-	5,714
Restricted assets:				
Cash	-	7,400	-	7,400
General fixed assets	-	-	605,791	605,791
Utility plant and equipment				
(net of accumulated depreciation)	-	353,246	-	353,246
Total assets	\$ 14,984	\$ 377,864	\$ 605,791	\$ 998,639

Liabilities

Accounts payable	\$	1,182	\$	2,420	\$	-	\$	3,602
Notes payable		7,030		-		-		7,030
Payable from restricted assets:								
Customer deposits		-		5,814		-		5,814
Total liabilities		<u>8,212</u>		<u>8,234</u>		<u>-</u>		<u>16,446</u>

Fund Equity

Contributed capital	-		8,000	-				8,000
Investment in general fixed assets	-		-	605,791				605,791
Retained earnings:								
Unreserved	-		361,630	-				361,630
Fund balance:								
Undesignated		<u>6,772</u>		<u>-</u>		<u>-</u>		<u>6,772</u>

Total retained earnings
(deficit)/fund balance

	<u>6,772</u>		<u>361,630</u>		<u>-</u>			<u>368,402</u>
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Total fund equity

	<u>6,772</u>		<u>369,630</u>		<u>605,791</u>			<u>982,193</u>
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Total liabilities and
fund equity

	<u>\$ 14,984</u>		<u>\$ 377,864</u>		<u>\$ 605,791</u>			<u>\$ 998,639</u>
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See accountant's compilation report.

VILLAGE OF RODESSA, LOUISIANA

Statement of Revenues, Expenditures, and Changes
in Fund Balance - General Fund
Year Ended December 31, 1997

Revenues:	
Taxes	\$ 15,904
Intergovernmental	1,590
Licenses and permits	9,683
Fines and penalties	3,086
Use of money and property	321
Miscellaneous	<u>1,842</u>
Total revenues	<u>32,426</u>
Expenditures:	
Current:	
General government	24,256
Public safety	<u>13,685</u>
Total expenditures	<u>37,941</u>
Excess of expenditures over revenues	(5,515)
Fund balance at beginning of year	<u>12,287</u>
Fund balance at end of year	<u>\$ 6,772</u>

See accountant's compilation report.

VILLAGE OF RODESSA, LOUISIANA

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

	<u>General Fund</u>		Variance- Favorable (Unfavorable)
	<u>Budget</u>	<u>Actual</u>	
Revenues:			
Taxes	\$ 11,080	\$ 15,904	\$ 4,824
Licenses and permits	9,995	9,683	(312)
Intergovernmental	1,590	1,590	-
Fines and penalties	1,700	3,086	1,386
Miscellaneous	200	1,842	1,642
Use of money and property	275	321	46
Total revenues	<u>24,840</u>	<u>32,426</u>	<u>7,586</u>
Expenditures:			
Current:			
General government	18,630	24,256	(5,626)
Public safety	6,210	13,685	(7,475)
Total expenditures	<u>24,840</u>	<u>37,941</u>	<u>(13,101)</u>
Excess of expenditures over revenues	-	(5,515)	(5,515)
Fund balance, beginning of year	<u>12,287</u>	<u>12,287</u>	<u>-</u>
Fund balance, end of year	<u>\$ 12,287</u>	<u>\$ 6,772</u>	<u>\$ (5,515)</u>

See accountant's compilation report.

VILLAGE OF RODESSA, LOUISIANA

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

Operating revenues:

Charges for services	26,877
Miscellaneous revenues	<u>2,235</u>
 Total operating revenues	 <u>29,112</u>

Operating expenses:

Cost of sales and services	32,442
Administrative	584
Depreciation	<u>30,497</u>
 Total operating expenses	 <u>63,523</u>

Operating loss (34,411)

Non-operating revenues:

Interest income	<u>701</u>
 Total non-operating revenues (expenses)	 <u>701</u>

Net loss (33,710)

Retained earnings, beginning of year 395,340

Retained earnings, end of year \$ 361,630

See accountant's compilation report.

VILLAGE OF RODESSA, LOUISIANAStatement of Cash Flows - Proprietary Fund Type
Year Ended December 31, 1997

Cash flows from operating activities:	
Cash received from customers	\$ 29,177
Cash payments to suppliers and employees	<u>(31,676)</u>
Net cash used by operating activities	<u>(2,499)</u>
Cash flows from capital and related financing activities:	
Contribution from state	8,000
Purchase of equipment	<u>(8,000)</u>
Net cash used by capital and related financing activities	<u>-</u>
Cash flows from investing activities:	
Interest on investments	701
Maturity of investments	<u>10,946</u>
Net cash provided by investing activities	<u>11,647</u>
Net increase in cash	9,148
Cash, January 1, 1997 (including \$ 6,424 in restricted accounts)	<u>15,214</u>
Cash, December 31, 1997 (including \$ 7,400 in restricted accounts)	<u>\$ 24,362</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating loss	\$(34,411)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	30,497
Changes in assets and liabilities:	
Decrease in accounts receivable	65
Increase in accounts payable	556
Increase in customer deposits	<u>794</u>
Net cash used by operating activities	<u>\$ (2,499)</u>

See accountant's compilation report.

VILLAGE OF RODESSA, LOUISIANA

Schedule of Compensation Paid -
Mayor and Aldermen
For the Year Ended December 31, 1997

Milton Hartsell, Mayor	\$ 2,000
Gladys Alexander	480
Jerry Hicks	480
Robert Hill	<u>480</u>
Total	<u>\$ 3,440</u>

Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

Independent Accountant's Report on Applying Agreed-Upon Procedures

The Honorable Milton Hartsell, Mayor
Members of the Board of Aldermen
Village of Rodessa, Louisiana

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of the Village of Rodessa and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating managements' assertions about the Village of Rodessa's compliance with certain laws and regulations during the year ended December 31, 1997, included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Insitute 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 \$5,000, or public works exceeding \$50,000 and determine whether such purchases were made in accordance with LSA-RS 38:221-2251.

No expenditure was made during the year for materials and supplies exceeding \$5,000 nor any expenditure was made for public works exceeding \$50,000.

Code of Ethics for Public Officials and Pubic Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124, and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided the required list including the noted information.

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

Management provided the required list including the noted information.

4. Determine whether any of those employees included in the listing obtained from management in agree-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 for procedure (3) appeared on the list provided by management for procedure (2).

Budgeting

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

Management provided a copy of the original budget. The budget was not amended during the year.

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

I traced the adoption of the original budget to the minutes of a meeting held on November 11, 1996, which indicated that the budget had been approved by all of the aldermen.

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

I compared the revenues and expenditures of the budget to the actual revenues and expenditures. Actual expenditures exceeded budgeted amounts by more than 5%.

Accounting and Reporting

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

(a) trace payments to supporting documentation 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

The six selected disbursements were properly coded to the correct fund and general ledger account.

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

The six selected disbursements were traced to the Village's minute book where they were approved by the aldermen.

9. Determine that financial statements were audited or compiled in accordance with LSA-RS 24:513.

The Village was required by state law to have an annual compilation accompanied by an attestation report on compliance with laws and regulations filed with the Legislative Auditor's office no later than March 31, 1998. The required reports were not filed with the Legislative Auditor's office by the due date.

Meetings

10. 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 Village of Rodessa is only required to post a notice of each meeting and the accompanying agenda on the door of the Village's office building. Management has informed me that these documents were properly posted.

Debt

11. 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.

The Village borrowed funds to purchase a police vehicle without obtaining the approval of the State Bond Commission.

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 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.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on managements'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 Rodessa 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.

Marsha D. Milligan

Certified Public Accountant
June 30, 1998

VILLAGE OF RODESSA, LOUISIANA

Management's Corrective Action Plan

For the Year Ended December 31, 1997

Finding: The village did not comply with the requirements of the state budget law. Actual expenditures exceeded budgeted expenditures by 5% or more.

Management's
Corrective
Action Plan: The mayor, clerk, and aldermen will monitor budget variances on a monthly basis. The budget will be amended when necessary to comply with the state budget law.

Finding: The village did not file its annual compilation and attestation report on compliance with laws and regulations by March 31, 1998 as required by law.

Management's
Corrective
Action Plan: Officials of the village did not realize that the village met the requirements of filing an annual compilation and attestation report on compliance with laws and regulations. The mayor, clerk, and aldermen will monitor the amount of village revenue on a monthly basis and file annual reports on a timely basis in accordance with state law.

Finding: The village borrowed funds to purchase a police vehicle without obtaining the approval of the State Bond Commission as required by R.S. 39:1410.60.

Management's
Corrective
Action Plan: The mayor and clerk will obtain permission from the State Bond Commission before borrowing funds in the future.

(Continued)

VILLAGE OF RODESSA, LOUISIANA

Management's Corrective Action Plan (Continued)

For the Year Ended December 31, 1997

Prior Year
Finding:

The segregation of duties is inadequate to provide effective internal control. This is due to economic and space limitations.

Management's
Corrective

Action Plan:

No action was recommended and none has been taken.

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

6-11-98 (Date Transmitted)

Marsha Q. Millican, CPA

754 Dalzell

Shreveport, Louisiana 71104

(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 6-10-98
(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, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes [] No []

Budgeting

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

Yes [] No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes [] No []

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes [] No []

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

Yes [] No []

Meetings

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

Yes [] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes [] No []

Advances and Bonuses

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

Yes [] No []

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

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

<u>Barry Martin</u>	clerk Secretary	<u>6-10-98</u>	Date
<u>John Mitchell</u>	Treasurer		Date
	President Mayor	<u>6-10-98</u>	Date