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VILLAGE OF COLLINSTON, LOUISIANA

FINANCIAL REPORT
(Compiled)

AND

REPORT ON APPLYING AGREED-UPON PROCEDURES

DECEMBER 31, 1998

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 APR 07 1999

HILL, INZINA & COMPANY

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CONTENTS

	Page(s)
ACCOUNTANT'S COMPILATION REPORT	1
GENERAL-PURPOSE FINANCIAL STATEMENTS (COMBINED STATEMENTS - OVERVIEW)	
Combined balance sheet - all fund types and account group	2 and 3
Combined statement of revenues, expenditures and changes in fund balances - all governmental fund types	4
Statement of revenues, expenditures and changes in fund balance - budget and actual - governmental fund type - general fund	5
Statement of revenues, expenses and changes in retained earnings - proprietary fund type - enterprise fund	6
Statement of cash flows - proprietary fund type - enterprise fund	7
SUPPORTING SCHEDULE	
Schedule of mayor and board of aldermen compensation	8
INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES	9 - 11
<i>LOUISIANA ATTESTATION QUESTIONNAIRE</i>	12 - 14
MANAGEMENT'S CORRECTIVE ACTION PLAN FOR CURRENT YEAR FINDINGS	15 - 16
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS	17

HILL, INZINA & COMPANY

ACCOUNTANT'S COMPILATION REPORT

Honorable Robert Stewart, Mayor,
and Members of the Board of Aldermen
Village of Collinston, Louisiana

We have compiled the accompanying general-purpose financial statements of Village of Collinston, Louisiana, as of and for the year ended December 31, 1998, and the accompanying supporting schedule, which is presented only for additional analysis, 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 and supporting schedules information that is the representation of Village of Collinston, Louisiana. We have not audited or reviewed the accompanying financial statements and supporting schedule 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 and other debits, liabilities, equity and other credits, revenues and expenditures/expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Hill, Inzina & Co.

March 8, 1999

GENERAL-PURPOSE FINANCIAL STATEMENTS

(COMBINED STATEMENTS)

VILLAGE OF COLLINSTON, LOUISIANA

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
December 31, 1998

ASSETS AND OTHER DEBITS	Governmental Fund Types	
	General	Debt Service
Assets:		
Cash	\$ 8,646	\$ 13,646
Investment	5,000	-
Receivables:		
Taxes	2,393	2,431
Accounts	-	-
Due from other funds	25,905	8,116
Due from other governments	507	-
Restricted assets:		
Cash	-	-
Due from other funds	-	-
Fixed assets (net)	-	-
Other debits:		
Amount available in Debt Service Funds	-	-
Amount to be provided for retirement of general long-term debt	-	-
Total assets and other debits	<u>\$ 42,451</u>	<u>\$ 24,193</u>

Proprietary Fund Type	Account Groups		Totals - (Memorandum Only)
	General Fixed Assets	General Long-Term Debt	
Enterprise			
\$ 7,534	\$ -	\$ -	\$ 29,826
-	-	-	5,000
-	-	-	4,824
7,002	-	-	7,002
30	-	-	34,051
-	-	-	507
27,632	-	-	27,632
3,744	-	-	3,744
344,106	391,237	-	735,343
-	-	23,731	23,731
-	-	12,269	12,269
<u>\$ 390,048</u>	<u>\$ 391,237</u>	<u>\$ 36,000</u>	<u>\$ 883,929</u>

(continued)

VILLAGE OF COLLINSTON, LOUISIANA

COMBINED BALANCE SHEET -
ALL FUND TYPES AND ACCOUNT GROUPS (Continued)
December 31, 1998

	<u>Governmental Fund Types</u>	
	<u>General</u>	<u>Debt Service</u>
LIABILITIES, EQUITY AND OTHER CREDITS		
Liabilities:		
Accounts payable	\$ 1,518	\$ -
Accrued expenses	1,041	-
Due to other funds	9,774	462
Revenue anticipation note payable	8,254	-
Payable from restricted assets:		
Customers' deposits	-	-
Due to other funds	-	-
Revenue bonds payable - current	-	-
Accrued interest payable	-	-
Revenue bonds payable - net of current portion	-	-
General obligation bonds payable	-	-
Total liabilities	<u>\$ 20,587</u>	<u>\$ 462</u>
Equity and other credits:		
Contributed capital	\$ -	\$ -
Investment in general fixed assets	-	-
Retained earnings:		
Reserved for revenue bond retirement and customers' deposits	-	-
Unreserved (deficit)	-	-
Fund balances:		
Reserved for debt service	-	23,731
Unreserved and undesignated	<u>21,864</u>	<u>-</u>
Total equity and other credits	<u>\$ 21,864</u>	<u>\$ 23,731</u>
Total liabilities, equity and other credits	<u>\$ 42,451</u>	<u>\$ 24,193</u>

See accountant's compilation report.

Proprietary Fund Type	Account Groups		Totals - (Memorandum Only)
	General Fixed Assets	General Long-Term Debt	
Enterprise			
\$ 1,434	\$ -	\$ -	\$ 2,952
131	-	-	1,172
22,708	-	-	32,944
-	-	-	8,254
6,546	-	-	6,546
4,850	-	-	4,850
3,000	-	-	3,000
1,385	-	-	1,385
73,000	-	-	73,000
-	-	36,000	36,000
<u>\$ 113,054</u>	<u>\$ -</u>	<u>\$ 36,000</u>	<u>\$ 170,103</u>
\$ 440,000	\$ -	\$ -	\$ 440,000
-	391,237	-	391,237
15,595	-	-	15,595
(178,601)	-	-	(178,601)
-	-	-	23,731
-	-	-	21,864
<u>\$ 276,994</u>	<u>\$ 391,237</u>	<u>\$ -</u>	<u>\$ 713,826</u>
<u>\$ 390,048</u>	<u>\$ 391,237</u>	<u>\$ 36,000</u>	<u>\$ 883,929</u>

VILLAGE OF COLLINSTON, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
Year Ended December 31, 1998

	General	Debt Service	Totals - (Memorandum Only)
Revenues:			
Taxes	\$ 17,901	\$ 7,777	\$ 25,678
Licenses and permits	16,392	-	16,392
Intergovernmental	35,447	-	35,447
Fines and forfeitures	3,928	-	3,928
Charges for services	5,400	-	5,400
Interest and miscellaneous	1,337	205	1,542
	<u>\$ 80,405</u>	<u>\$ 7,982</u>	<u>\$ 88,387</u>
Expenditures:			
Current:			
General government	\$ 39,869	\$ -	\$ 39,869
Public safety	47,332	-	47,332
Debt service:			
Principal retirement	-	2,000	2,000
Interest	696	1,900	2,596
Capital outlay	15,073	-	15,073
	<u>\$ 102,970</u>	<u>\$ 3,900</u>	<u>\$ 106,870</u>
Excess (deficiency) of revenues over expenditures	\$ (22,565)	\$ 4,082	\$ (18,483)
Other financing sources:			
Operating transfers in	29,839	-	29,839
Excess of revenues and other financing sources over expenditures	\$ 7,274	\$ 4,082	\$ 11,356
Fund balances - beginning	14,590	19,649	34,239
Fund balances - ending	<u>\$ 21,864</u>	<u>\$ 23,731</u>	<u>\$ 45,595</u>

See accountant's compilation report.

VILLAGE OF COLLINSTON, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL - GOVERNMENTAL FUND TYPE - GENERAL FUND
 Year Ended December 31, 1998

	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:			
Taxes	\$ 19,450	\$ 17,901	\$(1,549)
Licenses and permits	14,270	16,392	2,122
Intergovernmental	12,915	35,447	22,532
Fines and forfeitures	9,210	3,928	(5,282)
Charges for services	4,800	5,400	600
Interest and miscellaneous	1,325	1,337	12
	<u>\$ 61,970</u>	<u>\$ 80,405</u>	<u>\$ 18,435</u>
Expenditures:			
Current:			
General government	\$ 38,015	\$ 39,869	\$(1,854)
Public safety	32,860	47,332	(14,472)
Debt service:			
Interest	1,525	696	829
Capital outlay	-	15,073	(15,073)
	<u>\$ 72,400</u>	<u>\$ 102,970</u>	<u>\$(30,570)</u>
Excess (deficiency) of revenues over expenditures	\$(10,430)	\$(22,565)	\$(12,135)
Other financing sources:			
Operating transfers in	-	29,839	29,839
Excess (deficiency) of revenues and other financing sources over expenditures	\$(10,430)	\$ 7,274	\$ 17,704
Fund balance - beginning	<u>14,590</u>	<u>14,590</u>	<u>-</u>
Fund balance - ending	<u>\$ 4,160</u>	<u>\$ 21,864</u>	<u>\$ 17,704</u>

See accountant's compilation report.

VILLAGE OF COLLINSTON, LOUISIANA

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

Year Ended December 31, 1998

Operating revenues:	
Water and sewer fees	\$ <u>83,847</u>
Expenses:	
Depreciation	15,573
Insurance	1,759
Interest	3,895
Legal and accounting	4,162
Office and postage	3,104
Repairs and maintenance	10,989
Salaries and payroll taxes	19,772
Utilities	<u>2,423</u>
	\$ <u>61,677</u>
Operating income	\$ 22,170
Nonoperating revenues:	
Interest and miscellaneous	<u>2,361</u>
Income before operating transfers	\$ 24,531
Operating transfers out	(29,839)
Net income (loss)	\$(5,308)
Retained earnings (deficit) - beginning	<u>(173,293)</u>
Retained earnings (deficit) - ending	<u>\$(178,601)</u>

See accountant's compilation report.

VILLAGE OF COLLINSTON, LOUISIANA

STATEMENT OF CASH FLOWS -
 PROPRIETARY FUND TYPE - ENTERPRISE FUND
 Year Ended December 31, 1998

CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income	\$ 22,170
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	15,573
(Increase) decrease in accounts receivable	(1,032)
(Increase) decrease in restricted assets	(1,873)
Increase (decrease) in accounts payable	1,126
Increase (decrease) in accrued expenses	34
Increase (decrease) in liabilities payable from restricted assets	<u>996</u>
Net cash provided by operating activities	<u>\$ 36,994</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and miscellaneous revenues	<u>\$ 2,361</u>
 CASH FLOWS USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	
Repayment of revenue bonds	\$(3,000)
Purchase of assets	<u>(2,245)</u>
	<u>\$(5,245)</u>
 CASH FLOWS USED BY NONCAPITAL FINANCING ACTIVITIES	
Operating transfers in (out)	<u>\$(29,839)</u>
 Net increase in cash	 \$ 4,271
CASH - beginning	<u>3,263</u>
CASH - ending	<u>\$ 7,534</u>

See accountant's compilation report.

SUPPORTING SCHEDULE

VILLAGE OF COLLINSTON, LOUISIANA

SCHEDULE OF MAYOR AND BOARD OF ALDERMEN COMPENSATION
Year Ended December 31, 1998

Robert Stewart, Mayor	\$	840
Rector Hopgood, Alderman		480
Nancy Carroll, Alderman		480
James Fontenot, Alderman		<u>480</u>
Total compensation	\$	<u>2,280</u>

See accountant's compilation report.

HILL, INZINA & COMPANY

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Honorable Robert Stewart, Mayor,
and Members of the Board of Aldermen
Village of Collinston, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Village of Collinston, Louisiana, and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village's compliance with certain laws and regulations during the year ended December 31, 1998, included in the accompanying *Louisiana Attestation 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, we 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.

Our applied procedures, together with any findings, follow:

Public Bid Law

1. Select all expenditures, if any, made during the year for materials and supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).
 - Our review of expenditure totals and cash disbursement journals revealed one individual expenditure for materials and supplies exceeding \$15,000 and no individual expenditure for public works exceeding \$100,000. The expenditure for materials and supplies exceeding \$15,000 was not advertised nor were written specifications made prior to the acceptance of price quotes.

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 42:1101- 1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

3. Obtain from management a listing of all employees paid during the period under examination.
4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.
 - Management provided us with the required information. The employees included on the employee listing provided by management in agreed-upon procedure (3) did not appear on the list provided by management in agreed-upon procedure (2).

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.
6. Trace the budget adoption and amendments to the minute book.
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 exceeded budgeted amounts by 5% or more.
 - Management provided us with a copy of the original budget. No amendments were made to the budget during the year. We traced the adoption of the original budget to the minutes of a meeting held on December 9, 1997.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues for the year exceeded appropriations; however, actual expenditures were 42.2% in excess of amounts budgeted for the year.

Accounting and Reporting

8. Randomly select six disbursements made during the period under examination and (a) trace payments to supporting documentation as to proper amount and payee; (b) determine if payments were properly coded to the correct fund and general ledger account; and (c) determine whether payments received approval from proper authorities.
 - We examined supporting documentation for five of the six selected disbursements and found that the payments were for the proper amounts and made to the correct payees; were properly coded to the correct fund and general ledger accounts; and received approval from the Board of Commissioners. Supporting documentation was not available for the other selected disbursement which totalled \$10.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).
 - The Village is only required to post a notice of each meeting and the accompanying agenda at the Village's meeting location. Management has asserted that such documents were properly posted.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of banks loans, bonds or like indebtedness.
 - We reviewed the detail general ledger for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances or gifts.
 - A reading of the minutes for the Village for the year indicated no approval for the payments noted. We also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances or gifts.

We were 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, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Village of Collinston, Louisiana, 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.

Hill, Arzoo & Co.

March 8, 1999

LOUISIANA ATTESTATION QUESTIONNAIRE

1-1-99 Date

Hill, Inzina & Co.
Certified Public Accountants
P. O. Box 631
Bastrop, LA 71221-0631

In connection with your compilation of our financial statements as of December 31, 1998, 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 regulations 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 January 7, 1999. (date).

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 LSA-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.

Gloria Ydicks Secretary 1-7-99 Date

Treasurer _____ Date

Robert A. Stewart President 1-7-99 Date

VILLAGE OF COLLINSTON, LOUISIANA

MANAGEMENT'S CORRECTIVE ACTION PLAN FOR CURRENT YEAR FINDINGS
Year Ended December 31, 1998

We have compiled the general-purpose financial statements of Village of Collinston, Louisiana, as of and for the year ended December 31, 1998, and have issued our report thereon dated March 8, 1999. We conducted our compilation in accordance with *Statements on Standards for Accounting and Review Services*, issued by the American Institute of Certified Public Accountants.

Section I - Agreed-Upon Procedures

1998-1 Public Bid Law

Finding: The purchase of a vehicle exceeding \$15,000 was not advertised and let by contract to the lowest bidder nor were written specifications made.

Management's corrective action plan: Purchases of any materials or supplies exceeding \$15,000 will be advertised and let by contract to the lowest bidder who has bid according to the contract, plans and specifications as advertised.

Contact person: Mayor Robert Stewart

Anticipated completion date: Future purchases of any materials or supplies exceeding \$15,000 will be made in accordance with LSA-RS 38:2211-2251 (the Public Bid Law).

1998-2 Budgeting

Finding: Expenditures for the year ended December 31, 1998, of \$102,970 exceeded appropriations of \$72,400 by \$30,570 or 42.2%.

Management's corrective action plan: The chief executive officer, or equivalent, will periodically monitor the budget and notify the Mayor and Board of Aldermen in writing during the year when actual receipts plus projected revenue collections will fail to meet budgeted revenues by 5% or more, or when actual expenditures plus projected expenditures to year end will exceed budgeted expenditures by 5% or more.

Contact person: Mayor Robert Stewart

Anticipated
completion date: Amendments, if any, to the 1999 budget will be made as required.

Section II - Management Letter

None issued.

VILLAGE OF COLLINSTON, LOUISIANA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
Year Ended December 31, 1998

Section I - Agreed-Upon Procedures

1997-1 Budgeting (initial citing)

Finding: For the year ended December 31, 1997, actual expenditures of \$96,963 of the General Fund exceeded appropriations of \$63,370 by 53.01%.

Management's
corrective
action plan: No action required.

Section II - Management Letter

None issued.