

Village of Ashland, Louisiana
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ACCOUNTANTS' COMPILATION REPORT ON THE FINANCIAL STATEMENTS

To the Board of Aldermen of
the Village of Ashland, Louisiana

We have compiled the accompanying general purpose financial statements of the Village of Ashland, Louisiana, as of June 30, 1998, and for the year then ended, in accordance with Statements on Standards established by the American Institute of Certified Public Accountants. The financial statements have been prepared on the modified accrual basis of accounting, which is the generally accepted accounting methods established by the Governmental Accounting Standards Board for governmental units.

A compilation is limited to presenting, in the form of financial statements, information that is the representation of management. We have not audited or reviewed the accompanying financial statements, and accordingly, do not express an opinion or any other form of assurance on them.

Robert Thomas Cunningham
Johnson, Thomas & Cunningham, CPA's

August 4, 1998
Natchitoches, Louisiana

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

Village of Ashland, Louisiana

Combined Balance Sheet - All Fund Types and Account Group
June 30, 1998

	<u>Governmental Fund Type</u>		<u>Account Group</u>	<u>Totals</u> (Memorandum Only)
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>General Fixed Assets</u>	
<u>Assets</u>				
Cash	\$18,601	\$0	\$ 0	\$ 18,601
Land	0	0	2,000	2,000
Buildings	0	0	109,015	109,015
Furniture & Equipment	<u>0</u>	<u>0</u>	<u>167,871</u>	<u>167,871</u>
Total Assets	<u>\$18,601</u>	<u>\$0</u>	<u>\$278,886</u>	<u>\$297,487</u>
<u>Liabilities & Fund Equity</u>				
Liabilities-				
Accounts Payable	\$ <u>80</u>	<u>\$0</u>	\$ <u>0</u>	\$ <u>80</u>
Fund Equity-				
Investment in General Fixed Assets	\$ 0	\$0	\$278,886	\$278,886
Fund Balance-				
Unreserved-Undesignated	<u>18,521</u>	<u>0</u>	<u>0</u>	<u>18,521</u>
Total Fund Equity	<u>\$18,521</u>	<u>\$0</u>	<u>\$278,886</u>	<u>\$297,407</u>
Total Liabilities & Fund Equity	<u>\$18,601</u>	<u>\$0</u>	<u>\$278,886</u>	<u>\$297,487</u>

See accountants' compilation report and notes to financial statements.

Village of Ashland, Louisiana

Statement of Revenues, Expenditures and Changes in Fund Balance-
All Governmental Fund Types
Year Ended June 30, 1998

	<u>Governmental Fund Type</u>		<u>Totals</u> (Memorandum Only)
	<u>General</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	
REVENUES:			
Taxes	\$ 3,385	\$ 0	\$ 3,385
Licenses & Permits	5,999	0	5,999
Intergovernmental	1,563	14,812	16,375
Miscellaneous	<u>1,690</u>	<u>0</u>	<u>1,690</u>
Total Revenues	<u>\$12,637</u>	<u>\$14,812</u>	<u>\$27,449</u>
EXPENDITURES:			
Current-			
General Government	\$ 5,916	\$ 4,912	\$10,828
Public Safety	2,699	0	2,699
Public Safety	610	0	610
Capital Outlay	<u>0</u>	<u>9,900</u>	<u>9,900</u>
Total Expenditures	<u>\$ 9,225</u>	<u>\$14,812</u>	<u>\$24,037</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 3,412	\$ 0	\$ 3,412
Fund Balances-Beginning of Year	<u>15,109</u>	<u>0</u>	<u>15,109</u>
Fund Balances-End of Year	<u>\$18,521</u>	<u>\$ 0</u>	<u>\$18,521</u>

See accountants' compilation report and notes to financial statements.

Village of Ashland, Louisiana

Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual-General and Capital Projects and Fund Types
Year Ended June 30, 1998

	General Fund		Variance Favorable (Unfavorable)	Capital Projects Fund		Variance Favorable (Unfavorable)
	Budget	Actual		Budget	Actual	
REVENUES:						
Taxes	\$ 3,000	\$ 3,385	\$ 385	\$ 0	\$ 0	\$0
Licenses & Permits	6,000	5,999	(1)	0	0	0
Intergovernmental	1,500	1,563	63	14,812	14,812	0
Miscellaneous	1,500	1,690	190	0	0	0
Total Revenues	\$12,000	\$12,637	\$ 637	\$14,812	\$14,812	\$0
EXPENDITURES:						
General Government	\$ 6,000	\$ 5,916	\$ 84	\$ 4,912	\$ 4,912	\$0
Public Safety	3,000	2,699	301	0	0	0
Public Works	1,000	610	390	0	0	0
Capital Outlay	0	0	0	9,900	9,900	0
Total Expenditures	\$10,000	\$ 9,225	\$ 775	\$14,812	\$14,812	\$0
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,000	\$ 3,412	\$1,412	\$ 0	\$ 0	\$0
Fund Balance-Beginning of Year	15,109	15,109	0	0	0	0
Fund Balance-End of Year	\$17,109	\$18,521	\$1,412	\$ 0	\$ 0	\$0

See accountants' compilation report and notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Village of Ashland, Louisiana
Notes to the Financial Statements
June 30, 1998

INTRODUCTION

The Village of Ashland, Louisiana, was incorporated under the provisions of the Lawrason Act. The Village operates under a Mayor-Board of Aldermen form of government. The financial statements of the Village include funds and activities which are controlled or dependent upon the Village. Control or dependence is determined on the basis of oversight control, budget adoption, and funding. The Village's operations include police protection, public works, and general and administrative services.

Other authorities and governmental entities established within the vicinity of the Village of Ashland, some of which may include "Ashland" in their names, have been excluded because control and/or financial responsibility by the Village of Ashland is considered remote.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

As the municipal governing authority, for reporting purposes, the Village of Ashland is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (municipality), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Village does not have any component units.

B. FUND ACCOUNTING

The Village uses funds and an account group to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

The various fund types are grouped, in the financial statements in this report, into two generic fund types, and one broad fund category as follows:

Governmental Funds

Governmental funds are used to account for all or most of the Village's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt.

Village of Ashland, Louisiana
Notes to the Financial Statements
June 30, 1998

1. General Fund-the general operating fund of the Village and accounts for all financial resources, except those required to be accounted for in other funds.
2. Capital Projects Fund-accounts for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds

Account Group

The account group is used to establish accounting control and accountability for the Village's general fixed assets. The following is a description of the Village's account group:

General Fixed Assets Account Group

This account group is established to account for all general fixed assets of the Village.

C. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Revenues that are considered susceptible to accrual include earned grant revenues, other intergovernmental revenues, and interest income. Franchise fees, licenses and other income are recognized when received because they are not objectively measurable.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Purchases of various operating supplies are regarded as expenditures at the time purchased.

D. BUDGETS

Annual operating budgets are adopted for the General and Capital Projects Funds. The Village follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to the beginning of each fiscal year, the Clerk prepares a proposed budget and submits same to the Village council.

Village of Ashland, Louisiana
Notes to the Financial Statements
June 30, 1998

2. The Village council approves the budget, or amends it as necessary, and it is held open for public inspection.
3. All budgetary appropriations lapse at the end of each fiscal year.
4. The budget is adopted on a basis consistent with generally accepted accounting principles.

E. ENCUMBRANCES

The Village of Ashland does not employ the use of "Encumbrance" accounting.

F. CASH AND CASH EQUIVALENTS AND INVESTMENTS

For reporting purposes, cash and cash equivalents include cash and time deposits. At June 30, 1998, the Village had cash and cash equivalents totaling \$18,601. Cash and cash equivalents are stated at cost which approximates market. Under Louisiana law, these deposits must be secured by federal deposit insurance, or by the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These pledged securities are held in the name of the pledging bank, in a holding or custodial bank in the form of a safekeeping receipt held by the Village. The deposits at June 30, 1998, were secured as follows:

	<u>Bank Balance</u>	<u>FDIC Insurance</u>	<u>Balance Uninsured</u>
Cash & Cash Equivalents	\$18,601	\$18,601	\$0

G. FIXED ASSETS

Fixed assets of the governmental funds are recorded as expenditures at the time purchased, and the related assets are capitalized in the general fixed assets account group. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

H. RETIREMENT COMMITMENTS

The employees of the Village of Ashland are members of the Social Security retirement system.

I. PENDING LITIGATION

At June 30, 1998, there were no pending civil suits against the Village of Ashland.

Village of Ashland, Louisiana
Notes to the Financial Statements
June 30, 1998

J. COMPENSATION PAID TO COUNCIL MEMBERS

The Village of Ashland does not provide any form of compensation to the members of its council.

K. TOTAL COLUMNS ON COMBINED STATEMENTS-OVERVIEW

Total columns on the Combined Statements-Overview are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data 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 aggregation of this data.

L. COMPENSATED ABSENCES

The Village does not have a formal leave policy.

2. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	<u>Balance</u> <u>7-1-97</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6-30-98</u>
General Fixed Assets:				
Land	\$ 2,000	\$ 0	\$0	\$ 2,000
Building	107,817	1,198	0	109,015
Equipment	166,485	0	0	166,485
Furniture & Fixtures	<u>1,386</u>	<u>0</u>	<u>0</u>	<u>1,386</u>
Totals	<u>\$277,688</u>	<u>\$1,198</u>	<u>\$0</u>	<u>\$278,886</u>