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**VILLAGE OF BIENVILLE
FINANCIAL STATEMENTS FOR THE
YEAR ENDED JUNE 30, 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 JAN 27 1999

**VILLAGE OF BIENVILLE
GENERAL PURPOSE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1998**

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1
Combined Balance Sheets-All fund Types and Account Groups	2-3
Statement of Revenues, Expenditures, and changes in Fund Balance- General Fund	4
Statement of Revenues, Expenditures, and changes in Fund Balance- Debt Service Fund	5
Statement of Revenues, Expenditures, and changes in Fund Balance- Proprietary Fund Types	6
Statement of Cash Flows-Proprietary Fund	7
Statement of Changes of General Long Term Debt Account Group	8
Notes to Financial Statements	9-17

SUPPLEMENTARY INFORMATION

Independent Auditor's Report on the Internal Control Structure Based on an Audit of General Purpose and Combining Financial Statements Performed in Accordance with Government Auditing Standards	18-19
Independent Auditor's Report on Compliance Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	20
Independent Auditor's Report - Schedule of Findings	21-24

WILLIAM D. EDWARDS

Certified Public Accountant
A Professional Accounting Corporation
Member: AICPA / Society of LCPA'S

INDEPENDENT AUDITOR'S REPORT

Mayor and Board of Aldermen
Village of Bienville
Bienville, Louisiana

I was engaged to audit the accompanying general purpose financial statements of the Village of Bienville, Louisiana, as of and for the year ended June 30, 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of the Village of Bienville, Louisiana management.

I was unable to obtain sufficient supporting records for financial activities of the Village of Bienville, Louisiana, nor was I able to satisfy myself as to those financial activities by other auditing procedures, to form an opinion on these general purpose financial statements. See footnote contingency for a further explanation.

Since I did not audit the financial statements of the Village of Bienville, Louisiana referred to above, the scop of my work was not sufficient to enable me to express, and I do not express, an opinion on these general purpose financial statements.

As part of my engagement, I also prepared reports, dated November 30, 1998, on internal control and compliance, as required by *Government Auditing Standards*.



Ruston, Louisiana
November 30, 1998

**VILLAGE OF BIENVILLE
COMBINED BALANCE SHEETS-ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1998**

Governmental Fund Types

<u>ASSETS</u>	<u>General</u>	<u>Debt Service</u>
Cash and Cash Equivalents	\$ 32,075	\$ 27,781
Accounts Receivable		
Due from Other Funds	12,410	
Restricted Assets- Cash		1,508
Plant, Property & Equipment- Net Amount Available in Debt Service Fund		75,000
Amount Available in Debt Service Fund		
Amount to be provided for retirement of general long-term debt		
	<u>44,485</u>	<u>104,289</u>
<u>TOTAL ASSETS</u>		

LIABILITIES & FUND EQUITY

<u>Liabilities</u>		
Accounts Payable	\$ 1,841	
Payroll Taxes Payable	640	
Notes Payable		
Customer Deposits		
Due to other Funds		
Notes Payable-Long Term	1508	224
General Long Term Debt		
Garnishments Payable	12	
Total Liabilities	<u>4,001</u>	<u>224</u>
<u>Fund Equity</u>		
Investment in General Fixed Funds Provided Contributed-Grant	\$	\$
Retained Earnings:		
Contributed Capital		
Unreserved		
Fund Balance:		104,065
Reserved for debt service		
Reserved for capital projects in process	40,484	
Unreserved	44,484	104,065
Total Fund Equity	<u>44,485</u>	<u>104,289</u>
<u>Total Liabilities and Equity</u>		

The accompanying notes are an integral part of the financial statements

	Proprietary Fund (Water Fund)	General Long Term Debt	Account Groups Fixed Assets Group	Total (Memo Only)
Cash	17,170			77,026
Accounts Receivable	2,103			2,103
Due From Funds				13,918
Res. Cash	21,245			92,245
Plant, Property, & Equipment	56,058		601,917	657,975
Amount Available Debt Serv.		55,000		55,000
Amount Provided for Retirement		20,000		20,000
	<u>96,576</u>	<u>75,000</u>	<u>601,917</u>	<u>922,267</u>
Accounts Payable	\$ 631			2,472
Payroll Taxes Payable	1,697			2,337
Sales Taxes Payable	215			215
Notes Payable Current	2,290			2,290
Customer Deposit	4,798			4,798
Due to Funds	12,186			13,918
Notes Payable Long Term	14,562			14,562
General long term debt		75,000		75,000
Garnishments Payable				12
	<u>36,379</u>	<u>75,000</u>	<u>-0-</u>	<u>115,604</u>
	\$	\$	\$	
			10,394	10,394
			591,523	591,523
	300			300
	59,897			59,897
	<u>60,197</u>	<u>-0-</u>	<u>601,917</u>	<u>806,663</u>
	<u>\$ 96,576</u>	<u>75,000</u>	<u>601,917</u>	<u>922,267</u>
				104,065
				40,484

The accompanying notes are an integral part of these financial statements.

**VILLAGE OF BIENVILLE
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
GENERAL FUND
YEAR ENDED JUNE 30, 1998**

Revenue

Taxes		
Property Taxes	\$	46,514
Occupational License		50
Franchise Fees		911
Tobacco and Beer Tax		1,224
Other Revenue		
Interest Earned		835
Miscellaneous		9
		<hr/>
Total Revenue		49,543

Expenditures

General Government Operations and Maintenance		10,187
Street Expense		9,764
		<hr/>
Total Expenditures		19,891
		<hr/>
Excess of Revenue over Expenditures		29,652
Other Financing Sources (Uses):		
Operating Transfer to Debt Service Fund		(30,416)
		<hr/>
Excess (deficiency) of Revenues and Other		
Financing Sources Over (under)		(764)
Expenditures and Other Financing (uses)		
Fund Balance - Unreserved at Beginning		<u>41,248</u>
		<hr/>
Fund Balance - Unreserved at End of Year		<u>40,484</u>

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

**VILLAGE OF BIENVILLE
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
DEBT SERVICE FUND
YEAR ENDED JUNE 30, 1998**

Revenues

Interest Income	\$	<u>1,356</u>
-----------------	----	--------------

Expenditures

Debt Service		
Principle		20,000
Interest		6,525
Bank Charges		600
Total Expenditures		<u>27,125</u>

Excess (Deficiency) of Revenues Over (under) Expenditures		(25,769)
--	--	----------

Other Financial Sources		
Operation Transfer from General Fund		30,416

Excess of Revenues and Other Financing Sources over Expenditures and Other Financing (uses)		4,647
--	--	-------

Fund Balance - Beginning		99,418
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Fund Balance - Ending		<u><u>104,065</u></u>
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The accompanying notes are an integral part of the financial statements.

**VILLAGE OF BIENVILLE
STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS
PROPRIETARY FUND TYPES
YEAR ENDED JUNE 30, 1998**

<u>Operating Revenue</u>		
User Fees	\$	16,328
		16,328
<u>Operating Expenses</u>		
Salaries and Related Benefits		5,825
Office Expense		1,610
Maintenance and Repairs		5,084
Insurance		2,305
Depreciation		3,024
Utilities		2,322
		20,170
Operating Income (Loss)		(3,842)
Nonoperating Revenue (Expenses)		
Interest Expense		(1066)
Interest Income		938
		(128)
Net Income (Loss)		(3,970)
Beginning Retained Earnings		64,167
Ending Retained Earnings	\$	60,197

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

**VILLAGE OF BIENVILLE
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE - WATER FUND
YEAR ENDED JUNE 30, 1997**

<u>Cash Flows from Operating Activities</u>		
Operating Loss	\$	(3,842)
Adjustments to Reconcile Operating Loss to Net Cash Provided By Operating Activities		
Depreciation		3,024
Increase in Accounts Receivable		(595)
Increase in Due to Other Funds		2309
Increase (decrease) in Accounts Payable & Accrued Payables		714
Increase (decrease) in Customer Deposits		(262)
		<hr/>
Net Cash (Used) Provided from Operating Activities		1348
 <i>Cash Flows from Noncapital Financing Activities</i>		 -0-
		<hr/>
<u>Cash Flows from Capital and Related Financing Activities</u>		
Principal Paid on Notes		(2,160)
Interest Paid on Notes		(661)
		<hr/>
Net Cash (Used) by Financing Activities		(2,821)
		<hr/>
<u>Cash Flows from Investing Activities</u>		
Interest Income		938
		<hr/>
Net Increase in Cash		535
		<hr/>
Cash at Beginning of Period		38,950
		<hr/>
Cash at End of Period		<u>38,415</u>

CASH SHOWN ON BALANCE SHEET

<u>Current Assets</u>		
Cash - Operating	\$	17,170
Cash - Restricted		21,245
		<hr/>
Taxes Paid - Cash Basis	\$ 470	\$ <u>38,415</u>
	<hr/>	
Interest Paid - Cash Basis	\$ 661	
	<hr/>	

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

**VILLAGE OF BIENVILLE
STATEMENT OF CHANGES IN GENERAL LONG - TERM DEBT
YEAR ENDED JUNE 30, 1998**

	General Long-Term Debt <u>06/30/97</u>	New Issue	Principal Repayments	General Long-Term Debt <u>06/30/98</u>
General Obligations Debt Service Bonds	\$ 95,000	\$ -0-	\$ 20,000	\$ 75,000
Totals	<u>\$ 95,000</u>	<u>\$ -0-</u>	<u>\$ 20,000</u>	<u>\$ 75,000</u>

The accompanying notes are an integral part of the financial statements

**VILLAGE OF BIENVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1998**

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -

The accounting and reporting policies of the Village of Bienville, Louisiana conform to generally accepted accounting principles as applicable to government units. Such accounting and reporting procedures also conform to the requirements of Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies.

FINANCIAL REPORTING ENTITY

This report includes all funds and account groups which are controlled by or dependent on the Village executive and legislative branches (the Mayor and Board of Aldermen). Control by or dependence on the Village was determined on the basis of budget adoption, taxing authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

A. Fund Accounting

The accounts of the Village of Bienville 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 comprises 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 purposes 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 one generic fund type and one broad fund category as follows:

GOVERNMENTAL FUNDS

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.

Capital Projects Fund - Capital Projects Funds are used to account for the receipt and disbursement of resources for the purpose of building or buying major capital assets.

Debt Service Fund - Debt Service Funds are used to account for resources accumulated for the purpose of paying principal and interest on long term general obligation debt other than those payable from the Proprietary Fund.

VILLAGE OF BIENVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 1998

Proprietary 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 goods or 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 that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

ACCOUNT GROUP

Fixed Assets Account Group - The accounting and reporting treatment applied to the fixed assets 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. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Public domain Infrastructure fixed assets consisting of certain improvements other than buildings, including roads, bridges, sidewalks, and drainage improvements, are not capitalized. No depreciation has been provided on general fixed assets.

All fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair value on the dated donated.

General Long Term Debt - Long term liabilities expected to be financed from governmental funds are accounted for in the General Long Term Debt Account Group, not in the governmental funds. Long term liabilities expected to be financed from Enterprise Fund operations are accounted for in those Enterprise Funds.

B. 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 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. Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of collecting governments and are recognized as revenue at that time.

VILLAGE OF BIENVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30,1998

Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. As exception to this general rule is principle and interest on long term debt is recognized when due.

Proprietary funds are accounted for using the accrual basis of accounting. Its revenues are recognized when they are earned, and its expenses are recognized when incurred.

C. Budgets and Budgetary Accounting

The Village did not use the same chart of accounts for posting transactions as used for budget preparation, therefore no budget to actual data is presented herein.

D. Advances to Other Funds

Accounts shown as "advances" to other funds are not expected to be available or spendable during the next accounting cycle. However, amounts designated as "due from other funds" are considered "available spendable resources."

E. Bad Debts

Uncollectible amounts for ad valorem taxes are generally not significant. As a result, the direct write off method for recognizing bad debts is used.

F. Fixed Assets - Proprietary Fund

Depreciation of all exhaustible fixed assets used by the proprietary funds are charged as an expense against operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful life using the straight-line method over the estimated useful lives of 5-40 years.

G. Accumulated Unpaid Vacation, Sick Pay and Other Employee Benefits and Pensions Amounts.

Accumulated vacation, sick pay, and other employee benefits and pensions are not material and are therefore not accrued.

H. Total columns on combined statements

Total columns on the combined statements are captioned "Memorandum Only" to indicate that

**VILLAGE OF BIENVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 1998**

They are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows 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.

(2) CASH AND CASH EQUIVALENTS

The Village's cash at June 30, 1997 is categorized below to give an indication of the level of risk assumed by the Village at year end. Category 1 includes cash that is insured or registered, or securities held by the Village or its agent in the Village's name. Category 2 includes uninsured and unregistered cash and investments, with securities held by the counter party or by its trust department or agent, but in the Village's name. Category 3 includes uninsured and unregistered cash and investments, with securities held by the counter party or by its trust department or agent but not in the Village's name. In accordance with GASB 3, this category includes certificates of deposit or money market accounts that are collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the Village's name although balances so collateralized meet the requirements of state law.

		Category			Bank Balances
		1	2	3	
Cash in Bank	\$	<u>135,146</u>	<u>\$ -0-</u>	<u>\$ 38,125</u>	<u>\$ 173,271</u>

(3) AD VALOREM TAXED

The Village considers ad valorem taxes receivable at October 31 and recognizes income in the year of assessment.

For the year ended June 30, 1998, taxes of 13.23 mills were levied on property with assessed valuations totaling \$ 3,298,380 and were dedicated entirely for general purposes.

Total Taxes originally levied were \$ 43,638.

**VILLAGE OF BIENVILLE
NOTES TO FINANCIAL STATEMENT (CONTINUED)
YEAR ENDED JUNE 30, 1998**

Property Tax Calendar

Assessment Date	June 30, 1997
Levy Date	October 31, 1997
Tax Bills Mailed	October 15, 1997
Date Taxes are Due	December 31, 1997
Penalties and Interest are Added	December 31, 1997
Lien Date	January 15, 1998
Anticipated Tax Sale - 1996 Delinquent Taxes	February 25, 1998

Assessed values are established by the Bienville Parish Tax Assessor each year.

(4) FIXED ASSETS

A summary of the changes in fixed assets is shown below:

General Fixed Asset Account Group

	<u>06/30/97</u>	<u>Increase</u>	<u>Decrease</u>	<u>06/30/98</u>
Land	\$ 2,000	\$	\$	\$ 2,000
Equipment	7,394			7,394
Vehicle	1,000			1,000
Fire District Improvements	591,523			591,523
Total	<u>\$ 601,917</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 601,917</u>

VILLAGE OF BIENVILLE
NOTES TO FINANCIAL STATEMENT (CONTINUED)
YEAR ENDED JUNE 30, 1998

	<u>Proprietary Fund</u>			
	<u>06/30/97</u>	<u>Increase</u>	<u>Decrease</u>	<u>06/30/98</u>
Land	\$ 300	\$	\$	\$ 300
Water Well and System	120,951			120,951
	<u>121,251</u>	<u> </u>	<u> </u>	<u>121,250</u>
Accumulated Depreciation	(62,169)	(3,024)		(65,193)
Net Fixed Assets	<u>\$ 59,082</u>	<u>\$ (3,024)</u>	<u> </u>	<u>\$ 56,058</u>

(5) LONG TERM DEBT - PROPRIETARY FUND

The following is a summary of long term debt transactions for the Village for the year ended June 30, 1998:

Note Payable, June 30, 1997	\$	19,012
Note Retired Year Ended June 30, 1998		(2,160)
		<u>16,852</u>
		<u> </u>

Note payable at June 30, 1998, consists of one note payable to the U.S. Department of Agriculture - Farmers Home Administration. The note, dated May 20, 1966, in the amount of \$ 56,000, is payable over 40 years with interest at the rate of 5.75% per annum. The note is to be retired from revenues derived from user fees of the Water Fund.

**VILLAGE OF BIENVILLE
NOTES TO FINANCIAL STATEMENT (CONTINUED)
YEAR ENDED JUNE 30, 1998**

(6) GENERAL LONG TERM DEBT

Description	June 30 1997 Issued	Retired	June 30 1998
General Obligation Bonds, \$200,000 originally issued, interest rates from 7.25% to 10.00%	\$ 95,000 =====	\$ -0- =====	\$ 20,000 =====
			\$ 75,000 =====

Following is a summary of bond principal maturities and interest requirements:

Year Ending <u>June 30</u>	General Obligation <u>Bonds</u>
1998	30,775
1999	28,875
2000	26,938
Total	\$ 86,588
Less Interest	11,588
Outstanding Principle	\$ 75,000

General obligation bonds of the Village are reflected in the General Long term Debt Account Group, and current requirements for principal and interest expenditures are accounted for in the Debt Service Fund.

**VILLAGE OF BIENVILLE
NOTES TO FINANCIAL STATEMENT (CONTINUED)
YEAR ENDED JUNE 30, 1998**

(7) INTERFUND RECEIVABLES AND PAYABLES

At June 30, 1996, interfund receivables and payables were as follows:

		<u>Interfund Receivable</u>	<u>Interfund Payables</u>
General Fund	\$	12,410	1,508
Debt Service Fund		1,508	224
Water Fund			12,186
Total	\$	<u><u>13,918</u></u>	<u><u>13,918</u></u>

(8) PENSIONS AND RETIREMENT PLAN

The Village does not provide pension or retirement plan benefits to any employee.

(9) CHANGE IN RESTRICTED ASSETS - CASH

	<u>Debt Service Fund</u>
June 30, 1997	
Beginning Balance	99,418
Increase: Transfer from General Fund	30,416
Interest Income	1,356
Decrease: Expenditures	
Reclassify excess of bond balance	(29,065)
Balance June 30, 1998	<u><u>102,125</u></u>

**VILLAGE OF BIENVILLE
NOTES TO FINANCIAL STATEMENT (CONTINUED)
YEAR ENDED JUNE 30, 1998**

	<u>Proprietary Fund</u>
Beginning Balance - July 1, 1997	36,491
Increase July 1, 1997 - June 30, 1998	332
Reclassify excess of loan balance	(19,971)

Balance June 30, 1998	16,852
	=====

(10) PER DIEM FOR MAYOR AND ALDERMAN

	<u>Year Ended June 30, 1998</u>
Mr. Boston	600
Mr. Caskey	360
Ms. Kirkham	360
Ms. Brice	360

	\$ 1,680
	=====

(11) Contingency

WILLIAM D. EDWARDS

Certified Public Accountant
A Professional Accounting Corporation
Member: AICPA / Society of LCPA'S

Independent Auditors' Report on the Internal Control Structure Based on an Audit of General Purpose and Combining Financial Statements Performed in Accordance with Government Auditing Standards

The Mayor and Board of Alderman
Village of Bienville
Bienville, Louisiana

I was engaged to audit the financial statements of the Village of Bienville, Louisiana, as of and for the year ended June 30, 1998 in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. My report dated November 30, 1998 stated that, because I was unable to examine adequate supporting documents and records, the scope of my work was not sufficient to enable me to express, and I did not express, an opinion on the financial statements.

The management of the Village of Bienville, 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 executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose and combining financial statements in accordance with generally accepted accounting 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 report of the general purpose and combining financial statements of the Village of Bienville, Louisiana for the year ended June 30, 1998, 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 our opinion on the general purpose and combining

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 involving the internal control structure and its operation that I consider to be reportable conditions 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 judgement, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose and combining financial statements.

My study of the authority's internal control structure disclosed a reportable condition in internal controls relating to segregation of duties. Due to its limited size, the entity does not have the personnel to adequately separate the internal accounting control duties. The segregation of duties is a decision that must be made by management on a cost - benefit basis. Management must determine if the costs of implementing an adequate internal control system will outweigh the benefits derived from such a system.. This reportable condition is inherent in all small entities, and should not be construed as a failure in proper management. I concur with management's opinion that the costs incurred to implement an adequate internal control system would exceed the benefits derived from such a system.

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities in amounts that would be material in relation to the general purpose and combining 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. Material weaknesses are reported on the Schedule of Findings - All Reports.

My consideration of the internal control structure would not necessarily disclose all matters 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 believe the reportable conditions described in the Schedule of Findings - All Reports above are material weaknesses.

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


November 30 , 1998
Ruston, Louisiana

WILLIAM D. EDWARDS

Certified Public Accountant
A Professional Accounting Corporation
Member: AICPA / Society of LCPA'S

Independent Auditors' Report on Compliance Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Mayor and Board of Aldermen
Village of Bienville
Bienville, Louisiana

I was engaged to audit the financial statements of the Village of Bienville, Louisiana, as of and for the year ended June 30, 1998, in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. My report dated November 30, 1998 stated that, as described in the following paragraph, the scope of my work was not sufficient to enable me to express, and I did not express, an opinion on the financial statements.

I was unable to obtain sufficient documentation of the Village of Bienville, Louisiana's compliance with generally accepted accounting principles of all programs, nor was I able to satisfy myself by alternate procedures as to the Village of Bienville, Louisiana's compliance with those requirements of all programs.

Compliance with laws, regulations, contracts, and grants applicable to Village of Bienville, Louisiana is the responsibility of the towns management. As part of obtaining reasonable assurance about whether the general purpose and combining 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, the objective of my audit of the general purpose and combining financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests disclosed material instances of noncompliance that are required to be reported under *Government Auditing Standards*. These findings appear in the Schedule of Findings - All Reports.

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



November 30, 1998
Ruston, Louisiana

WILLIAM D. EDWARDS

Certified Public Accountant
A Professional Accounting Corporation
Member: AICPA / Society of LCPA'S

INDEPENDENT AUDITOR'S REPORT SCHEDULE OF FINDINGS - ALL REPORTS

INTERNAL CONTROL

Finding

The Village does not adequately control receipts. There is no receipt journal and records to subsidiary accounts receivable for the water fund are inadequate to document receipts or protect against misappropriation of funds. A list of deficiencies is shown below:

1. The records do not document exactly whose money is being deposited nor what was the nature of the receipt.
2. There are no adequate subsidiary accounts receivable records for the water bills and when the subsidiary record is updated, it is not possible to determine if or when the money for payments was received
3. The deposits are not made timely and in some cases up to two months goes between deposits. Normally, there is only one deposit each month.
4. Bank accounts are not reconciled on a monthly basis.
5. Many documents were not filed. Stacks of unopened correspondence were found in the town hall.
6. No quarterly payroll tax reports were available. I was unable to determine whether the reports had or had not been filed. In one instance the Village paid an old tax bill, which was actually incorrect and about ten times the correct amount. Most of these conditions have been noted before but the situation has deteriorated significantly in this fiscal year.
7. No action has been taken on the recommendations made in the June 30, 1997 report.

Recommendation

The Village needs to immediately set up adequate controls over monies received, especially cash. These controls should include as a minimum:

1. A general ledger which is posted monthly
2. A receipts journal for recording each receipt of money for each fund
3. An accounts receivable subsidiary system where both billings and collections are posted with enough detail to verify the posted data.
4. The subsidiary records should be reconciled to the general ledger each month
5. Any write down of accounts receivable should be approved by the council
6. Make an immediate review of water bill receivables to determine that all monies received are deposited to the bank

Response

We are a small village, with a limited budget, but we will try to implement all of these recommendations as soon as possible.

Finding

The Village does not retain disbursement records. Out of a selection of 60 disbursements from all funds, supporting documents could only be found for 8, including 6 payroll checks which were for salaried amounts.

Recommendation

The Village should take immediate steps to establish a filing system that would provide for record retention.

Response

We will comply with this recommendation immediately

Finding

The Village has enough cash on hand to pay off existing debt.

Recommendation

The Village should review the cash available versus debt to determine whether the cash on hand is justified in light of the interest expense.

Response

We will review this matter at a council meeting as soon as possible.

COMPLIANCE

Finding

The Village could not provide the minutes of the board meetings.

Recommendation

The Village should ensure that signed minutes are maintained and kept at the town hall.

Response

We will immediately set up files in the town hall to keep the minutes of all board meetings.

Finding

Since no minutes could be located, no documentation of an approved budget was provided.

Recommendation

The Village must prepare, approve, and keep on hand the required budgets.

Response

We will keep the approved budget with the minutes.

Finding

Tax reports are frequently filed late. As noted in the internal control section, I could not determine which reports for payroll taxes were filed nor could I tell which sales tax reports were filed. I did observe several delinquent notices however. This is a repeat finding.

Recommendation

The Village should insure all tax reports are prepared and paid timely.

Response

The Village will take the necessary steps to ensure timely filing of all tax reports.

William D. Edwards
November 30, 1998