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VILLAGE OF GILLIAM

GILLIAM, LOUISIANA

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 ~~MAR 17 1999~~

VILLAGE OF GILLIAM

GILLIAM, LOUISIANA

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December 10, 1998

Village of Gilliam  
Gilliam, Louisiana

We have compiled the accompanying general purpose financial statements of the Village of Gilliam, as of and for the year ended June 30, 1998, 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 information that is the representation of management of the Village of Gilliam. We have not audited or reviewed the accompanying general purpose financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report, dated December 10, 1998, on the results of our agreed-upon procedures.

*Heard, McElroy & Vestal, LLP*

VILLAGE OF GILLIAM

COMBINED BALANCE SHEET-GENERAL FUND AND ACCOUNT GROUPS

JUNE 30, 1998

<u>A S S E T S</u>	<u>Governmental Fund General</u>	<u>Account Group General Fixed Assets</u>	<u>Total (Memorandum Only)</u>
Cash-Note 2	29,104	-	29,104
Cash-restricted-Note 2	56,774	-	56,774
Certificates of deposit-Note 2	10,183	-	10,183
Land, building and equipment-Note 4	-	168,350	168,350
Construction in progress-Note 5	-	<u>23,708</u>	<u>23,708</u>
Total assets	<u>96,061</u>	<u>192,058</u>	<u>288,119</u>
 <u>LIABILITIES AND FUND EQUITY</u>			
<u>Liabilities</u>	-	-	-
<u>Fund equity:</u>			
Investment in general fixed assets	-	168,350	168,350
Construction in progress	-	23,708	23,708
Fund balance-unreserved:			
Undesignated	39,287	-	39,287
Fund balance-reserved	<u>56,774</u>	-	<u>56,774</u>
Total fund balance	<u>96,061</u>	<u>192,058</u>	<u>96,061</u>
Total liabilities and fund equity	<u>96,061</u>	<u>192,058</u>	<u>288,119</u>

See Accountants' Compilation Report

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

VILLAGE OF GILLIAM

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE-

GOVERNMENTAL FUND TYPE

FOR THE YEAR ENDED JUNE 30, 1998

	<u>General Fund</u>
<u>Revenue:</u>	
Franchise fees	4,245
Intergovernmental-Note 3	81,474
Licenses and permits	5,366
Interest	2,106
Miscellaneous	520
Total revenues	<u>93,711</u>
<u>Expenditures:</u>	
Accounting	850
Utilities	2,249
Maintenance and repairs	1,967
Clerk	1,500
Street lights	4,056
Minutes	58
Insurance	1,895
Dues	459
Supplies	230
Office	111
Miscellaneous	197
Legal	83
Capital improvements	25,207
Total expenditures	<u>38,862</u>
<u>Excess of revenues over expenditures</u>	54,849
<u>Fund balance:</u>	
Balance at beginning of year	<u>41,212</u>
Balance at end of year	<u>96,061</u>

See Accountants' Compilation Report

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

VILLAGE OF GILLIAM

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE-

BUDGET (GAAP BASIS) AND ACTUAL-GOVERNMENTAL FUND TYPE

FOR THE YEAR ENDED JUNE 30, 1998

	<u>General Fund</u>		Variance
	<u>Actual</u>	<u>Budget</u>	Favorable <u>(Unfavorable)</u>
<u>Revenue:</u>			
Franchise fees	4,245	4,500	(255)
Intergovernmental	81,474	66,000	15,474
License and permits	5,366	7,500	(2,134)
Interest	2,106	1,500	606
Miscellaneous	520	-	520
Total revenue	<u>93,711</u>	<u>79,500</u>	<u>14,211</u>
<u>Fund balance-beginning of year</u>	41,212	41,212	-
<u>Expenditures:</u>			
Accounting	850	-	(850)
Utilities	2,249	2,700	451
Maintenance and repairs	1,967	1,500	(467)
Clerk	1,500	1,500	-
Payroll taxes	-	120	120
Street lights	4,056	4,800	744
Minutes and notary	58	200	142
Insurance	1,895	1,860	(35)
Dues	459	300	(159)
Supplies	230	300	70
Office	111	-	(111)
Miscellaneous	197	720	523
Legal	83	500	417
Capital improvements	<u>25,207</u>	<u>66,000</u>	<u>40,793</u>
Total expenditures	<u>38,862</u>	<u>80,500</u>	<u>41,638</u>
<u>Fund balance-end of year</u>	<u>96,061</u>	<u>40,212</u>	<u>55,849</u>

See Accountants' Compilation Report

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

## VILLAGE OF GILLIAM

### NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1998

#### 1. Organization and Significant Accounting Policies

##### Organization

The Village of Gilliam has a mayor and three aldermen. They are elected every four years and serve without pay. The Village provides street lights throughout the community for residents. It also provides use of a building for a branch of Shreve Memorial Library. A village hall is maintained for the use of village meetings and community functions.

##### Significant accounting policies

The accounting and reporting of the Village of Gilliam conforms to generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

##### a. 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 generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.*

The modified accrual basis of accounting is used by governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred.

##### b. Basis of presentation

The accounts of the Village of Gilliam are organized on the basis of funds or 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. The following fund types and account groups are used by the Village of Gilliam:

##### GOVERNMENTAL FUNDS

Governmental funds account for all or most of the Village of Gilliam'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 obligations. Governmental funds include:

##### General fund

The general operating fund of the Village of Gilliam accounts for all financial resources, except those required to be accounted for in other funds.

1. Organization and Significant Accounting Policies (Continued)

ACCOUNT GROUPS

General fixed assets group of accounts

The general fixed assets account group is used to establish accounting control and accountability for all fixed assets of the Village of Gilliam. All fixed assets are valued at historical cost. No depreciation is recorded on general fixed assets.

c. Property, plant and equipment

General fixed group of accounts

Fixed assets used in governmental fund type operations are accounted for in the general fixed assets account group. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. No depreciation has been provided on general fixed assets. The general fixed assets account group is not a "fund." It is concerned only with the measurement of financial position. It is not involved with measurement of results of operations.

d. Total columns

The total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position in conformity with generally accepted accounting principles and this data is not comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. Cash

All deposits of the Village of Gilliam are held by area financial institutions. At June 30, 1998, the carrying amount of the Village of Gilliam cash demand deposit was \$29,104 and the bank balance was \$4,366. The difference is due to deposits in transit and outstanding checks. In addition, the Village of Gilliam owned certificates of deposit of \$10,183 as of June 30, 1998. At year end, all deposits were entirely covered by federal depository insurance.

*The restricted amount of cash is \$56,774 at June 30, 1998. This is remaining cash that has been received from a local government for the construction in progress which is not yet complete.*

3. Intergovernmental Revenues

The following governmental entities provided funding for the Village of Gilliam during the year ended June 30, 1998:

State of Louisiana-Office of Rural Development	14,982
State of Louisiana-tobacco tax	1,092
City of Shreveport	<u>65,400</u>
	<u>81,474</u>

4. General Fixed Asset Group

A summary of general fixed assets by source follows:

General fund revenues	42,300
Capital project fund	35,800
Donation	<u>90,250</u>
Total general fixed assets	<u>168,350</u>



5. Construction in Progress

In September 1997, the Shreve Memorial Library awarded a grant of \$65,400 to the Village for branch library improvement. This project began in December of 1997 and as of June 30, 1998, was not yet complete. Also, the Office of Rural Development paid the Village \$14,982 for this project.

December 10, 1998

To the Village of Gilliam  
Gilliam, Louisiana

Independent Accountant's Report  
on Applying Agreed-Upon Procedures

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the Village of Gilliam, the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about the Village of Gilliam's compliance with certain laws and regulations during the year ended June 30, 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.

**Federal, State, and Local Awards**

1. Determine the amount of federal, state and local award expenditures for the fiscal year, by grant and grant year.
2. For each federal, state, and local award, we randomly select 6 disbursements from each award administered during the period under examination, provided that no more than 30 disbursements would be selected.

No federal; \$65,400 from City of Shreveport

3. For the items selected in Procedure 2, we trace the six disbursements to supporting documentation as to proper amount and payee.

We 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.

All six of the payments were properly coded to the correct fund and general ledger account.

5. For the items selected in Procedure 2, we determine whether the six disbursements received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approval was made by appropriate entity.

6. For the items selected in Procedure 2: For state and local awards, we determined whether the disbursements complied with the grant agreement, relating to:

Activities allowed or unallowed:

We reviewed the previously listed disbursements for types of services allowed or not allowed.

Eligibility

We reviewed the previously listed disbursements for eligibility requirements.

Reporting

We reviewed the previously listed disbursements for reporting requirements.

7. For the programs selected for testing in Item (2) that had been closed out during the period under review, we compared the close-out report, when required, with the entity's financial records to determine whether the amounts agree.

Four of the disbursements above included a state program that was reimbursed from the state by submission of invoices by the Village of Gilliam. The amount of reimbursement agreed to the amount of those disbursements. The local program has not yet been completed.

Meetings

8. We examine evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The Village of Gilliam is only required to post a notice of each meeting and the accompanying agenda on the door of the Village of Gilliam. Although management has asserted that such documents were properly posted, we could find no evidence supporting such assertion other than an unmarked copy of the notices and agendas.

### Comprehensive Budget

9. For all grants exceeding five thousand dollars, we determined that each applicable federal, state, or local grantor agency/agencies was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

The Village of Gilliam provided comprehensive budgets to the applicable state grantor agencies for the programs mentioned previously. These budgets specified the anticipated uses of the funds, estimates of the duration of the projects, and plans showing specific goals and objectives that included measures of performance.

### Prior Comments and Recommendations

10. We reviewed any prior-year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

There were no prior year suggestions, recommendations, and/or comments.

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 the Village of Gilliam, the Legislative Auditor (State of Louisiana), and the applicable state grantor agency/agencies 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.

Very truly yours,

HEARD, McELROY & VESTAL

By:   
CPA

Village of Gilliam

P.O. Box 129  
Gilliam, LA 71029

December 06, 1998

Heard, McElroy, and Vestal  
P.O. Box 1607  
Shreveport, LA 71165

Dear Sirs,

In connection with your compilation of our financial statements as of June 30, 1998, and for the period 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 November 2, 1998.

Federal, State, and Local Awards

We have detailed for you the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

Yes  No

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials.

Yes  No

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes  No

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes  No

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Yes  No

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

Yes  No

Prior Year Comments

We have resolved all prior-year recommendations and/or comments.

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 federal, state, and local grants, to include the applicable 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 will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance which may occur up to the date of your report.

\_\_\_\_\_  
Secretary \_\_\_\_\_ Date

\_\_\_\_\_  
Treasurer \_\_\_\_\_ Date

*Helen H. Adger* \_\_\_\_\_  
President *Mayer* 12/8/98 Date