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VILLAGE OF RICHMOND, LOUISIANA

FINANCIAL STATEMENTS

JUNE 30, 1999

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Release Date 2-16-00

VILLAGE OF RICHMOND, LOUISIANA

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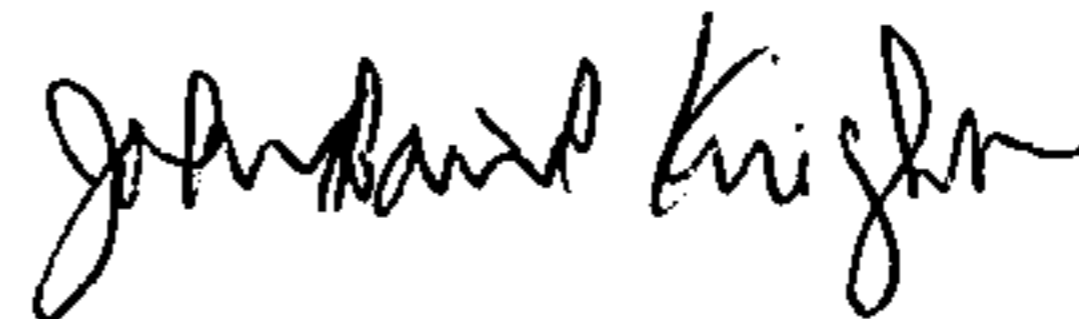
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Accountant's Report

Honorable Mayor and Members of
the Board of Aldermen
Village of Richmond, Louisiana

I have compiled the accompanying combined financial statements of the Village of Richmond, Louisiana as of and for the year ended June 30, 1999, and the related supplementary information as listed in the table of contents, 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 the city officials. I have not audited or reviewed the accompanying financial statements and the related supplementary information and, accordingly do not express an opinion or any other form of assurance on them.



December 28, 1999

VILLAGE OF
COMBINED BALANCE SHEET-

| | <u>Governmental Fund Types</u> | | |
|---|--------------------------------|----------------------------|-------------------------|
| | <u>General</u> | <u>Special Revenue</u> | <u>Debt Service</u> |
| ASSETS: | | | |
| Cash and Cash Equivalents | \$ 66,550 | \$453,105 | \$ 7,066 |
| Restricted Assets (Note 1) | - | - | 37,153 |
| Fixed Assets-(Notes 1 & 3) | - | - | - |
| Amount Available in Debt Service Fund | - | - | - |
| Amount to be provided for retirement of general long-term debt | - | - | - |
| Other Assets | <u>75</u> | <u>-</u> | <u>-</u> |
| Total Assets | \$ <u>66,625</u> | <u>\$453,105</u> | <u>\$44,219</u> |
| LIABILITIES AND FUND EQUITY: | | | |
| Liabilities: | | | |
| Accrued Expense | \$ 586 | \$ - | \$ - |
| Bonds Payable | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Liabilities | <u>586</u> | <u>-</u> | <u>-</u> |
| FUND EQUITY: | | | |
| Investment in General Fixed Assets | - | - | - |
| Fund Balances: | | | |
| Reserved for Debt Service | - | - | 44,219 |
| Unreserved | <u>66,039</u> | <u>453,105</u> | <u>-</u> |
| Total Fund Equity | <u>66,039</u> | <u>453,105</u> | <u>44,219</u> |
| Total Liabilities and Fund Equity | \$ <u>66,625</u> | <u>\$453,105</u> | <u>\$44,219</u> |

UNAUDITED - See accompanying notes to financial statements.

RICHMOND, LOUISIANA
 ALL FUND TYPES AND ACCOUNT GROUPS
 June 30, 1999

| | <u>Account Groups</u> | | | |
|-----------------------------|----------------------------|------------------------------|--------------------------------|--|
| Capital Projects Fund | General Fixed Assets | General Long-Term Debt | Totals (Memorandum Only) | |
| \$ 24,340 | \$ - | \$ - | \$ 551,061 | |
| - | - | - | 37,153 | |
| - | 577,271 | - | 577,271 | |
| - | - | - | | |
| - | - | 44,219 | 44,219 | |
| - | - | 100,781 | 100,781 | |
| - | - | - | 75 | |
| <u>24,340</u> | <u>577,271</u> | <u>145,000</u> | <u>1,310,560</u> | |
| - | - | - | 586 | |
| - | - | <u>145,000</u> | <u>145,000</u> | |
| - | - | <u>145,000</u> | <u>145,586</u> | |
| - | 577,271 | | 577,271 | |
| - | - | - | 44,219 | |
| <u>24,340</u> | <u>-</u> | <u>-</u> | <u>543,484</u> | |
| \$ <u>24,340</u> | \$ <u>577,271</u> | \$ <u>-</u> | <u>1,164,974</u> | |
| \$ <u>24,340</u> | \$ <u>577,271</u> | \$ <u>145,000</u> | <u>\$1,310,560</u> | |

UNAUDITED - See accompanying notes to financial statements.

VILLAGE OF RICHMOND, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 For the Year Ended June 30, 1999

| | <u>General</u> | <u>Special Revenue</u> | <u>Debt Service</u> | <u>Capital Projects</u> | <u>Memorandum Only</u> |
|--|-----------------|----------------------------|-------------------------|-----------------------------|----------------------------|
| REVENUES: | | | | | |
| Taxes | | | | | |
| Property | \$11,834 | \$ - | \$ - | \$ - | \$11,834 |
| Sales | | 119,448 | - | - | 119,448 |
| Fire Protection | 5,417 | - | - | - | 5,417 |
| Tobacco | 1,209 | - | - | - | 1,209 |
| Franchise | 12,846 | - | - | - | 12,846 |
| Other Licenses, Permits, Fines, Fees, etc. | 26,313 | - | - | - | 26,313 |
| Rent | 14,933 | - | - | - | 14,933 |
| Video Poker Income | 1,590 | - | - | - | 1,590 |
| Interest | 2,188 | 23,533 | 2,040 | 580 | 28,341 |
| Other Revenue | <u>1,089</u> | <u>-</u> | <u>-</u> | <u>30,000</u> | <u>31,089</u> |
| Total Revenues | <u>77,419</u> | <u>141,981</u> | <u>2,040</u> | <u>30,580</u> | <u>253,020</u> |
| EXPENDITURES: | | | | | |
| Current: | | | | | |
| General Government | 83,492 | - | - | - | 83,492 |
| Highways, Streets & Buildings | - | - | - | 147,575 | 147,575 |
| Miscellaneous | - | 1,512 | - | 217 | 1,729 |
| Capital Outlay | - | - | - | 3,165 | 3,165 |
| Debt Service: | | | | | |
| Principal Retirement | - | - | 8,000 | - | 8,000 |
| Interest & Fiscal Charges | <u>-</u> | <u>-</u> | <u>11,144</u> | <u>-</u> | <u>11,144</u> |
| Total Expenditures | <u>83,492</u> | <u>1,512</u> | <u>19,144</u> | <u>150,957</u> | <u>255,105</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | | | | | |
| | <u>(6,073)</u> | <u>142,469</u> | <u>(17,104)</u> | <u>(120,377)</u> | <u>(2,085)</u> |
| OTHER FINANCING SOURCES (USES): | | | | | |
| Operating Transfers In: | 11,813 | - | 19,252 | 109,952 | 141,017 |
| Operating Transfers Out: | <u>(13,940)</u> | <u>(127,077)</u> | <u>-</u> | <u>-</u> | <u>(141,017)</u> |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>2,127</u> | <u>(127,077)</u> | <u>19,252</u> | <u>109,952</u> | <u>0</u> |

UNAUDITED-See accompanying notes to financial statements.

VILLAGE OF RICHMOND, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 For the Year Ended June 30, 1999

| | <u>General</u> | <u>Special Revenue</u> | <u>Debt Service</u> | <u>Capital Project</u> | <u>Totals (Memorandum Only)</u> |
|---|------------------|----------------------------|-------------------------|----------------------------|---|
| EXCESS (DEFICIENCY) IN REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) AND EXPENDITURES AND OTHER FINANCING USES | (8,200) | 14,392 | 2,148 | (10,425) | (2,085) |
| FUND BALANCES, Beginning of Year | <u>74,239</u> | <u>438,713</u> | <u>42,071</u> | <u>34,765</u> | <u>589,788</u> |
| FUND BALANCES, End of Year | <u>\$ 66,039</u> | <u>\$453,105</u> | <u>\$ 44,219</u> | <u>\$ 24,340</u> | <u>\$587,703</u> |

UNAUDITED - See accompanying notes to financial statements.

VILLAGE OF RICHMOND, LOUISIANA
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL-GENERAL FUND
 For the Year Ended June 30, 1999

| | Budget | Actual | Variance Favorable (Unfavorable) |
|--|------------------|------------------|--|
| REVENUES: | | | |
| Taxes | | | |
| Property | \$12,250 | \$11,834 | \$(416) |
| Fire Protection | 6,000 | 5,417 | (583) |
| Tobacco | 1,500 | 1,209 | (291) |
| Franchise | 13,000 | 12,846 | (154) |
| Other Licenses, Permits, Fines Fees, etc. | 25,200 | 26,313 | 1,113 |
| Rent | 13,500 | 14,933 | 1,433 |
| Video Poker Income | 1,300 | 1,590 | 290 |
| Interest | 2,000 | 2,188 | 188 |
| Other Revenue | <u>1,000</u> | <u>1,089</u> | <u>89</u> |
| Total Revenues | 75,750 | 77,419 | 1,669 |
| EXPENDITURES: | | | |
| General Government | <u>86,250</u> | <u>83,492</u> | <u>2,758</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | | | |
| | (10,500) | (6,073) | 4,427 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers In | 10,500 | 11,813 | 1,313 |
| Transfers Out | <u>-</u> | <u>(13,940)</u> | <u>(13,940)</u> |
| | 10,500 | (2,127) | (12,627) |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES | | | |
| | - | (8,200) | (8,200) |
| FUND BALANCE, BEGINNING OF YEAR | | | |
| | <u>74,239</u> | <u>74,239</u> | <u>-</u> |
| FUND BALANCE, END OF YEAR | | | |
| | <u>\$ 74,239</u> | <u>\$ 66,039</u> | <u>\$(8,200)</u> |

UNAUDITED - See accompanying notes to financial statements.

VILLAGE OF RICHMOND, LOUISIANA
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL-SPECIAL REVENUE FUND
 For the Year Ended June 30, 1999

| | <u>Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) |
|---|------------------|------------------|--|
| REVENUES: | | | |
| Taxes - Sales | \$120,000 | \$119,448 | \$ (552) |
| Interest | <u>16,000</u> | <u>23,533</u> | <u>7,533</u> |
| Total Revenues | 136,000 | 142,981 | 6,981 |
| EXPENDITURES: | | | |
| Miscellaneous | <u>2,400</u> | <u>1,512</u> | <u>888</u> |
| EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES | 133,600 | 141,469 | 7,869 |
| OTHER FINANCING SOURCES (USES): | | | |
| Operating Transfers Out | <u>(110,000)</u> | <u>(127,077)</u> | <u>17,077</u> |
| EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES | 23,600 | 14,392 | (9,208) |
| FUND BALANCE, BEGIN OF YEAR | <u>430,833</u> | <u>438,713</u> | <u>7,880</u> |
| FUND BALANCE, END OF YEAR | <u>\$454,433</u> | <u>\$453,105</u> | <u>\$ (1,328)</u> |

UNAUDITED - See accompanying notes to financial statements.

VILLAGE OF RICHMOND, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Richmond, Louisiana have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies of the Village of Richmond are described below.

A. Reporting Entity:

In evaluating how to define the government, for financial reporting purposes previous management considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic-but not the only-criterion for including a potential component unit with the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, the Village has no component units that are to be included within the reporting entity.

B. Fund Accounting:

The government uses funds and account groups 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 related to certain functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, 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.

VILLAGE OF RICHMOND, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

B. Fund Accounting-Continued:

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

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

The modified accrual basis of accounting is used by all governmental fund types.

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. The government considers revenues as available if they are collected within sixty days after year end. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Those revenues susceptible to accrual are property taxes, franchise taxes, sewer fees, rents and interest revenue. Licenses and permits and sales taxes are not susceptible to accrual because generally they are not measurable until received in cash.

D. Budgets:

The Village of Richmond, Louisiana adopted a budget for the year ended June 30, 1999. The general purpose financial statements include a comparison of revenues and expenditures to budget for the General Fund and the Special Revenue Fund.

VILLAGE OF RICHMOND, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

E. Encumbrances:

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting-under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation-is not utilized in the governmental funds.

F. Cash

Cash includes amounts in demand deposits. Under state law, the Village may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state bank organized under Louisiana law and national banks having their principal offices in Louisiana.

G. Restricted Assets

Certain resources set aside for repayment of bonds, are classified as restricted assets on the general purpose financial statements because their use is limited by applicable bond covenants.

H. General Fixed Assets Account Group

Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group, rather than in governmental fund types. Public domain (infrastructure") general fixed assets including roads, bridges, curbs, and gutters, streets and sidewalks, drainage systems and lighting systems, are capitalized along with other general fixed assets. No depreciation has been provided on such assets.

All fixed assets are valued at historical cost. Donated assets are valued at their estimated fair value on the date of donation. Repairs and maintenance are recorded as expenditures, renewals and betterments are capitalized.

I. General Long-Term Debt Account Group

The General Long-Term Debt Account Group is used to account for long-term liabilities to be financed from governmental fund types.

VILLAGE OF RICHMOND, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

J. Fund Equity

Reserves represent those portions of fund equity not appropriate for expenditures or legally segregated for specific future use.

K. Property Taxes

Advalorem taxes were levied for 1998 at seven mills. These taxes, which attach as an enforceable lien on property as of January 1, are levied in October, become due on receipt and until December 31, 1998, and become delinquent on January 1 of the following year. The taxes are generally collected in December of the current year and January and February of the following year.

L. Compensated Absences

The Village of Richmond has four employees on a part-time basis. Employees only participate in the social security retirement system. The Village has no formal vacation policy. However, employees were given one or two weeks vacation by the Board of Aldermen for the year ended June 30, 1999. No vacation accrual was recorded since the Village has no liability to provide a vacation for employees.

M. Memorandum Only-Total Columns

Total columns on the general purpose financial 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 or results of operations in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

N. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates. The estimates are the responsibility of management. Actual results can differ from those estimated.

VILLAGE OF RICHMOND, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
 As of and for the Year Ended June 30, 1999

NOTE 2 - CASH AND CASH EQUIVALENTS

Cash and investments in certificates of deposit at June 30, 1999 were secured as follows:

| | <u>Demand Deposit</u> | <u>Certificates of Deposit</u> | <u>Total</u> |
|--|---------------------------|------------------------------------|------------------|
| <u>Carrying amount on Balance Sheet</u> | <u>\$192,780</u> | <u>\$395,434</u> | <u>\$588,214</u> |
| Insured (FDIC) or collateralized with securities held by the entity or its agent <u>in the entity's name</u> | \$124,340 | \$100,000 | \$224,340 |
| Collateralized with securities held by pledging financial institution's trust department or agency <u>in the entity's name</u> | <u>100,000</u> | <u>459,092</u> | <u>559,092</u> |
| Total FDIC Insurance and Pledged Securities | <u>\$224,340</u> | <u>\$559,092</u> | <u>\$783,432</u> |

As reflected in the Combined Balance Sheet, the Village of Richmond had cash and investments in certificates of deposit totaling \$192,780 and \$395,434, respectively. The bank balances at June 30, 1999 were \$588,397. Cash and investments are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or 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. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

VILLAGE OF RICHMOND, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
 As of and for the Year Ended June 30, 1999

NOTE 3 - FIXED ASSETS

A summary of the changes in general fixed assets is as follows:

| | Balance July 1, <u>1998</u> | Additions | Deletions | Balance June 30, <u>1999</u> |
|--------------------------------|-----------------------------------|-----------------|-------------|------------------------------------|
| Sewage plant & Improvements | \$241,846 | \$ 2,500 | \$ - | \$244,346 |
| Buildings & Improvements | 138,101 | - | - | 138,101 |
| Equipment | 23,466 | 665 | - | 24,131 |
| Streets & Improvements | 148,693 | - | - | 148,693 |
| Donated Property | <u>22,000</u> | <u>-</u> | <u>-</u> | <u>22,000</u> |
| | <u>\$574,106</u> | <u>\$ 3,165</u> | <u>\$ -</u> | <u>\$577,271</u> |

NOTE 4 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS

During 1990, the Village issued a \$200,000 Public Improvement Bond. The Bond was issued for the purpose of paying the costs of constructing, acquiring, extending and improving streets, roads, bridges, sewers and sewerage disposal works, drainage facilities, waterworks facilities, fire protection facilities and public buildings and acquiring the necessary land, equipment and furnishings for the aforesaid public works, improvements and facilities. Maturities are from October 1, 1990 to April 1, 2010 and has interest rates from 10 percent to 7.1 percent. This bond will be payable from and secured by the proceeds of a 2 percent sales and use tax.

The \$200,000 Public Improvement Bond Ordinance established the following funds of the Village for deposit and application of revenues of the system.

A. Special Revenue Fund-Sales Tax Fund

The Village will pay into the Fund all proceeds of the sales tax. Out of the funds on deposit in the Sales Tax Fund, the Village shall first pay all reasonable and necessary costs and expenses of collecting and administering the sales tax. After payment of such costs and expenses, 10 percent of the net proceeds of the sales tax can be used for any lawful purpose. Proceeds can also be used to make a required transfer to the Sales Tax Sinking Fund each month to cover principal and interest payments on outstanding bonds. Any surplus funds remaining after the above transactions may be used for any of the purposes for which the imposition of the taxes are authorized or for the purpose of retiring outstanding bonds.

VILLAGE OF RICHMOND, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
 As of and for the Year Ended June 30, 1999

NOTE 4 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS-CONTINUED

B. Debt Service Fund-Sales Tax Sinking Fund

Not later than the twentieth day of each month, commencing on April 20, 1990, the Village shall transfer a sum equal to one-sixth of the interest falling due on the next interest payment date and sum equal to one-twelfth of the principal falling due on the next principal date. The Village shall transfer from the Sinking fund to the paying agent bank, at least five business days in advance of the date on which payment of principal or interest fall due, funds sufficient to cover these amounts.

C. Debt Service Fund-Reserve Fund

Upon the delivery of the bonds, there shall be deposited into this fund and equal to the Reserve Fund Requirement. Monies preventing a default in the payment of principal and interest on the bonds.

The bond is due, in total years, by years as follows:

| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|------------|------------------|------------------|------------------|
| 1999-2000 | 9,000 | 10,576 | 19,576 |
| 2000-2001 | 9,000 | 9,928 | 18,928 |
| 2001-2002 | 10,000 | 9,271 | 19,271 |
| 2002-2003 | 11,000 | 8,541 | 19,541 |
| 2003-2004 | 12,000 | 7,738 | 19,738 |
| Thereafter | <u>94,000</u> | <u>25,477</u> | <u>119,477</u> |
| | <u>\$145,000</u> | <u>\$ 71,531</u> | <u>\$216,531</u> |

The following is a summary of general long-term debt of the Village for the year ended June 30, 1999.

| | 1989 Public Improvement Bond |
|----------------------------|---------------------------------------|
| BALANCE, beginning of year | \$153,000 |
| Additions | - |
| Reductions | <u>(8,000)</u> |
| BALANCE, end of year | <u>\$145,000</u> |

VILLAGE OF RICHMOND, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 1999

NOTE 5 - COMPENSATION PAID TO MAYOR AND ALDERMEN

There was no compensation paid to any Aldermen during the period. The Mayor was paid a salary totaling \$7,755 for the period.

NOTE 6 - LITIGATION AND CLAIMS

The Village of Richmond is not involved in any litigation or aware of any claims at June 30, 1999.

NOTE 7 - YEAR 2000 ISSUE

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the village's operations as early as fiscal year 1999.

The Village of Richmond is aware of the potential problems of year 2000. As of June 30, 1999, the Village of Richmond believes its PC computer and accounting software are Y2K compliant based on information obtained from suppliers.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Village is or will be Year 2000 ready, that the village's remediation efforts will be successful in whole or in part, or that parties with whom the village does business will be year 2000 ready.

Additional Information

Schedule 1

VILLAGE OF RICHMOND, LOUISIANA
 DEBT SERVICE FUNDS
 COMBINING BALANCE SHEET
 June 30, 1999

| | Sales Tax Sinking <u>Fund</u> | Reserve <u>Fund</u> | <u>Total</u> |
|--|-------------------------------------|------------------------|-----------------|
| ASSETS | | | |
| Cash-Restricted | \$7,066 | \$ - | \$ 7,066 |
| Restricted Assets (Certificate of Deposit) | - | 37,153 | 37,153 |
| Total Assets | <u>\$7,066</u> | <u>\$37,153</u> | <u>\$44,219</u> |
| FUND EQUITY | | | |
| Reserved for debt service | <u>\$7,066</u> | <u>\$37,153</u> | <u>\$44,219</u> |

VILLAGE OF RICHMOND, LOUISIANA
DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For The Year Ended June 30, 1999

| | Sales Tax Sinking Fund | Reserve Fund | Total |
|---|------------------------------|-----------------|-----------------|
| REVENUES | | | |
| Interest | \$ 237 | \$1,803 | \$ 2,040 |
| Total Revenues | <u>237</u> | <u>\$1,803</u> | <u>2,040</u> |
| EXPENDITURES | | | |
| Debt Service: | | | |
| Principal retirement | 8,000 | - | 8,000 |
| Interest and fiscal charges | <u>11,144</u> | <u>-</u> | <u>11,144</u> |
| Total Expenditures | <u>19,144</u> | <u>-</u> | <u>19,144</u> |
| OTHER FINANCING SOURCES | | | |
| Operating transfers in | <u>19,252</u> | <u>-</u> | <u>19,252</u> |
| Excess (Deficiency) in revenues and other financing sources over expenditures and other financing uses | 345 | 1,803 | 2,148 |
| FUND BALANCES, beginning of year | <u>6,721</u> | <u>35,350</u> | <u>42,071</u> |
| FUND BALANCES, end of year | <u>\$ 7,066</u> | <u>\$37,153</u> | <u>\$44,219</u> |

UNAUDITED - See accompanying notes to financial statements.

VILLAGE OF RICHMOND, LOUISIANA
SCHEDULE OF GENERAL FUND REVENUE AND EXPENDITURES
For the Year Ended June 30, 1999

REVENUE:

| | | |
|--------------------------------------|---------------|-----------------|
| Property Taxes | | \$11,834 |
| Fire Protection | | 5,417 |
| Tobacco | | 1,209 |
| Franchise | | 12,846 |
| Other Licenses, Permits, Fines, etc. | | |
| Occupational License | \$9,744 | |
| Building Permits | 2,375 | |
| Traffic Fines | 1,520 | |
| Sewer Fees | <u>12,674</u> | |
| Total | | 26,313 |
| Building Rent | | 6,500 |
| Civic Center Rent | | 8,433 |
| Video Poker | | 1,590 |
| Interest | | 2,188 |
| Other Revenue | | <u>1,089</u> |
| Sub-Total | | 77,419 |
| Transfers In | | 11,813 |
| Transfers Out | | <u>(13,940)</u> |
| | | |
| Total Revenue | | <u>75,292</u> |

EXPENDITURES:

| | | |
|---|--|-------------------|
| Salaries | | 34,937 |
| Advertising | | 715 |
| Bank, Bond, & Court Fees | | 1,186 |
| Fire Protection Service | | 5,500 |
| Fuel and Oil | | 1,621 |
| Insurance | | 4,540 |
| Legal, Accounting and Professional | | 3,251 |
| Office Expense | | 3,106 |
| Postage | | 419 |
| Recreation-Ball Field | | 300 |
| Repairs & Maintenance | | 8,401 |
| Supplies-Police | | 741 |
| Payroll Taxes | | 2,722 |
| Telephone | | 981 |
| Travel | | - |
| Dues and Subscriptions | | 599 |
| Uniforms | | 455 |
| Utilities | | 12,693 |
| Contract Labor | | <u>1,325</u> |
| | | |
| Total Expenditures | | <u>83,492</u> |
| | | |
| Total Revenue in Excess of Expenditures | | <u>\$ (8,200)</u> |

UNAUDITED-See accompanying notes to financial statements.

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611 MADELINE • P.O. BOX 854
RAYVILLE, LOUISIANA 71269
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RESIDENCE: (318) 728-6160

Independent Accountant's Report
on Applying Agreed-Upon Procedures

Honorable Mayor and Members of
the Board of Aldermen
Village of Richmond, 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 Richmond 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 June 30, 1999 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, 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 \$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).

No individual expenditures were made during the year for materials and supplies that exceeded \$5,000 or were made for public works projects exceeding \$100,000.

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.

Management provided me with the required list including the noted information.

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

Management provided me with the required list.

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.

None of the employees included on the list of employees provided by management [agreed-upon procedure (3)] appeared on the list provided by management in agreed-upon procedure (2).

Budgeting

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

Management provided me with a copy of the original budget and all amendments made to the budget 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 June 29, 1998 which indicated that the budget had been adopted by the Board of Aldermen of the Village of Richmond by a vote of all in favor. The two amendments made were approved at meetings held on March 12, 1999 and June 16, 1999.

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

I compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures for the year did not exceed 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

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

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

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the mayor. The mayor indicated his approval by signing the check paying the expenditure.

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 of Richmond is only required to post a notice of each meeting and the accompanying agenda on the door of the district's office building. Management posted a notice of each meeting on the door of the office including an agenda for the meeting.

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.

I inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

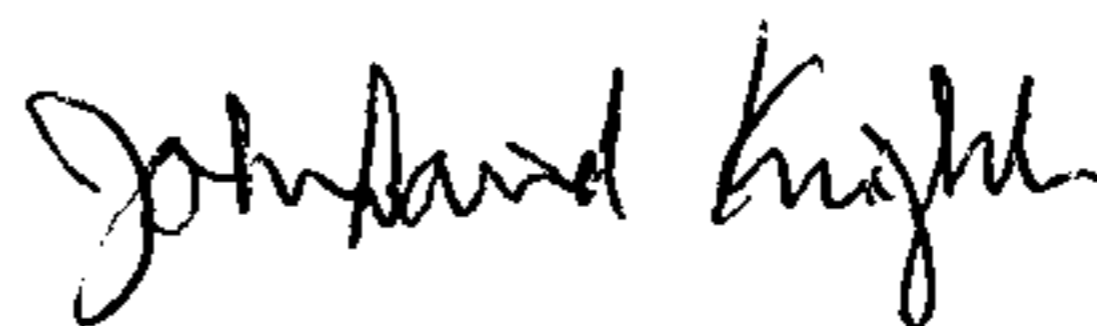
Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advance, or gifts.

A reading of the minutes of the Village of Richmond for the year indicated no approval for any bonus, advance, or gift. 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 management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, others 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 Richmond 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.



December 28, 1999

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)
 December 28, 1999 (Date Transmitted)

 John David Knight, CPA

 611 Madeline St.

 Rayville, La. 71269

(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 June 30, 1999 (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 [x] 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 [x] 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 [x] 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 [x] 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 [x] No []

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

Yes [x] No []

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

Yes [x] No []

Meetings

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

Yes [x] 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 [x] 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 [x] 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.

Amieus Ellis CITY CLERK
~~Secretary~~ 12/28/99 Date

Robert F. Swell Sr. Treasurer 12/28/99 Date
MAYOR
President

Village Of Richmond, Louisiana

Summary Schedule of Prior Findings
For the Year Ended June 30, 1999

| Ref. No. | Fiscal Year Finding Initially Occurred | Description Of Finding | Corrective Action Taken (Yes, No, Partially) | Planned Corrective Action/Partial Corrective Action Taken | Additional Explanation |
|----------|--|---|--|---|------------------------|
| <u>1</u> | <u>6/30/98</u> | <u>City Clerk should take acctg. course</u> | <u>Yes</u> | <u>City Clerk took one accounting course at Tallulah Tech College, Tallulah</u> | |
| <u>2</u> | <u>6/30/98</u> | <u>Determine that software is Y2K compliant</u> | <u>Yes</u> | <u>ACC-PAC indicated that its software is Y2K compliant</u> | |

Village of Richmond, Louisiana

Corrective Action Plan for
 Current Year Findings
 For the Year Ended June 30, 1999

| <u>Ref. No.</u> | <u>Description of Finding</u> | <u>Corrective Action Planned</u> | <u>Name(s) of Contact Person(s)</u> | <u>Anticipated Completion Date</u> |
|-----------------|---|---|---|------------------------------------|
| <u>1</u> | <u>City Clerk should take an additional actg course</u> | <u>Enrolled in An additional course. will be taken if time permits</u> | <u>Genevieve Ellis</u> | <u>Unknown</u> |
| <u>2</u> | <u>Written quotes are not always solicited for public works projects in excess of \$10,000.</u> | <u>Written quotes will be solicited for all public works projects involving more than \$10,000.</u> | <u>Genevieve Ellis & Robert Kivett, Sr.</u> | <u>12/31/99</u> |

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Honorable Mayor and Members of
the Board of Aldermen
Village of Richmond, Louisiana

MANAGEMENT LETTER

I have compiled the financial statements and performed the procedures listed in the Louisiana Government Audit Guide as agreed upon by the management of the Village and the Legislative Auditor, State of Louisiana, for the year ended June 30, 1999, and have issued my reports on the financial statements dated December 28, 1999.

As a result of planning and performing the compilation/attestation, certain matters have come to my attention, that is not reflected in any of the aforementioned reports, which I feel worthy of consideration by management. These matters are presented below:

1. Accounting Training for City Clerk

I believe that it would improve the operating and financial activities of the Village if the City Clerk would enroll in an additional accounting course at Tallulah Technical College. They have classes that start at 8:00 a.m., so the City Clerk should not have to miss very much work. I suggest accounting 120 and 130. Often employers reimburse the cost of job related courses so the Village of Richmond may wish to consider reimbursing the tuition and books for successfully completed accounting courses.

2. Written Quotations for Public Works Projects

Contracts for public works projects less than \$100,000 but more than \$10,000 require that requests for quotes shall be sent out to at least five *bona fide* qualified bidders. Other required procedures are set forth in the Public Bid Law Section E(1)(A). Public works contracts of \$100,000 or more require that the Public Bid Law be followed.

Certain street improvements were made in the current fiscal year. Quotes were obtained for the initial project. Two additional projects were performed later in the year using the original contractor (without obtaining additional quotes).

Management felt that the original contractor was competitive and management has had difficulty getting quotes for small projects in a rural area.

Prior Comments and Recommendations:

Item 1 - City Clerk should take an accounting course.

Mrs. Ellis took accounting 110 and made a grade of B in the course. The course helped her. Accounting 120 and 130 would increase her skill level.

Item 2 - Determine that accounting software is Y2K compliant.

ACC-PAC provided a written statement that their software is Y2K compliant.

As always, I wish to express my appreciation to you and your staff for all the courtesy and assistance I received during this year's compilation/attestation. I hope that this year's comments and recommendations will further assist you in enhancing the Village's financial management.

Sincerely,

A handwritten signature in cursive script that reads "John David Knight". The signature is written in dark ink and is positioned above the printed name.

John David Knight
Certified Public Accountant

December 28, 1999