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VILLAGE OF BELCHER

BELCHER, LOUISIANA

DECEMBER 31, 1998

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Release Date ~~JUN 09 1999~~

VILLAGE OF BELCHER

BELCHER, LOUISIANA

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April 26, 1999

Village of Belcher
Belcher, Louisiana

We have compiled the accompanying general purpose financial statements of the Village of Belcher, as of and for the year ended December 31, 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 Belcher. 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 April 26, 1999, on the results of our agreed-upon procedures.

Heard, McElroy & Vestal, LLP

VILLAGE OF BELCHER

COMBINED BALANCE SHEET-GENERAL FUND AND ACCOUNT GROUPS

DECEMBER 31, 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	27,977	-	27,977
Cash-restricted-Note 2	5,877	-	5,877
Certificates of deposit-Note 2	82,688	-	82,688
Land, building and equipment-Note 4	-	192,385	192,385
Accrued interest receivable	<u>3,681</u>	<u>-</u>	<u>3,681</u>
Total assets	<u>120,223</u>	<u>192,385</u>	<u>312,608</u>
 <u>LIABILITIES AND FUND EQUITY</u>			
<u>Liabilities:</u>			
Accounts payable	<u>2,268</u>	<u>-</u>	<u>2,268</u>
Total liabilities	2,268	-	2,268
 <u>Fund equity:</u>			
Investment in general fixed assets	-	192,385	192,385
 Fund balance-unreserved:			
Undesignated	112,078	-	112,078
Fund balance-reserved	<u>5,877</u>	<u>-</u>	<u>5,877</u>
Total fund balance	<u>117,955</u>	<u>192,385</u>	<u>117,955</u>
Total liabilities and fund equity	<u>120,223</u>	<u>192,385</u>	<u>312,608</u>

See Accountants' Compilation Report

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

VILLAGE OF BELCHER

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE-

GOVERNMENTAL FUND TYPE

FOR THE YEAR ENDED DECEMBER 31, 1998

	<u>General Fund</u>
<u>Revenue:</u>	
Franchise fees	6,612
Intergovernmental-Note 3	76,746
Licenses and permits	10,590
Interest	4,742
Miscellaneous	637
Street lights	960
Total revenues	<u>100,287</u>
<u>Expenditures:</u>	
Utilities	8,024
Maintenance and repairs	9
Payroll	1,662
Weed control	650
Insurance	1,837
Dues	481
Office	362
Miscellaneous	1,254
Legal	240
Capital improvements	75,153
Taxes	280
Total expenditures	<u>89,952</u>
<u>Excess of revenues over expenditures</u>	10,335
<u>Fund balance:</u>	
Balance at beginning of year	<u>107,620</u>
Balance at end of year	<u>117,955</u>

See Accountants' Compilation Report

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

VILLAGE OF BELCHER

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE-

BUDGET (GAAP BASIS) AND ACTUAL-GOVERNMENTAL FUND TYPE

FOR THE YEAR ENDED DECEMBER 31, 1998

	<u>General Fund</u>		Variance
	<u>Actual</u>	<u>Budget</u>	Favorable (Unfavorable)
<u>Revenue:</u>			
Franchise fees	6,612	6,400	212
Intergovernmental	76,746	76,746	-
License and permits	10,590	10,889	(299)
Interest	4,742	200	4,542
Miscellaneous	637	345	292
Street lights	<u>960</u>	<u>1,020</u>	<u>(60)</u>
Total revenue	100,287	95,600	4,687
<u>Fund balance-beginning of year</u>	107,620	107,620	-
<u>Expenditures:</u>			
Utilities	8,024	8,000	(24)
Maintenance and repairs	9	3,750	3,741
Payroll	1,662	1,800	138
Weed control	650	750	100
Insurance	1,837	2,750	913
Dues	481	625	144
Office	362	500	138
Miscellaneous	1,254	1,225	(29)
Legal	240	500	260
Capital improvements	75,153	75,400	247
Taxes	<u>280</u>	<u>300</u>	<u>20</u>
Total expenditures	<u>89,952</u>	<u>95,600</u>	<u>5,648</u>
<u>Fund balance-end of year</u>	<u>117,955</u>	<u>107,620</u>	<u>10,335</u>

See Accountants' Compilation Report

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

VILLAGE OF BELCHER

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1998

1. Organization and Significant Accounting Policies

Organization

The Village of Belcher 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 Belcher 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 Belcher 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 Belcher:

GOVERNMENTAL FUNDS

Governmental funds account for all or most of the Village of Belcher'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 Belcher 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 Belcher. 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 Belcher are held by area financial institutions. At December 31, 1998, the carrying amount of the Village of Belcher cash demand deposit was \$13,870 and the bank balance was \$13,976. The difference is due to deposits in transit and outstanding checks. In addition, the Village of Belcher owned a money market account with a balance of \$14,107 and a certificate of deposit of \$82,688.

The restricted amount of cash is \$5,877 at December 31, 1998. This is remaining cash that has been received from a local government for library improvements.

3. Intergovernmental Revenues

The following governmental entities provided funding for the Village of Belcher during the year ended December 31, 1998:

State of Louisiana-tobacco tax	1,346
City of Shreveport	<u>75,400</u>
	<u>76,746</u>

4. General Fixed Asset Group

A summary of general fixed assets by source follows:

General fund revenues	83,246
Rural development funds	37,000
Library grant funds	<u>72,139</u>
Total general fixed assets	<u>192,385</u>

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OF COUNSEL
GILBERT R. STANLEY, JR., CPA

April 26, 1999

The Honorable Jennifer Fant, Mayor
Village of Belcher
Belcher, Louisiana 71004

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 Belcher, 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 Belcher's compliance with certain laws and regulations during the year ended December 31, 1998 included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Federal, State, and Local Awards

1. We determined the amount of federal, state, and local award expenditures for the fiscal year, by grant and grant year.

Library Grant Award \$75,400 for the year ended December 31, 1998.

2. For each award, we randomly selected six disbursements from each award administered during the period under examination, provided that no more than 30 disbursements would be selected.
3. For the items selected in Procedure 2, we traced 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.

4. For the items selected in Procedure 2, we determined if the six disbursements were properly coded to the correct fund and general ledger account.

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 determined 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. We found all to be 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 Procedure 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.

The program tested in Procedure 2 above has not yet been closed out.

Meetings

8. We examined 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 Belcher is only required to post a notice of each meeting and the accompanying agenda on the door of the Village Hall. Management has asserted that such documents were properly posted. We saw several meeting notices on the sign outside the Village Hall before the appropriate meeting.

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 Belcher provided comprehensive budgets to the applicable state grantor agencies for the program 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 that have not been resolved by management.

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 Belcher, 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.

Beard, McElroy & Vestal, LLP

Village of Belcher

P.O. Box 306
Belcher, LA 71004
AUDITOR

99 JUN -7 AM 11:31

April 26, 1999

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

Dear Sirs,

In connection with your compilation of our financial statements as of December 31, 1998 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of April 26, 1999.

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

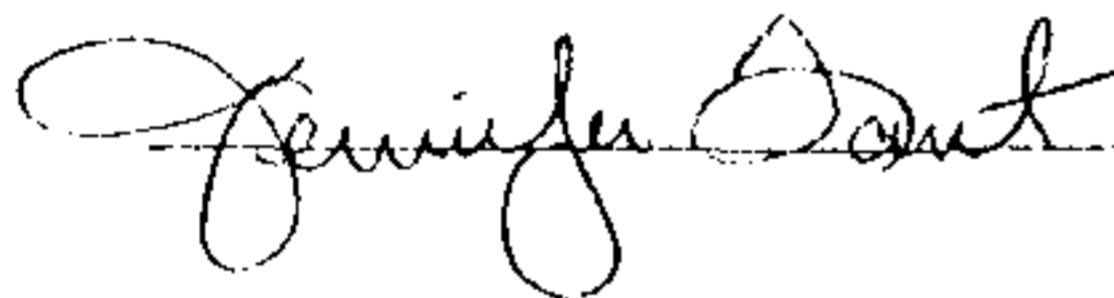
We have resolved all prior-year recommendations and/or comments.
Yes No

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

 _____
Mayor 4-28-99 Date