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**TOWN OF EROS  
Eros, Louisiana**

**General Purpose Financial Statements  
With Accountant's Compilation Report  
and Agreed-Upon Procedures Report  
As of and for the Year Ended  
December 31, 1999  
With Supplemental Information Schedules**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 MAY 10 2000

**TOWN OF EROS**  
Eros, Louisiana

**General Purpose Financial Statements  
With Accountant's Compilation Report  
and Agreed-Upon Procedures Report  
As of and for the Year Ended December 31, 1999  
With Supplemental Information Schedules**

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*M. Carleen Dumas*  
CERTIFIED PUBLIC ACCOUNTANT

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**Accountant's Compilation Report**

MAYOR AND BOARD OF ALDERMEN  
TOWN OF EROS  
Eros, Louisiana

I have compiled the accompanying general purpose financial statements and supplemental information schedules, as listed in the foregoing table of contents, of the Town of Eros as of December 31, 1999, and for the year then ended, in accordance with standards established by *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 and schedules, information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any form of assurance on them.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, I have issued a report dated April 18, 2000, on the results of my agreed-upon procedures.

*Carleen Dumas*

Calhoun, Louisiana  
April 18, 2000

**GENERAL PURPOSE FINANCIAL STATEMENTS  
(OVERVIEW)**

TOWN OF EROS  
 Eros, Louisiana  
 ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet. December 31, 1999

	GOVERNMENTAL .....FUND TYPE.....				ACCOUNT GROUP-	TOTAL
	EROS	PROPRIETARY	ACCOUNT		(MEMORANDUM	
	VOLUNTEER	FUND TYPE-	GROUP-		ONLY)	
	FIRE DEPARTMENT	UTILITIES	GENERAL			
	SPECIAL	ENTERPRISE	FIXED			
	REVENUE FUND	FUND	ASSETS			
	GENERAL					
	FUND					
Cash	\$79,037	\$46,382			\$125,419	
Accounts receivable	2,526	3,648			6,174	
Due from General Fund		2,227			2,227	
Total current assets	81,563	52,257	NONE		133,820	
Investments	2,540				24,787	
Restricted assets - investments		5,020			5,020	
Property, plant and equipment (net of accumulated depreciation)		689,691		\$144,010	833,701	
<b>TOTAL ASSETS</b>	<b>\$84,103</b>	<b>\$746,968</b>		<b>\$144,010</b>	<b>\$997,328</b>	

**LIABILITIES AND FUND EQUITY**

Liabilities:					
Current liabilities (payable from current assets):					
Accounts payable	\$216	\$590			\$806
Payroll deductions payable		400			400
Due to Utilities Enterprise Fund	2,227				2,227

(Continued)  
 See accompanying notes and accountant's compilation report.

TOWN OF EROS  
 Eros, Louisiana  
 ALL FUND TYPES AND ACCOUNT GROUPS  
 Combined Balance Sheet, December 31, 1999

	GOVERNMENTAL FUND TYPE.....	EROS VOLUNTEER FIRE DEPARTMENT SPECIAL REVENUE FUND	PROPRIETARY FUND TYPE- UTILITIES ENTERPRISE FUND	ACCOUNT GROUP- GENERAL FIXED ASSETS	TOTAL (MEMORANDUM ONLY)
Liabilities (Contd.):					
Total current liabilities (payable from current assets)	\$2,443	NONE	\$990	NONE	\$3,433
Current liabilities (payable from restricted assets) - customer deposits					
Total liabilities	<u>2,443</u>	<u>NONE</u>	<u>7,929</u>	<u>NONE</u>	<u>7,929</u>
Fund Equity:					
Investment in general fixed assets	NONE	NONE	NONE	\$144,010	144,010
Contributed capital	NONE	NONE	892,976	NONE	892,976
Retained earnings (deficit):					
Reserved for customer deposits			2,909		2,909
Unreserved - undesignated			(157,836)		(157,836)
Total retained earnings	<u>NONE</u>	<u>NONE</u>	<u>(154,927)</u>	<u>NONE</u>	<u>(154,927)</u>
Fund balance - unreserved - undesignated	81,660	\$22,247			103,907
Total Fund Equity	<u>81,660</u>	<u>22,247</u>	<u>738,049</u>	<u>144,010</u>	<u>985,966</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$84,103</u>	<u>\$22,247</u>	<u>\$746,968</u>	<u>\$144,010</u>	<u>\$997,328</u>

(Concluded)

See accompanying notes and accountant's compilation report.

TOWN OF EROS  
Eros, Louisiana  
GOVERNMENTAL FUND TYPE

Combined Statement of Revenues, Expenditures, and  
Changes in Fund Balances  
For the Year Ended December 31, 1999

	GENERAL FUND	EROS VOLUNTEER FIRE DEPARTMENT SPECIAL REVENUE FUND	LOUISIANA COMMUNITY DEVELOPMENT BLOCK GRANT CAPITAL PROJECTS FUND	TOTAL (MEMORANDUM ONLY)
<b>REVENUES</b>				
Taxes:				
Sales	\$9,238			9,238
Franchise	3,117			3,117
Occupational licenses	11,709			11,709
Intergovernmental:				
Federal funds			\$52,796	52,796
State funds	1,171			1,171
Fees, charges, and commissions for services	3,854			3,854
Traffic fines	30,915			30,915
Use of money and property:				
Interest	2,048	\$1,292		3,340
Rent	2,962			2,962
Other revenues	230			230
Total revenues	<u>65,244</u>	<u>1,292</u>	<u>52,796</u>	<u>119,332</u>
<b>EXPENDITURES</b>				
General government:				
Current:				
Personal services and related benefits	16,793			16,793
Operating services	8,363			8,363
Materials and supplies	2,390			2,390
Other	4,140			4,140
Total general government	<u>31,686</u>	<u>NONE</u>	<u>NONE</u>	<u>31,686</u>

(Continued)

See accompanying notes and accountant's compilation report.



## TOWN OF EROS

Eros, Louisiana

## GOVERNMENTAL FUND TYPE

Combined Statement of Revenues, Expenditures, and

Changes in Fund Balances

For the Year Ended December 31, 1999

	GENERAL FUND	EROS VOLUNTEER FIRE DEPARTMENT SPECIAL REVENUE FUND	LOUISIANA COMMUNITY DEVELOPMENT BLOCK GRANT CAPITAL PROJECTS FUND	TOTAL (MEMORANDUM ONLY)
<b>EXPENDITURES (Contd.):</b>				
Public safety - current:				
Personal services and related benefits	\$13,712			\$13,712
Operating services	4,418			4,418
Materials and supplies	984			984
Total public safety	19,114	NONE	NONE	19,114
Capital outlay	4,419			4,419
Facilities acquisition and construction			\$52,796	52,796
Total expenditures	55,219	NONE	52,796	103,596
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	10,025	\$1,292	NONE	15,736
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	71,635	20,955	NONE	196,645
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$81,660</u>	<u>\$22,247</u>	<u>NONE</u>	<u>\$212,381</u>

(Concluded)

See accompanying notes and accountant's compilation report.

TOWN OF EROS  
Eros, Louisiana  
GOVERNMENTAL FUND TYPE

Combined Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Budget (GAAP Basis) and Actual  
For the Year Ended December 31, 1999

	.....GENERAL FUND.....		.....SPECIAL REVENUE FUND.....	
	BUDGET	ACTUAL	BUDGET	ACTUAL
			VARIANCE FAVORABLE	VARIANCE FAVORABLE
			(UNFAVORABLE)	(UNFAVORABLE)
<b>REVENUES</b>				
Taxes:				
Sales	\$3,500	\$9,238	\$5,738	
Franchise	1,000	3,117	2,117	
Occupational licenses	10,000	11,709	1,709	
Intergovernmental - state funds:				
Tobacco tax	700	957	257	
Beer tax	300	214	(86)	
Fees, charges, and commissions for services		3,854	3,854	
Traffic fines	14,000	30,915	16,915	
Use of money and property:				
Interest	800	2,048	1,248	\$800
Rent		2,962	2,962	\$1,292
Other revenues	1,500	230	(1,270)	\$492
Total revenues	31,800	65,244	33,444	800
				1,292
				492

(Continued)

See accompanying notes and accountant's compilation report.

TOWN OF EROS  
 Eros, Louisiana  
 GOVERNMENTAL FUND TYPE  
 Combined Statement of Revenues, Expenditures, and  
 Changes in Fund Balances - Budget (GAAP Basis) and Actual  
 For the Year Ended December 31, 1999

	.....GENERAL FUND.....			.....EROS VOLUNTEER FIRE DEPARTMENT SPECIAL REVENUE FUND.....		
	BUDGET	ACTUAL	VARIANCE (UNFAVORABLE) FAVORABLE	BUDGET	ACTUAL	VARIANCE (UNFAVORABLE) FAVORABLE
<b>EXPENDITURES</b>						
General government	\$12,500	\$31,686	(\$19,186)			
Streets and drainage	5,000		5,000			
Public safety	14,000	19,114	(5,114)	\$800		800
Recreation	300		300			
Capital outlay		4,419	(4,419)			
Total expenditures	<u>31,800</u>	<u>55,219</u>	<u>(23,419)</u>	<u>800</u>	<u>NONE</u>	<u>800</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	NONE	10,025	10,025	NONE	1,292	1,292
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>60,000</u>	<u>71,635</u>	<u>11,635</u>	<u>21,024</u>	<u>20,955</u>	<u>(69)</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$60,000</u>	<u>\$81,660</u>	<u>\$21,660</u>	<u>\$21,024</u>	<u>\$22,247</u>	<u>\$1,223</u>

(Concluded)  
 See accompanying notes and accountant's compilation report.

TOWN OF EROS  
Eros, Louisiana  
PROPRIETARY FUND TYPE -  
UTILITIES ENTERPRISE FUND

Statement of Revenues, Expenses, and  
Changes in Retained Earnings  
For the Year Ended December 31, 1999

**OPERATING REVENUES**

Water sales	\$30,797
Sewer charges	4,797
Other operating revenues	1,564
Total operating revenues	<u>37,158</u>

**OPERATING EXPENSES**

Salaries	10,642
Utilities	6,594
Materials and supplies	2,854
Fees and dues	425
Insurance	1,803
Payroll taxes	814
Testing fees	526
Maintenance and repairs	338
Depreciation	28,873
Other operating expenses	2,490
Total operating expenses	<u>55,359</u>

**OPERATING INCOME (Loss)** (18,201)

**NON-OPERATING REVENUES (Expenses)**

Earnings on bank deposits 1,316

**NET INCOME (Loss)** (16,885)

**RETAINED EARNINGS (Deficit) AT BEGINNING OF YEAR** (138,042)

**RETAINED EARNINGS (Deficit) AT END OF YEAR** (\$154,927)

See accompanying notes and accountant's compilation report.

TOWN OF EROS  
Eros, Louisiana  
PROPRIETARY FUND TYPE -  
UTILITIES ENTERPRISE FUND

Statement of Cash Flows  
For the Year Ended December 31, 1999

**CASH FLOWS FROM OPERATING ACTIVITIES**

Operating Loss	<u>(\$18,201)</u>
Adjustments to Reconcile Operating Loss to Net Cash	
Provided (Used) by Operating Activities:	
Depreciation	28,873
Increase in accounts receivable	(718)
Increase in customer deposits	107
Decrease in accounts and withholdings payable	(112)
Increase in due from other funds	(2,227)
Decrease in due to other funds	<u>(2,740)</u>
Total adjustments	<u>23,183</u>
Net cash provided by operating activities	<u>4,982</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest earnings	1,316
Increase in investment	<u>(249)</u>
Net cash used by investing activities	<u>1,067</u>
<b>NET INCREASE IN CASH</b>	<b>6,049</b>
<b>CASH AT BEGINNING OF PERIOD</b>	<u>40,333</u>
<b>CASH AT END OF PERIOD</b>	<u><u>\$46,382</u></u>

See accompanying notes and accountant's compilation report.

TOWN OF EROS  
Eros, Louisiana

Notes to the Financial Statements  
As of and for the Year Ended December 31, 1999

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Town of Eros was incorporated under the provisions of the Lawrason Act. The town is governed by the mayor-board of aldermen form of government. The mayor and aldermen serve four-year terms that expire on December 31, 2000, and receive a \$50 per diem for attending each regular and special meeting. The town provides public safety, public works and general government services to its residents. The town has an elected Chief of Police and two other employees.

**A. BASIS OF PRESENTATION**

The accompanying general purpose financial statements of the Town of Eros have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for established governmental accounting and financial reporting principles.

**B. REPORTING ENTITY**

As the governing authority of the town, for reporting purposes, the Town of Eros is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (the town), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Town of Eros for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and:

See accountant's compilation report

TOWN OF EROS

Eros, Louisiana

Notes to the Financial Statements (Continued)

- a. The ability of the town to impose its will on that organization, and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the town.
2. Organizations for which the town does not appoint a voting majority but are fiscally dependent on the town.
  3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the town has determined that there are no component units that are part of the reporting entity.

**C. FUND ACCOUNTING**

The town 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 government 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 (general fixed assets and general long-term debt) that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate fund types. The fund classifications and description of each existing fund type follows:

**Governmental Funds**

See accountant's compilation report

TOWN OF EROS

Eros, Louisiana

Notes to the Financial Statements (Continued)

Governmental funds are used to account for all or most of the town's general activities, including the collection and disbursement of legally restricted monies. Governmental funds of the district include the following:

**General Fund**

The General fund is the general operating fund of the town. It accounts for all financial resources, except those required to be accounted for in the other funds.

**Special Revenue - Eros Volunteer Fire Department Fund**

The Eros Volunteer Fire Department Fund is used to account for financial resources to be used in providing fire protection to the residents of the town.

**Capital Projects - Louisiana Community Development Block Grant Fund**

The Louisiana Development Block Grant Fund is used to account for a federal grant from the United States Department of Housing and Urban Development, passed through the State of Louisiana Office of Community Development for sewer improvements.

**Proprietary Funds**

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary funds include:

**Utilities Enterprise Fund**

The Utilities Enterprise fund is used to account for operation of the town's water and sewer system. The use of enterprise funds is appropriate where the intent of the governing body

See accountant's compilation report



TOWN OF EROS

Eros, Louisiana

Notes to the Financial Statements (Continued)

is that the cost (expenses, including depreciation) of providing services to customers in the town on a continuing basis be financed or recovered primarily through user charges.

**D. 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 for 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 for reporting all governmental funds. The town uses the following practices in recognizing and reporting revenues and expenditures:

**Revenues**

Sales taxes are recognized when they are in the hands of the collecting agency.

Franchise taxes and intergovernmental revenues are recorded when the town is entitled to the funds.

Interest income on bank deposits, is recorded when the interest has been earned and the amount is determinable.

Substantially all other revenues are recorded when they become available to the town.

Based on the above criteria, taxes and intergovernmental revenues are treated as susceptible to accrual.

**Expenditures**

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

See accountant's compilation report

**TOWN OF EROS**

Eros, Louisiana

**Notes to the Financial Statements (Continued)**

The Utilities Enterprise Fund is accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and liabilities associated with the operation of this fund are included on the balance sheet. The Utilities Enterprise Fund uses the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized at the time liabilities are incurred. Water sales and sewer charges are recognized in the period the service is provided to the customer. Salaries and other expenses are recognized when incurred.

**E. BUDGET PRACTICES**

A proposed budget for the General Fund and Eros Volunteer Fire Department Special Revenue Fund, prepared on the modified accrual basis of accounting, is presented to the board of aldermen in November each year. The budget then is legally adopted by the board of aldermen and amended during the year as necessary. Budgets are established and controlled by the board at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended.

Formal budgetary integration is not employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts. There were no budget amendments during the year.

**F. CASH**

Cash includes amounts in interest-bearing demand deposits and petty cash. Under state law, the town may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with banks organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States.

**G. INVESTMENTS**

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the town's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are

See accountant's compilation report

TOWN OF EROS  
Eros, Louisiana  
Notes to the Financial Statements (Continued)

classified as cash equivalents. At December 31, 1999, the district's investments consist of nonnegotiable certificates of deposits with original maturities that exceed 90 days that are reported in the accompanying financial statements at cost.

**H. RESTRICTED ASSETS**

*Certain resources of the Utilities Enterprise Fund set aside for the refunding of customer deposits are classified as restricted assets on the balance sheet because their use is limited.*

**I. FIXED ASSETS**

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. All fixed assets are valued at historical cost or estimated cost based on the actual costs of like items. Public domain (infrastructure) general fixed assets consisting of roads, bridges, drainage, parking lots, etc. are not capitalized, as these assets are immovable and of value only to the town. No depreciation has been provided on *general fixed assets*.

Fixed assets of the Utilities Enterprise Fund are included on the balance sheet of the fund net of accumulated depreciation. Depreciation of all exhaustible fixed assets is charged as an expense against operations. Depreciation is computed using the straight-line method over estimated useful lives of 33 years for the water and sewer systems and from 3 to 10 years for equipment.

**J. CONTRIBUTED CAPITAL**

Grants, entitlements, or shared revenues that are restricted for the acquisition or construction of capital assets are recorded as contributed capital. Contributed capital is not amortized based on the depreciation recognized on that portion of the assets acquired from such contributions.

TOWN OF EROS  
Eros, Louisiana  
Notes to the Financial Statements (Continued)

**K. ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**L. SALES TAX**

On April 29, 1989, the voters of the Town of Eros approved a one cent sales tax for a period of ten years beginning on July 1, 1989, for the purpose of the General Fund.

**M. TOTAL COLUMN ON THE  
COMBINED STATEMENTS**

The total columns on the combined statements are captioned Memorandum Only (overview) 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. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**2. FUND DEFICIT**

The Utilities Enterprise Fund's deficit balance in retained earnings of \$157,836, is a result of revenues inadequate to cover expenses including depreciation in past years. This deficit in retained earnings is offset by contributed capital in the amount of \$892,976.

**3. CASH**

At December 31, 1999, the district has cash (book balances) totaling \$125,419, as follows:

Interest bearing demand deposits	\$125,319
Petty cash	<u>100</u>
Total	<u>\$125,419</u>

See accountant's compilation report

TOWN OF EROS

Eros, Louisiana

Notes to the Financial Statements (Continued)

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) 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 securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at December 31, 1999, are secured as follows:

Bank Balances	<u>\$155,227</u>
Federal deposit insurance	129,808
Pledged securities (uncollateralized)	<u>99,545</u>
Total	<u>\$229,353</u>

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the town, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106; however, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the town that the fiscal agent bank has failed to pay deposited funds upon demand.

4. RECEIVABLES

The following is a summary of receivables at December 31, 1999:

	General Fund	Utilities Enterprise Fund	Total
Taxes:			
Sales	\$441		\$441
Franchise	925		925
Intergovernmental revenue - state funds	239		239
Accounts	921	\$3,648	4,569
Less allowance for uncollectible accounts	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>
Total	<u>\$2,526</u>	<u>\$3,648</u>	<u>\$6,174</u>

See accountant's compilation report

TOWN OF EROS  
 Eros, Louisiana  
 Notes to the Financial Statements (Continued)

**5. CHANGES IN GENERAL FIXED ASSETS**

The following presents the changes in general fixed assets for the year ended December 31, 1999:

	Balance at January 1, 1999	Additions	Deletions	Balance at December 31, 1999
Land	\$6,856			\$6,856
Buildings	47,270			47,270
Equipment	85,465	\$4,419		89,884
Total	<u>\$139,591</u>	<u>\$4,419</u>	<u>NONE</u>	<u>\$144,010</u>

A summary of proprietary fund type property, plant, and equipment at December 31, 1999, follows:

	Basis	Accumulated Depreciation	Net Book Value
Land	\$121	NONE	\$121
Waterworks distribution system	121,329	(84,563)	36,766
Sewer system	904,966	(252,744)	652,222
Equipment	27,497	(26,915)	582
Total	<u>\$1,053,913</u>	<u>(\$364,222)</u>	<u>\$689,691</u>

**6. PENSION PLAN**

The employees of the town are members of the Social Security System. In addition to the employee contributions withheld at 7.65 per cent of gross salary, the town contributes an equal amount to the Social Security System. The town does not guarantee the benefits granted by the Social Security System.

**7. LITIGATION, CLAIMS, AND RISK OF LOSS**

The town is not involved in any pending or threatened litigation, claims, or assessments at December 31, 1999. There were no claims or litigation costs during the year ended December 31, 1999. The town maintains commercial insurance to provide protection against losses resulting from the damage

See accountant's compilation report

**TOWN OF EROS**

Eros, Louisiana

**Notes to the Financial Statements (Continued)**

or destruction of property or liability claims against the town. There were no significant reductions in insurance coverage during the year ended December 31, 1999.

**8. FEDERAL COMPLIANCE CONTINGENCIES**

During the year ended December 31, 1999, the town received federal grant funds from the United States Department of Housing and Urban Development through the State of Louisiana Office of Community Development. These grant funds are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with the conditions of the grant. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

**SUPPLEMENTAL INFORMATION**

See accountant's compilation report



TOWN OF EROS  
Eros, Louisiana  
SUPPLEMENTAL INFORMATION SCHEDULE  
As of and for the Year Ended December 31, 1999

**COMPENSATION PAID ALDERMEN**

The schedule of compensation paid to aldermen is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the aldermen is included in the general government personal services expenditures of the General Fund. Aldermen receive a per diem \$50 for attending each regular and special meeting.

**PRIOR YEAR FINDINGS**

The follow-up and corrective action taken on all prior year findings is presented in the summary schedule of prior year findings (Schedule 2).

**CURRENT YEAR FINDINGS**

The corrective action plan for current year findings is presented in Schedule 3.

TOWN OF EROS  
Eros, Louisiana

Schedule of Per Diem Paid Aldermen  
As of and For the Year Ended December 31, 1999

Richard Adcock	\$400
Sue Bailey	550
Calvin Costin	350
Jerry Costin	450
Robert Lewis	<u>600</u>
Total	<u><u>\$2,350</u></u>

See accountant's compilation report

TOWN OF EROS  
Eros, Louisiana

Summary Schedule of Prior Year Findings  
For the Year Ended December 31, 1999

Reference Number	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken
Procedure 7	1998	Actual General Fund revenues failed to meet budgeted revenues by more than 5%.	Yes
Note 3	1998	The town had \$32,738 in unsecured bank deposits at December 31, 1998.	Yes

See accountant's compilation report

TOWN OF EROS  
Eros, Louisiana

Corrective Action Plan  
For Current Year Findings  
For the Year Ended December 31, 1999

<u>Reference Number</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
Procedure 7	Actual General Fund expenditures exceeded budgeted expenditures by more than 5%.	The town will monitor its expenditures and will adopt a budget amendment when actual expenditures exceed budgeted expenditures by 5% or more.	Ruth Moore, Mayor	December 31, 2000

See accountant's compilation report

**Independent Accountant's Report on Applying  
Agreed-Upon Procedures**

The following independent accountant's report on applying agreed upon procedures is presented in compliance with the requirements of the *Louisiana Governmental Audit Guide* and the *Louisiana Attestation Questionnaire*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

*M. Carleen Dumas*  
CERTIFIED PUBLIC ACCOUNTANT

369 DONALDSON ROAD • CALHOUN, LOUISIANA 71225 • TELEPHONE 318/644-5726

**Independent Accountant's Report  
On Applying Agreed-Upon Procedures**

MAYOR AND BOARD OF ALDERMEN  
TOWN OF EROS  
Eros, Louisiana

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed upon by the management of the Town of Eros and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Town of Eros' compliance with certain laws and regulations during the year ended December 31, 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 the 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 materials 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).

A review was made of all disbursement journals for the year. There were no disbursements for materials and supplies exceeding \$15,000 or public works expenditures exceeding \$100,000 made during the year.

TOWN OF EROS  
Independent Accountant's Report on  
Applying Agreed-Upon Procedures  
December 31, 1999

**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 the employees included in the listing obtained from management in procedure number 3 above were also included in the listing obtained from management in procedure number 2 above as immediate family members.

There were no names on the employee listing that were also included on the listing of immediate family members.

**Budgeting**

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

I obtained a copy of the legally adopted budget. There were no budget amendments.

6. Trace the budget adoption and amendments to the minute book.

The 1999 budget was adopted at the November 8, 1998 board meeting. There were no budget amendments during the year.

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 5% or more.

Actual General Fund expenditures exceeded budgeted expenditures by \$23,419 or 73%.  
Actual General Fund revenues exceeded budgeted revenues.

**Accounting and Reporting**

8. Randomly select 6 disbursements made during the period under examination and;

TOWN OF EROS  
Independent Accountant's Report on  
Applying Agreed-Upon Procedures  
December 31, 1999

- (a) trace payments to supporting documentation as to correct amount and payee;
- (b) determine if payments were properly coded to the correct fund and general ledger account;
- (c) determine whether payments received approval from proper authorities.

An examination of six randomly selected disbursements disclosed the following:

- (a) The six selected disbursements were supported by adequate documentation.
- (b) The six selected payments were properly coded to the correct fund and general ledger account.
- (c) The six selected payments received approval from the proper authorities.

### Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1-12 (the opening meetings law).

The agendas for the meetings were posted as required by LSA-RS 42:7.

### Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

I examined all deposits 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, advances, or gifts.

A reading of the minutes of the board meetings and an examination of payroll records indicated no payments which may constitute bonuses, advances, or gifts.



TOWN OF EROS  
Independent Accountant's Report on  
Applying Agreed-Upon Procedures  
December 31, 1999

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, other 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 Town of Eros 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.



Calhoun, Louisiana  
April 18, 2000

## **Louisiana Attestation Questionnaire**

The accompanying *Louisiana Attestation Questionnaire* has been completed by management and is included in this report as required by the *Louisiana Governmental Audit Guide*.

M. Carleen Dumas  
Certified Public Accountant  
369 Donaldson Rd.  
Calhoun, La 71225

Mrs. Dumas,

In connection with your compilation of our financial statements of the Town of Eros of December 31, 1999 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 information available to us as of \_\_\_\_\_.

**PUBLIC BID LAW**

1. The provisions of the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office have been complied with.

Yes [] No [ ] N/A [ ]

**CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES**

2. It is true that no employce or official has accepted anything of value, whether in the form of a service, loan, or promise, from anyone which would constitute a violation of LSA-RS 42:1101-1124.

Yes [] No [ ] N/A [ ]

3. 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 which would constitute a violation of LSA-RS 42:1119.

Yes [] No [ ] N/A [ ]

## BUDGETING

4. 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 39:43.

Yes [] No [  ] N/A [  ]

## ACCOUNTING AND REPORTING

5. 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 [] No [  ] N/A [  ]

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

Yes [] No [  ] N/A [  ]

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

Yes [  ] No [  ] N/A [  ]

## MEETINGS

8. We have complied with the provisions of the Opening Meetings Law, LSA-RS 42:1-12.

Yes [  ] No [  ] N/A [  ]

## DEBT

9. 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 47:1410.60.

Yes [  ] No [  ] N/A [  ]

## ADVANCES AND BONUSES

10. 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 [  ] No [  ] N/A [  ]

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.

*Ruth Moore*      *1-17-2000*  
Mayor                      Date