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VILLAGE OF ABBEWOOD, LOUISIANA  
ANNUAL FINANCIAL REPORT  
JUNE 30, 1993

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JAN 01 1994

VILLAGE OF ANACCOO, LOUISIANA  
 ANNUAL FINANCIAL REPORT  
 JUNE 30, 1997

CONTENTS

	Statement	Schedule	Page(s)
INDEPENDENT AUDITOR'S REPORT			1-2
GENERAL PURPOSE FINANCIAL STATEMENTS (COMBINED STATEMENTS - OVERVIEW)			3
Combined balance sheet - all fund types and account groups	A		4
Statement of revenues, expenditures, and changes in fund balance - governmental fund type - general fund	B		5
Statement of revenues, expenditures, and changes in fund balance - budget (GAAP basis) and actual - governmental fund type - general fund	C		6
Notes to financial statements			7-14
SUPPLEMENTAL INFORMATION SCHEDULES			15
General Fund:			16
Balance sheet		1	17
Schedule of revenues, expenditures, and changes in fund balance - budget (GAAP basis) and actual		2	18
Schedule of expenditures compared to budget (GAAP basis)		3	19
Schedule of compensation paid to board members		4	20
General Fixed Assets Account Group:			21
Schedule of general fixed assets		5	22
Schedule of changes in general fixed assets		6	23
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH "GOVERNMENT AUDITING STANDARDS"			24-25
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH "GOVERNMENT AUDITING STANDARDS"			26-27

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John A. Windham, CPA

## INDEPENDENT AUDITOR'S REPORT

The Honorable Joe Piro, Mayor  
and the Members of the Board of Aldermen  
Village of Amacoco, Louisiana

I have audited the accompanying general purpose financial statements of the Village of Amacoco, Louisiana, as of and for the year ended June 30, 1997, as listed in the table of contents. These general purpose financial statements are the responsibility of the Village of Amacoco, Louisiana, management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and GOVERNMENT AUDITING STANDARDS, issued by the Comptroller General of the United States. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Village of Amacoco, Louisiana, as of June 30, 1997, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated December 3, 1997 on my consideration of the Village of Amacoco's internal control structure and a report dated December 3, 1997 on its compliance with laws and regulations.

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The individual fund and account group financial statements and schedules listed in the table of contents are presented for

The Honorable Don Firo, Mayor  
and the Members of the Board of Aldermen  
Village of Anacoco, Louisiana  
Page 2

purpose of additional analysis and are not a required part of the general purpose financial statements of the Village of Anacoco, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

*Robert W. Whitman, CPA*  
Bossier, Louisiana  
December 3, 1997

GENERAL PURPOSE FINANCIAL STATEMENTS  
(COMBINED STATEMENTS - OVERVIEW)

VILLAGE OF BRACCOG

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
June 30, 1997

ASSETS		Governmental Fund Type <u>General</u>
Cash	\$	51,281
Franchise tax receivable		2,012
Due from other governmental units - State tobacco taxes		1,012
Prepaid insurance		4,289
Land		---
Buildings		---
Improvements other than buildings		---
Equipment		---
Amount to be provided for retirement of general long-term debt		---
Total assets	\$	<u>58,602</u>
<b>LIABILITIES AND FUND EQUITY</b>		
<b>Liabilities:</b>		
Accounts payable	\$	1,000
Payroll taxes payable		100
General long-term debt		---
Total liabilities	\$	<u>1,100</u>
<b>Fund equity:</b>		
Investment in general fixed assets	\$	---
Fund balance - unassigned and undesignated		<u>57,512</u>
Total fund equity	\$	<u>57,512</u>
Total liabilities and fund equity	\$	<u>58,602</u>

Statement A

Account Groups		Totals
General Fixed Assets	General Long-Term Debt	(Memorandum Galxi 1997)
\$ ---	\$ ---	\$ 51,381
---	---	2,818
---	---	1,113
---	---	4,288
17,739	---	17,739
43,891	---	43,891
5,722	---	5,722
36,338	---	36,338
---	14,922	14,922
<u>\$ 183,598</u>	<u>\$ 14,922</u>	<u>\$ 177,319</u>
\$ ---	\$ ---	\$ 1,000
---	---	186
---	14,922	14,922
<u>\$ ---</u>	<u>\$ 14,922</u>	<u>\$ 16,112</u>
\$ 183,598	\$ ---	\$ 183,598
---	---	37,612
<u>\$ 183,598</u>	<u>\$ ---</u>	<u>\$ 183,302</u>
<u>\$ 183,598</u>	<u>\$ 14,922</u>	<u>\$ 177,319</u>

The accompanying notes are an integral part of this statement.

## VILLAGE OF BRADDOCK

Statement 1

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - GOVERNMENTAL FUND TYPE - GENERAL FUND  
 Year Ended June 30, 1997

	<u>1997</u>
Revenues:	
Taxes	\$ 18,443
Licenses and permits	14,887
Intergovernmental	4,779
Fines and forfeits	56,843
Miscellaneous	3,323
Total revenues	<u>\$ 98,275</u>
Expenditures:	
General government	\$ 27,041
Public safety	34,398
Public works	44,926
Total expenditures	<u>\$ 106,365</u>
Excess (deficiency) of revenues over expenditures	\$ (8,090)
Other financing sources:	
Sale of assets	\$ 350
Excess (deficiency) of revenues and other sources over expenditures	\$ (7,740)
Fund balance, beginning	<u>69,883</u>
Fund balance, ending	<u>\$ 62,143</u>

The accompanying notes are an integral part of this statement.



VILLAGE OF BRACKOOD

Statement C

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET (GRAP BASIS) AND ACTUAL -  
 GOVERNMENTAL FUND TYPE - GENERAL FUND  
 Year Ended June 30, 1997

	Budget	Actual	Variance - Favorable (Unfavorable)
<b>Revenues:</b>			
Taxes	\$ 10,000	\$ 16,883	\$ 6,883
Licenses and permits	15,000	14,883	(117)
Intergovernmental	19,000	4,779	(14,221)
Fines and forfeits	50,000	50,843	843
Miscellaneous	1,330	2,225	895
Total revenues	\$ 95,330	\$ 84,272	\$ (11,058)
<b>Expenditures:</b>			
General government	\$ 28,570	\$ 27,041	\$ (1,529)
Public safety	52,000	38,300	(13,700)
Public works	48,800	88,825	40,025
Total expenditures	\$ 129,370	\$ 154,167	\$ 24,797
Excess (deficiency) of revenues over expenditures	\$ (34,040)	\$ (70,895)	\$ (36,855)
Other financing sources: Sale of assets	\$ ---	\$ 358	\$ 358
Excess (deficiency) of revenues and other sources over expenditures	\$ (34,040)	\$ (67,537)	\$ (33,497)
Fund balance, beginning	68,652	68,652	---
Fund balance, ending	\$ 34,612	\$ 1,115	\$ (33,497)

The accompanying notes are an integral part of this statement.

## VILLAGE OF ARACOOO

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 1997

#### INTRODUCTION

The Village of Aracooo was incorporated in 1880 under the provisions of the Louisiana Act. The Town operates under a Mayor-Board of Aldermen form of government.

The accounting and reporting policies of the Village of Aracooo conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

The Village maintains a general fund that provides police protection for its citizens and repairs and maintenance of approximately 25 miles of roads and streets.

The Village is located within Vernon Parish in the southeastern part of the State of Louisiana and is comprised of approximately 900 residents. The governing board is composed of three elected aldermen that are compensated for the regular and special board meetings they attend. There are two employees which provide police protection and perform clerical duties for the village.

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### A. REPORTING ENTITY

As the municipal governing authority, for reporting purposes, the Village of Aracooo is considered a separate financial reporting entity. The Village of Aracooo which is the primary government does not have (a) organizations for which the primary government is financially accountable, and (b) other organizations for which 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, therefore the Village is also the financial reporting entity.

##### B. FUND ACCOUNTING

The municipality uses funds and account groups to report on its financial position and the results of its operations.

VILLAGE OF ARWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

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

The fund of the municipality is classified as a governmental fund. The fund classification and a description of the general fund follows:

Governmental Fund

The governmental fund is used to account for all or most of the municipality's general activities, including the acquisition or construction of general fixed assets. The governmental fund includes:

1. General Fund - the general operating fund of the municipality and accounts for all financial resources, except those required to be accounted for in other funds.

C. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental fund is accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of the fund present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental fund. The governmental fund uses the following practices in recording revenues and expenditures:

Revenues

Revenues are recognized when they become measurable and available as net current assets. Taxpayer assessed income and gross receipts are considered "measurable" when in the hands of collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

VILLAGE OF ARADCOO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on long-term debt is recognized when due.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (and any other financing source/uses) are accounted for as other financing sources (uses).

D. BUDGET

The primary government municipality uses the following budget practices:

1. The Village Clerk prepares a proposed budget and submits same to the Mayor and Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after the publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Aldermen. Such

VILLAGE OF ANARCOCO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

amendments were not material in relation to the original appropriations.

**E. ENCUMBRANCES**

The Village of Anarocco does not use encumbrance accounting.

**F. CASH AND CASH EQUIVALENTS  
AND INVESTMENTS**

Cash includes amounts in demand deposits, interest-bearing demand deposits, money market accounts and time deposits. Under state law, the municipality may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Under state law, the municipality may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

**G. INVENTORIES**

The Village of Anarocco does not maintain an inventory. Purchases are made as needed for repair and maintenance and replacement of existing equipment.

**H. PREPAID ITEMS**

Prepaid amounts consist of insurance policy premiums paid in advance.

**I. FIXED ASSETS**

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are reported in the general fixed assets account group. Public domain or infrastructure are capitalized. Interest costs incurred during construction are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available.

**J. COMPENSATED ABSENCES**

The Village's leave policy does not provide for the accumulation and vesting of leaves.

VILLAGE OF BROOKWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

F. LONG-TERM OBLIGATIONS

For the primary government, long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

1. TOTAL COLUMNS ON COMBINED STATEMENTS

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, results of operations, or changes in 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. LEVIED TAXES

No ad valorem taxes were levied as of June 30, 1997.

3. EXPENDITURES/ACTUAL AND BUDGET

The general fund had actual expenditures over budgeted expenditures for the year ended June 30, 1997.

4. CASH AND CASH EQUIVALENTS

The following is a summary of cash and cash equivalents at June 30, 1997:

Interest-bearing demand deposits	\$ 51,391
-------------------------------------	-----------

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.

At June 30, 1997, the primary government has \$52,707 in deposits (collected bank balances). These deposits are secured from risk by \$52,707 of federal deposit insurance.

VILLAGE OF ANNEBOO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

5. INVESTMENTS

The Village of Anneboo had no investments as of June 30, 1997.

6. RECEIVABLES

The following is a summary of receivables for June 30, 1997:

Class of Receivable	General	
	Fund	
Taxes:		
Franchise taxes	\$	2,815

7. FIXED ASSETS

The changes in general fixed assets follow:

	Primary Government			
	Balance June 30, 1996	Additions	Deletions	Balance June 30, 1997
Land	\$ 17,729	\$ ---	\$ ---	\$ 17,729
Buildings	43,892	799	---	43,892
Improvements other than buildings	337,824	---	231,902	8,122
Equipment	17,241	21,253	2,428	36,238
Total	\$ 316,286	\$ 22,252	\$ 234,330	\$ 104,208

8. PENSION PLAN

The Chief of Police of the Village of Anneboo, is a member of the following statewide retirement system: Municipal Police Employees Retirement System of Louisiana. This system is a cost-sharing, multiple-employer defined benefit pension plan administered by separate boards of trustees. Pertinent information relative to the plan follows:

a. Municipal Police Employees Retirement System of Louisiana System:

Plan Description. All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 60 with at least 20 years of creditable service or at or after age 55 with at least 22 years of creditable service are entitled to a retirement benefit, payable

VILLAGE OF ANACOCO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

monthly for life, equal to 3 1/3 percent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-3250, or by calling (504) 389-3411.

**Funding Policy.** Plan members are required by state statute to contribute 3.5 percent of their annual covered salary and the Village of Anacoco is required to contribute at an actuarially determined rate. The current rate is 9.5 percent of annual covered payroll. The contribution requirements of plan members and the Village of Anacoco are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Village of Anacoco contributions to the System for the year ended June 30, 1997, and 1996 was \$1,424 and \$1,498 respectively equal to the required contributions for each year.

9. ACCOUNTS AND OTHER PAYABLES

The following is a summary of payables at June 30, 1997:

<u>Class of Payable</u>	<u>General</u> <u>Fund</u>
Withholdings	\$ 188
Accounts	<u>1,002</u>
Total	\$ <u>1,190</u>

10. LEASES

The Village of Anacoco had no leases as of June 30, 1997.



VILLAGE OF BRANCOCK  
NOTES TO FINANCIAL STATEMENTS

11. DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at June 30, 1997, consisted of the following:

Tobacco taxes due from the State of Louisiana \$ 1,112

12. CHANGES IN LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended June 30, 1997:

	Mortgage <u>Notes</u>
Long-term obligations payable at June 30, 1996	\$ ---
Additions	19,590
Reductions	<u>14,888</u>
Long-term obligations payable at June 30, 1997	<u>\$ 14,802</u>

Mortgage note

19,590 mortgage note due in monthly installments of \$882.00 through May 2, 2000; interest at 8.50%. Proceeds from the loan were used to buy a police car.

The annual cash flows required to service the debt as of June 30, 1997 including interest payments of \$1,979 are as follows:

June 30,	Mortgage <u>Notes</u>
1998	\$ 5,784
1999	5,784
2000	<u>8,312</u>
Total	<u>\$ 19,880</u>

SUPPLEMENTAL INFORMATION SCHEDULE

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

VILLAGE OF ALABACCO  
GENERAL FUND

Schedule 3

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
Year ended June 30, 1987

	1987		Variance Favorable (Unfavorable)
	Budget	Actual	
<b>Revenues:</b>			
Taxes -			
Franchise taxes	\$ 18,000	\$ 18,443	\$ 443
Licenses and permits -			
Occupational licenses	15,000	14,887	(113)
Intergovernmental -			
State grant in aid	15,000	339	(14,671)
State tobacco taxes	4,000	4,450	450
Fines and forfeits	10,000	38,043	8,043
Miscellaneous -			
Interest income	1,200	1,448	248
Other income	138	777	639
Total revenues	<u>\$ 94,330</u>	<u>\$ 94,377</u>	<u>\$ (47)</u>
<b>Expenditures:</b>			
General government	\$ 24,570	\$ 27,083	\$ (2,513)
Public safety -			
Police	32,000	34,388	(2,388)
Public works -			
Highways and streets	48,000	44,828	3,172
Total expenditures	<u>\$104,570</u>	<u>\$106,300</u>	<u>\$ (1,730)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ (10,240)</b>	<b>\$ (11,923)</b>	<b>\$ (1,683)</b>
<b>Other financing sources:</b>			
Sale of assets	\$ ---	\$ 380	\$ 380
<b>Excess (deficiency) of revenues and other sources over expenditures</b>	<b>\$ (10,240)</b>	<b>\$ (11,543)</b>	<b>\$ (1,303)</b>
<b>Fund balances, beginning</b>	<b>88,052</b>	<b>88,852</b>	<b>---</b>
<b>Fund balances, ending</b>	<b>\$ 77,812</b>	<b>\$ 77,309</b>	<b>\$ (503)</b>

VILLAGE OF ARADON  
GENERAL FUND

Schedule 2

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)  
Year Ended June 30, 1997

	1997		Variance - Favorable (Unfavorable)
	Budget	Actual	
<b>General government:</b>			
Mayor's salary	\$ 1,200	\$ 1,200	\$ ---
Aldermen's salaries	1,800	1,800	---
Contract labor	1,500	1,299	201
Other salaries	4,800	4,204	596
Payroll taxes	500	594	(94)
Insurance and bonds	5,300	6,748	(1,448)
Membership dues	100	327	(227)
Office supplies	500	662	(162)
Other supplies	2,800	2,385	(415)
Travel & conferences	---	662	(662)
Accounting and legal	2,420	840	1,580
Utilities	4,600	4,445	155
Advertising	500	---	500
Miscellaneous	---	810	(810)
Maintenance	1,700	427	1,273
Capital outlay	---	780	(780)
Total general government	\$ 26,520	\$ 27,041	\$ (421)
<b>Public safety:</b>			
Police -			
Salaries	\$ 12,000	\$ 12,000	\$ ---
Auto expenditures	5,000	2,300	4,100
Supplies	---	495	(495)
Insurance and bonds	2,500	3,200	(700)
Training	500	---	500
Retirement	2,500	3,424	1,074
Refund of payroll taxes	2,500	2,862	438
Meals	---	240	(240)
Telephone	1,800	630	430
State fees	2,800	1,302	698
Capital outlay	---	2,344	(2,344)
Sub service-principal	---	4,284	(4,284)
Sub service-interest	---	1,500	(1,500)
Total public safety	\$ 32,800	\$ 34,388	\$ (1,240)
<b>Public works:</b>			
Highways and streets - supplies	\$ 48,800	\$ 44,824	\$ 3,174
Total expenditures	\$105,620	\$105,187	\$ 433

VILLAGE OF BRIMCOOD  
 GENERAL FUND

Schedule 4

SCHEDULE OF COMPENSATION PAID TO  
 BOARD MEMBERS  
 Year Ended June 30, 1977

<u>BOARD MEMBERS</u>	<u>Compensation Paid</u>
Don Stokes	\$ 300
Don Hughes	300
Nathie Merchant	600
Leverson Mize	300
Diane Beedreann	300
Joe Elro, Mayor	<u>1,200</u>
Total	<u>\$ 3,000</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets used in governmental fund type operations.

## VILLAGE OF AMMOCO

Schedule 5

SCHEDULE OF GENERAL FIXED ASSETS  
June 30, 1997

	<u>1997</u>
General fixed assets, at cost:	
Land	\$ 17,738
Buildings	43,891
Improvements other than buildings	5,722
Equipment	<u>36,738</u>
Total general fixed assets	<u>\$ 103,889</u>
Investment in general fixed assets:	
General fund revenues	<u>\$ 103,889</u>



## VILLAGE OF ARMOOD

Schedule 5

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS  
 Year Ended June 30, 1997

	Improvements				Total
	Land	Buildings	Buildings other than	Equipment	
General fixed assets, beginning of year	\$ 17,729	\$ 43,092	\$ 237,628	\$ 17,741	\$315,190
Additions -	---	798	---	21,955	22,753
Deletions -	---	---	231,302	3,428	235,268
General fixed assets, end of year	\$ 17,729	\$ 43,891	\$ 6,326	\$ 36,276	\$104,222

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE  
FINANCIAL STATEMENTS PREPARED IN ACCORDANCE  
WITH "GOVERNMENT AUDITING STANDARDS"

The Honorable Jon Firo, Mayor  
and the Members of the Board of Aldermen  
Village of Amacoco, Louisiana

I have audited the general purpose financial statements of the Village of Amacoco, Louisiana, as of and for the year ended June 30, 1997, and have issued my report thereon dated December 3, 1997.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the Village of Amacoco, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions, or that the effectiveness of the design and operation of policies and procedures may deteriorate.

The Honorable Joe Piro, Mayor  
and the Members of the Board of Aldermen  
Village of Amococho, Louisiana  
Page 2

In planning and performing my audit of the general purpose financial statements of the Village of Amococho, Louisiana, for the year ended June 30, 1996, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities in accounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control structure and its operation that I consider to be material weaknesses as defined above.

However, I noted certain matters involving the internal structure and its operation that I have reported to the management of the Village of Amococho, Louisiana in a separate letter dated December 3, 1997.

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

*John G. Windham, C.P.A.*  
Decidder, Louisiana  
December 3, 1997

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
BASED ON AN AUDIT OF GENERAL PURPOSE  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
"GOVERNMENT AUDITING STANDARDS"**

The Honorable Joe Firo, Mayor  
and the Members of the Board of Aldermen  
Village of Anacoco, Louisiana

I have audited the general purpose financial statements of the Village of Anacoco, Louisiana, as of and for the year ended June 30, 1997, and have issued my report thereon dated December 3, 1997.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Village of Anacoco, Louisiana, is the responsibility of the Village of Anacoco, Louisiana, management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of the Village's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of my audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests disclosed no instances of noncompliance that are required to be reported under GOVERNMENT AUDITING STANDARDS.

I noted certain immaterial instances of noncompliance that I have reported to the management of the Village of Anacoco, Louisiana, in a separate letter dated December 3, 1997.

The Honorable Joe Piro, Mayor  
and the Members of the Board of Aldermen  
Village of Amereoco, Louisiana  
Page 2

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

*John H. Winkler, CPA*  
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December 3, 1997

The Honorable Joe Firo, Mayor  
and the Members of The Board of Aldermen  
Village of Amacoco, Louisiana

In planning and performing my audit of the general purpose financial statements of the Village of Amacoco, Louisiana, for the year ended June 30, 1997, I considered its internal control structure in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control structure. However, I noted certain matters involving the internal control structure and its operation that I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that in my judgement, could adversely affect the Village of Amacoco, Louisiana's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

## Other Comments and Recommendations

### General Fixed Assets

#### Finding:

The Village of Amacoco, Louisiana, does not maintain a General Fixed Asset Ledger. This comment was reported to management in a separate letter in the June 30, 1996 audit report.

#### Recommendation:

I recommend that the Village of Amacoco, Louisiana, take an inventory of its fixed assets including tagging them, establishing cost and setting responsibility for the assets with a department head. Also, at least annually the Village would need to inventory the assets and investigate any discrepancies noted.

#### Management's response:

The Village will begin looking at fixed asset systems used by others and tailor a system that will suit their needs. The

assets will be tagged, counted, and priced out at either historical cost or estimated historical cost if the actual cost is not known. A fixed asset ledger will be maintained and periodic inventories will be taken.

#### Budget

##### Finding:

The budget for the 86-87 fiscal year was not adopted until the September 1986 board meeting. According to the state budget act the budget should be adopted fifteen days prior to the beginning of the Village's new fiscal year. This comment was reported to management in a separate letter in the June 30, 1986 audit report.

##### Recommendation:

I recommend that the budget be adopted according to the Village's policy and state law which would be at least fifteen days prior to the beginning of the upcoming budget year.

##### Management's response:

The Village has a new town clerk that was unaware of the time frame for adopting the budget. The Village will adopt the budget according to their policy and state law in the future.

#### Reportable Condition

##### Bank reconciliations:

##### Finding:

The Village's bank account is not being reconciled on a monthly basis.

##### Recommendation:

I recommend reconciling the bank statements at the end of each month in order to insure that all outstanding checks have cleared and in transit deposits have been posted.

##### Management's response:

The town clerk is new and did not reconcile the bank statement because it had not been done in the past. The town clerk will begin reconciling the bank account on a monthly basis and make sure that all outstanding or in transit items are properly posted.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure

The Honorable Joe Firo, Mayor  
and the Members of the Board of Aldermen  
Village of Aracoo, Louisiana  
Page 3

elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, none of the reportable conditions described above is believed to be a material weakness.

These conditions were considered in determining the nature, timing, and extent of the audit tests applied in my audit of the June 30, 1997 general purpose financial statements, and this report does not affect my report on those general purpose financial statements dated December 3, 1997. I have not considered the internal control structure since the date of my report.

This report is intended solely for the information of management, and the Legislative Auditor. This restriction is not intended to limit distribution of this report, which is a matter of public record.

*John A. Winkler, CPA*  
Geishler, Louisiana  
December 3, 1997