

**VILLAGE OF HOSSTON**  
**HOSSTON, LOUISIANA**  
**DECEMBER 31, 2009**

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 7/7/10

VILLAGE OF HOSSTON

HOSSTON, LOUISIANA

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

VILLAGE OF HOSSTON, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2009

This section of the Village's annual financial report presents our discussion and analysis of the Village's financial performance during the fiscal year ended December 31, 2009. Please read it in conjunction with the Village's financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

- The Village's beginning net assets of \$1,016,255 decreased approximately 0.3% to \$1,013,160.
- Program and general revenues amounted to \$128,490.
- Expenses for the year amounted to \$131,586, which includes \$53,065 of depreciation expense.

**OVERVIEW OF FINANCIAL STATEMENTS**

This annual report consists of three parts:

- Management's discussion and analysis
- Basic financial statements
- Supplementary information

The basic financial statements include two kinds of statements that present different views of the Village:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Village's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Village's operations in more detail than the government-wide statements.

**FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE**

The Village's net assets decreased \$3,095 to \$1,013,160 during the year. Total revenue in 2009 decreased \$335,349 as compared to 2008, which relates to not receiving a LCDBG grant in 2009. Total expenditures decreased \$408,148.

**FINANCIAL ANALYSIS OF THE FUNDS**

The Village maintains only one governmental fund, the general fund, and such analysis of this fund is inherent in the financial statements presented.

**CAPITAL ASSETS**

The Village invested in approximately \$11,150 in capital assets during 2009. These assets are related to improvements/renovations on the Village's water system.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The Village is dependent on occupational licensing fees based on insurance premiums and utility franchise taxes, which accounted for 57% and 17%, respectively, of the total revenues in 2009. Furthermore, \$58,083 of the total occupational licensing fees in 2009 was unexpectedly received from one company and, *since the allocation and amount of the fee are determined at the state level, the Village is unable to budget for such receipts.*

During 2009, the Village was notified by the State of Louisiana that it was approved for a Community Water Enrichment Fund grant totaling \$25,000. The funds must be spent during the 2010 calendar year. The Village plans to upgrade its water chlorinators and fire hydrants.

In June 2009, the Village was notified by the State of Louisiana that it was approved for a Community Development Block Grant in the amount of \$201,400. These funds will be used to construct improvements to the Hosston-Mira water system to correct water pressure and quality concerns while correcting existing violations.

## **CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Dennis White, Mayor, P. O. Box 206, Hosston, Louisiana 71043.

**COMPILED FINANCIAL STATEMENTS**

# HEARD, McELROY, & VESTAL

LLP

CERTIFIED PUBLIC ACCOUNTANTS

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June 30, 2010

Village of Hosston  
Hosston, Louisiana

We have compiled the accompanying financial statements of the governmental activities and each major fund of the Village of Hosston as of December 31, 2009 and for the year then ended, which collectively comprise the Village's basic financial statements as listed in the table of contents, in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements noted above and, accordingly, do not express an opinion or any other form of assurance on them.

The management's discussion and analysis and budgetary comparison information on Pages i through ii and 13 through 14, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have compiled the supplementary information from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report, dated June 30, 2010, on the results of our agreed-upon procedures.

*Heard, McElroy & Vestal, LLP*

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VILLAGE OF HOSSTON  
STATEMENT OF NET ASSETS  
DECEMBER 31, 2009

ASSETS

Cash-Note 2	119,906
Certificates of deposit-Note 2	283,876
Accounts receivable	200
Grant receivable	174
Accrued interest receivable	236
Prepaid insurance	1,635
Capital assets, net of depreciation	<u>610,083</u>
 Total assets	 <u>1,016,110</u>

LIABILITIES

Accounts payable	<u>2,950</u>
Total liabilities	2,950

NET ASSETS

Invested in capital assets, net of related debt	610,083
Unrestricted	<u>403,077</u>
Total net assets	<u>1,013,160</u>
 Total liabilities and net assets	 <u>1,016,110</u>

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

VILLAGE OF HOSSTON  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Expenses</u>	<u>Program Revenues</u> <u>Charges for</u> <u>Services</u>	<u>Net (Expenses) Revenue and</u> <u>Changes in Net Assets</u> <u>Governmental</u> <u>Activities</u>
<b>Functions/Programs</b>			
<b>Primary Government:</b>			
Governmental activities:			
General government	71,501	73,683	2,182
Public works	7,020	25,595	18,575
Depreciation-unallocated	<u>53,065</u>	<u>-</u>	<u>(53,065)</u>
Total governmental activities	<u>131,586</u>	<u>99,278</u>	<u>(32,308)</u>
Total primary government	<u>131,586</u>	<u>99,278</u>	(32,308)
General revenues:			
Taxes:			
Utility Franchise Tax			22,112
Investment earnings			7,101
Miscellaneous			<u>-</u>
Total general revenues			<u>29,213</u>
Change in net assets			(3,095)
Net assets-beginning			<u>1,016,255</u>
Net assets-ending			<u>1,013,160</u>

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

VILLAGE OF HOSSTON  
BALANCE SHEET - GOVERNMENTAL FUNDS  
DECEMBER 31, 2009

ASSETS

Cash-Note 2	119,906
Certificates of deposit-Note 2	283,876
Accounts receivable	200
Grant receivable	174
Accrued interest receivable	236
Prepaid insurance	<u>1,635</u>
Total assets	<u>406,027</u>

LIABILITIES AND FUND BALANCES

<u>Liabilities:</u>	
Accounts payable	2,490
Payroll taxes payable	<u>460</u>
Total liabilities	2,950
<u>Fund balances:</u>	
Unreserved	<u>403,077</u>
Total fund balances	<u>403,077</u>
Total liabilities and fund balances	<u>406,027</u>

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

VILLAGE OF HOSSTON  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
DECEMBER 31, 2009

Fund balances-total governmental funds		403,077
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p> <p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.</p>		
Governmental capital assets	947,074	
<u>Less-accumulated depreciation</u>	<u>336,991</u>	<u>610,083</u>
Net assets of governmental activities		<u>1,013,160</u>

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

VILLAGE OF HOSSTON  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009

<u>Revenues:</u>	
Taxes	22,112
Licenses and permits	73,683
Charges for services	21,952
Donations	3,000
Interest	7,101
LGAP grant	<u>642</u>
Total revenues	128,490
<u>Expenditures:</u>	
Current:	
General government	71,501
Capital outlay	11,150
Maintenance	<u>7,020</u>
Total expenditures	<u>89,671</u>
Excess of revenue over expenditures	38,819
Fund balances, beginning of year	<u>364,258</u>
Fund balances-end of year	<u>403,077</u>

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

VILLAGE OF HOSSTON

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2009

Net change in fund balances-total governmental funds 38,819

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures.  
However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	11,150	
Depreciation expense	<u>(53,065)</u>	(41,915)
Rounding		<u>1</u>

Change in net assets of governmental activities (3,095)

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

VILLAGE OF HOSSTON  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2009

**1. Organization and Significant Accounting Policies**

Organization

The Village of Hosston was incorporated February 1968, under the provisions of the Lawrason Act and operates under a Mayor-Board of Aldermen form of government. The Village provides the following services to its residents: public safety (police); street lights; and general administrative services. The Village also provides use of a building for a branch of Shreve Memorial Library.

Significant accounting policies

The accounting and reporting of the Village of Hosston 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.

The following is a summary of certain significant accounting policies.

Financial Reporting Entity

In evaluating how to define the Village of Hosston, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP and outlined in GASB Statement 14. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestations of this ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, the financial statements of the Village of Hosston (the primary government) consist of only the funds of the Village since the Village has no oversight responsibility for any other governmental entity.

Government-Wide and Fund Financial Statements

The Village has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.

See Accountant's Compilation Report

1. **Organization and Significant Accounting Policies** (Continued)

The government-wide financial statements (GWFS) (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of net assets presents information on all of the Village's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Depreciation has not been allocated among functions. Program revenues include 1) fees, fines, and charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate fund financial statements (FFS) are provided for governmental funds. The Village had no nonmajor funds.

**Measurement Focus, Basis of Accounting, and Financial Statement Representation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

Substantially all nonintergovernment revenues are susceptible to accrual and are recognized when earned or the underlying transaction occurs. Those revenues susceptible to accrual are sales taxes, interest revenue, licenses, intergovernmental revenues, and charges for services. Fines, permits, penalties and interest, and miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash. Grants and similar items are recognized as revenues

See Accountant's Compilation Report

**1. Organization and Significant Accounting Policies (Continued)**

as soon as all eligibility requirements have been met. In reimbursement type programs, monies must be expended on the specific purpose or project before any amounts will be paid to the Village; therefore revenues are recognized based upon the expenditures recorded. In other programs in which monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements, the resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met and all other eligibility requirements are met.

The operations of the Village are accounted through the use of one governmental fund, the general fund. No other funds are maintained by the Village.

**Capital Assets**

Capital assets which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the governmental or activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated historical cost based upon like items. The Village, a phase 3 government, began accounting for depreciation of capital assets at December 31, 2004. Accordingly, depreciation has been included on the financial statements at December 31, 2009.

The costs of normal maintenance and repairs that do not extend the assets lives or add value are not capitalized.

Capital assets are not reported in the governmental fund financial statements.

Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Water system	10-60 years
Sewer system	5-60 years
Fixtures and equipment	5-60 years
Trucks and machinery	3-5 years
Buildings and improvements	10-40 years

**Budgets and Budgetary Accounting**

The Village follows these procedures in establishing the budgetary data reflected in these financial statements:

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. This is included in minutes of the council meetings.

See Accountant's Compilation Report

**1. Organization and Significant Accounting Policies (Continued)**

3. A public hearing is held on the proposed budget at least ten days after 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.
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. All expenditures in excess of budgeted amounts are approved by the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets are 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.

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

**2. Cash**

Under GASB Statement 40, disclosures are required for deposits and investments, including information about custodial, credit, and market risks, if applicable. All deposits of the Village of Hosston are held by area financial institutions as permitted under state law. At December 31, 2009 the carrying amount of the Village of Hosston cash demand deposit was \$119,906 and the bank balance was \$119,906. In addition, the Village of Hosston owned certificates of deposit of \$283,876 as of December 31, 2009. At December 31, 2009, all of the entity's deposits were insured by a combination of federal depository insurance and securities pledged to the account.

**3. Changes in General Fixed Assets**

A summary of general fixed assets by source follows:

	<u>Balance</u> <u>12-31-08</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12-31-09</u>
Land, buildings and improvements	920,231	11,150	-	931,381
Equipment	11,107	-	-	11,107
Furniture and fixtures	<u>4,586</u>	<u>-</u>	<u>-</u>	<u>4,586</u>
Total general fixed assets	<u>935,924</u>	<u>11,150</u>	<u>-</u>	<u>947,074</u>

) See Accountant's Compilation Report

3. **Changes in General Fixed Assets** (Continued)

A summary of accumulated depreciation follows:

	<u>Beginning Accumulated</u>	<u>2009 Depreciation</u>	<u>Deletions</u>	<u>Ending Accumulated</u>
Buildings and improvements	268,233	53,065	-	321,298
Equipment	11,107	-	-	11,107
Furniture and fixtures	<u>4,586</u>	<u>-</u>	<u>-</u>	<u>4,586</u>
Totals	<u>283,926</u>	<u>53,065</u>	<u>-</u>	<u>336,991</u>

4. **Budget Variations**

The client unexpectedly received approximately \$58,083 of licensing fees on insurance premiums from one company. The client does not budget for these, as the amount of the fee, if any, is determined at the state level. The client becomes aware of the revenue upon receipt of the check and, accordingly, accounts for these revenues on a cash basis. The Village did not budget for revenues and expenses related to the LGAP grant, which amounted to \$642 and \$642, respectively.

**REQUIRED SUPPLEMENTARY INFORMATION**

VILLAGE OF HOSSTON

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
LGAP grant	-	-	642	642
Taxes	16,000	16,000	22,112	6,112
Licenses and permits	15,600	15,600	73,683	58,083
Charges for services	2,200	2,200	2,125	(75)
Interest	4,000	4,000	7,101	3,101
Police department	-	-	22,826	22,826
Miscellaneous	<u>100</u>	<u>100</u>	<u>1</u>	<u>(99)</u>
Total revenues	37,900	37,900	128,490	90,590
<u>Expenditures:</u>				
Current:				
LGAP grant	-	-	642	(642)
General government	56,900	56,900	48,589	8,311
Maintenance	7,500	7,500	7,020	480
Police department	18,000	18,000	22,270	(4,270)
Capital outlay	<u>10,000</u>	<u>10,000</u>	<u>11,150</u>	<u>(1,150)</u>
Total expenditures	<u>92,400</u>	<u>92,400</u>	<u>89,671</u>	<u>2,729</u>
Excess (deficiency) of revenue over expenditures	(54,500)	(54,500)	38,819	93,319
Fund balances, beginning of year	<u>364,258</u>	<u>364,258</u>	<u>364,258</u>	<u>-</u>
Fund balances-end of year	<u>309,758</u>	<u>309,758</u>	<u>403,077</u>	<u>93,319</u>

See Accountant's Compilation Report

See accompanying notes to Budgetary Comparison

VILLAGE OF HOSSTON  
NOTES TO BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2009

1. **Budget**  
Refer to Note 1 of the government-wide financial statements for details regarding the budget process.
2. **Excess of Revenues and Expenditures Over Budget**  
Refer to Note 4 of the government-wide financial statements for details regarding the variation in revenues and expenses.

# HEARD, McELROY, & VESTAL

LLP

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June 30, 2010

Village of Hosston  
Hosston, Louisiana

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

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Village of Hosston and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village of Hosston's compliance with certain laws and regulations during the year ended December 31, 2009 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 and applicable standards of *Government Auditing Standards*. 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.

### ***Public Bid Law***

1. Select all expenditures made during the year for material and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

No expenditures were made during the year for materials and supplies exceeding \$20,000, or for public works exceeding \$100,000.

### ***Code of Ethics for Public Officials and Public Employees***

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us 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 us with the required list.

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4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

One employee included on the list of employees provided by management [agreed-upon procedure (3)] appeared on the list provided by management in agreed-upon procedure (2). The employee occupies an elected post.

### ***Budgeting***

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

Management provided us with a copy of the original budget. No amendments were made to the budget during the year.

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

We traced the adoption of the original budget to the minutes of a meeting held in December 2008 which indicated that the budget had been adopted by the aldermen of the Village of Hosston. No amendments were made to the budget during the year.

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

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures for the year did exceed budgeted amounts by 5% or more. See Notes to the Budgetary Comparison Schedule at Page 14.

### ***Accounting and Reporting***

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

- (a) trace payments to supporting documentation as to proper amount and payee;

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.

- (b) determine if payments were properly coded to the correct fund and general ledger account; and

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

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

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the Mayor and the Secretary Treasurer and reported at the appropriate monthly town hall meetings.

***Meetings***

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

The Village of Hosston, each month, places an advertisement in the Caddo Citizen which gives notice of the upcoming meeting. We examined supporting documentation evidencing that the advertisements occurred.

***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.

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

***Advances and Bonuses***

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

A reading of the minutes of the Village for the year indicated no such payments. We also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

***Prior Comments and Recommendations***

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

We found that no suggestions, recommendations, and/or comments were made in the prior year.

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 Hosston 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Hard, M<sup>c</sup>Elroy & Vestal, LLP*

**LOUISIANA ATTESTATION QUESTIONNAIRE  
(For Attestation Engagements of Government)**

6/23/10 (Date Transmitted)

Village of Hosston

Heard, McElroy & Vestal, LLP (Auditors)

In connection with your review of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and 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 (date of completion/representations).

**Public Bid Law**

It is true that we have complied with the public bid law, R.S. Title 38:2211-2206, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.  
Yes [  ] No [  ]

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.  
Yes [  ] No [  ]

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.  
Yes [  ] No [  ]

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-16), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.  
Yes [  ] No [  ]

**Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.  
Yes [  ] No [  ]

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.  
Yes [  ] No [  ]

We have had our financial statements reviewed in accordance with R.S. 24:513.  
Yes [  ] No [  ]

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in R. S. 42:1 through 42:13.

Yes [] No [ ]

**Debt**

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes [] No [ ]

**Advances and Bonuses**

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

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 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 that may occur subsequent to the issuance of your report.

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

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

6-24-2010  
Date President *Dennis M. White*