

RECEIVED
LEGISLATIVE AUDITOR
01 NOV 15 AM 10:54

VILLAGE OF BIENVILLE
GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001

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 11/21/01

Village of Bienville
 General Purpose Financial Statements
 For The Year Ended June 30, 2001

TABLE OF CONTENTS

	<u>Statement</u>	<u>Page</u>
Independent Auditor's Report		1
Combined Balance Sheets-All fund Types and Account Groups	A	2
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund Type	B	3
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual- GAAP Basis - General Fund	C	4
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual- GAAP Basis - Debt Service Fund	D	5
Statement of Revenues, Expenditures, and Changes in Retained Earnings - Proprietary Fund Type	E	6
Statement of Cash Flows - Proprietary Fund Type	F	7
Notes to Financial Statements		8-16
	<u>Schedule</u>	<u>Page</u>
Supplementary Information		
Schedule of Compensation Paid Board Members	1	18
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		19-20
Summary of Prior Year Findings	2	21
Schedule of Findings and Questioned Costs	3	22-23
Corrective Action Plan		24

WILLIAM D. EDWARDS

Certified Public Accountant
A Professional Accounting Corporation
Member: AICPA / Society of LCPA'S

INDEPENDENT AUDITOR'S REPORT

Mayor and Board of Aldermen
Village of Bienville
Bienville, Louisiana

I have audited the accompanying general purpose financial statements of Village of Bienville, Louisiana, as of and for the year ended June 30, 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of Village of Bienville's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

Except as discussed in the following paragraph, I conducted my audit in accordance with generally accepted auditing standards. 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. 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.

I issued a qualified opinion for the year ended June 30, 2000, due to a scope limitation. I was unable to audit the balances as of July 1, 1999, nor was I able to satisfy myself as to those financial activities by other auditing procedures. Those financial activities are included in the governmental fund type and proprietary fund type and represent 100 percent and 100 percent of the financial activities of the governmental fund type and proprietary fund type, respectively.

In my opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had I been able to obtain the audited financial statements of the Village of Bienville, or had I been able to satisfy myself as to those financial activities by other auditing procedures, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Village of Bienville, as of June 30, 2001, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.


Ruston, Louisiana
August 29, 2001

Village of Bienville
 Combined Balance Sheets - All Fund Types and Account Groups
 As of June 30, 2001

	Governmental Fund Type			General Fixed Asset Account Group	(Memo) Totals
	General Fund	Debt Service Fund	Proprietary Fund Type (Water)		
ASSETS					
Cash and equivalents	\$27,023	\$106,807	\$40,842		\$174,672
Accounts receivable	2,521		3,410		5,931
Prepaid insurance	652				652
Due from other funds	20,455	6,731			27,186
Restricted cash			3,018		3,018
Property and equipment, net			56,153	602,457	658,610
TOTAL ASSETS	<u>\$50,651</u>	<u>\$113,538</u>	<u>\$103,423</u>	<u>\$602,457</u>	<u>\$870,069</u>
Liabilities and Fund Equity					
Liabilities:					
Accounts payable and taxes payable	\$1,403		\$3,407		\$4,810
Due to other funds	1,508	\$224	25,454		27,186
Customer deposits			4,215		4,215
Notes payable - current			2,820		2,820
Notes payable - long-term			6,454		6,454
Total liabilities	<u>2,911</u>	<u>224</u>	<u>42,351</u>	<u>0</u>	<u>45,486</u>
Fund Equity:					
Investment in general fixed assets				\$10,934	10,934
Contributed capital - grants				591,523	591,523
Retained earnings:					
Contributed capital			300		300
Unreserved			60,772		60,772
Fund balance - unreserved - undesignated	47,740	113,314			161,054
Total fund equity	<u>47,740</u>	<u>113,314</u>	<u>61,072</u>	<u>602,457</u>	<u>824,583</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$50,651</u>	<u>\$113,538</u>	<u>\$103,423</u>	<u>\$602,457</u>	<u>\$870,069</u>

See accompanying auditor's report and notes to the financial statements.

Village of Bienville
Statement of Revenue, Expenditures, and
Changes in Fund Balances - Governmental Fund Type
For the year ended June 30, 2001

	General Fund	Debt Service Fund	Total
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Ad valorem taxes	\$43,960		\$43,960
Intergovernmental:			
State revenue sharing	191		191
Franchise fees	5,071		5,071
Beer tax	2,039		2,039
Interest income	658	2,400	3,058
Other income	11		11
TOTAL REVENUES	<u>51,930</u>	<u>2,400</u>	<u>54,329</u>
EXPENDITURES			
General government	19,691		19,691
Fiscal Agent Fees		1,112	1,112
Debt service:			
Principal		25,000	25,000
Interest		969	969
TOTAL EXPENDITURES	<u>19,691</u>	<u>27,081</u>	<u>46,772</u>
EXCESS OF REVENUES OVER EXPENDITURES	32,239	(24,681)	7,557
OTHER FINANCING SOURCE (USE)			
Operating transfer in		27,706	27,706
Operating transfer out	(28,312)		(28,312)
TOTAL OTHER FINANCING SOURCE (USE)	<u>(28,312)</u>	<u>27,706</u>	<u>(606)</u>
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USE	3,927	3,025	6,952
FUND BALANCE, BEGINNING	<u>43,813</u>	<u>110,289</u>	<u>154,102</u>
FUND BALANCE, ENDING	<u>\$47,740</u>	<u>\$113,314</u>	<u>\$161,054</u>

See accompanying auditor's report and notes to the financial statements.

Village of Bienville
 Combined Statement of Revenue, Expenditures, and
 Changes in Fund Balances - Budget and Actual
 GAAP Basis - General Fund
 For the year ended June 30, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Intergovernmental:			
Ad valorem taxes	\$44,800	\$43,960	(\$840)
State revenue sharing	\$0	191	191
Franchise fees	3,000	5,071	2,071
Tobacco tax	1,700		(1,700)
Beer tax	1,700	2,039	339
Interest income	280	658	378
Other income	100	11	(89)
TOTAL OPERATING REVENUES	<u>51,580</u>	<u>51,930</u>	<u>350</u>
EXPENDITURES			
General government:			
Salaries-aldermen & mayor	1,680	1,680	
Salaries-clerk	1,500	1,625	(125)
Office expenditures	1,000	1,097	(97)
Utilities	9,500	8,896	604
Insurance (risk management)	2,785	443	2,342
Payroll tax	500	115	385
Recreation maintenance	150		150
Legal & accounting	3,995	5,576	(1,581)
Repair & maintenance	3,000	259	2,741
TOTAL EXPENDITURES	<u>24,110</u>	<u>19,691</u>	<u>4,419</u>
EXCESS OF REVENUES OVER EXPENDITURES	27,470	32,239	4,769
OTHER FINANCING SOURCE (USE)			
Operating transfer out	(27,536)	(28,312)	(776)
TOTAL OTHER FINANCING (USE)	<u>(27,536)</u>	<u>(28,312)</u>	<u>(776)</u>
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USE	(66)	3,927	3,993
FUND BALANCE, BEGINNING	<u>43,813</u>	<u>43,813</u>	
FUND BALANCE, ENDING	<u>\$43,747</u>	<u>\$47,740</u>	<u>\$3,993</u>

See accompanying auditor's report and notes to the financial statements.

Village of Bienville
 Combined Statement of Revenue, Expenditures, and
 Changes in Fund Balances - Budget and Actual
 GAAP Basis - Debt Service Fund
 For the year ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Interest income		\$2,400	\$2,400
TOTAL REVENUES	\$0	2,400	2,400
EXPENDITURES			
Debt Service:			
Principal	25,000	25,000	
Interest	969	969	
Fiscal agent fees	600	1,112	(512)
TOTAL EXPENDITURES	26,569	27,081	(512)
EXCESS (Loss) OF REVENUES OVER EXPENDITURES	(26,569)	(24,681)	1,888
OTHER FINANCING SOURCE			
Operating transfer in	27,536	27,706	170
TOTAL OTHER FINANCING SOURCE	27,536	27,706	170
EXCESS OF REVENUES AND OTHER FINANCING SOURCE OVER EXPENDITURES	967	3,025	2,058
FUND BALANCE, BEGINNING	110,289	110,289	
FUND BALANCE, ENDING	\$111,256	\$113,314	\$2,058

See accompanying auditor's report and notes to the financial statements.

Village of Bienville
Statement of Revenues, Expenses, and
Changes in Retained Earnings - Water Fund
For the year ended June 30, 2001

OPERATING REVENUES	
Fees	<u>\$15,781</u>
TOTAL OPERATING REVENUES	15,781
OPERATING EXPENSES	
Salaries and related benefits	6,068
Insurance	1,704
Office Expense	6,683
Maintenance & Repairs	506
Utilities	4,588
Depreciation	8,024
Miscellaneous	<u>1,684</u>
TOTAL OPERATING EXPENSES	<u>29,257</u>
Operating income (loss)	(13,476)
Nonoperating revenue (expenses)	
Interest income	1,726
Operating transfers in	606
Interest expense	<u>(249)</u>
TOTAL NONOPERATING REVENUE (EXPENSES)	<u>2,083</u>
NET INCOME (LOSS)	(11,393)
RETAINED EARNINGS, BEGINNING	<u>72,465</u>
RETAINED EARNINGS, ENDING	<u><u>\$61,072</u></u>

See accompanying auditor's report and notes to the financial statements.

Village of Bienville
 Statements of Cash Flows - Proprietary Fund Type
 For the Year Ended June 30, 2001

CASH FLOWS FROM OPERATING ACTIVITIES		
Operating Income		(\$13,476)
Adjustments to Reconcile Operating Income to Net		
Cash Provided by Operating Activities:		
Depreciation	\$8,024	
Increase in accounts receivable	(757)	
Decrease in accrued liabilities	1,108	
Increase in customer deposits	1,275	
Increase in interfund payable	6,883	
Increase due to prior year voided checks	<u>1,133</u>	
NET CASH (USED BY) OPERATING ACTIVITIES		4,190
NET CASH (USED BY) FINANCING ACTIVITIES		
Transfers (to) from other funds	606	
Principle reductions	<u>(2,806)</u>	
NET CASH (USED BY) OPERATING ACTIVITIES		(2,200)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest payments	(249)	
Interest income	<u>1,726</u>	
NET CASH PROVIDED BY INVESTING ACTIVITIES		<u>1,477</u>
NET INCREASE (Decrease) IN CASH		3,467
CASH AT BEGINNING OF YEAR		<u>40,393</u>
CASH AT END OF YEAR		<u><u>\$43,860</u></u>
 SUMMARY		
Operating account		\$40,842
Restricted		<u>3,018</u>
		<u><u>\$43,860</u></u>
 Expenditures for interest - cash basis		<u><u>\$249</u></u>
Expenditures for taxes - cash basis		<u><u>\$201</u></u>

See accompanying auditor's report and notes to the financial statements.

Village of Bienville
Notes to Financial Statements
For the Year Ended June 30, 2001

INTRODUCTION

The Village of Bienville was created under the provisions of the Lawrason Act and operates under a Mayor-Board of Alderman form of government. The Village provides the following services to its residents: public safety (police); highways and streets; water facilities through the utility fund; culture/recreation; and general administrative services.

The accounting and reporting practices of the Village of Bienville conform to generally accepted accounting principles. The Governmental Accounting Standards Board prescribes general accepted accounting principles for governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units. The Village's accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:517 and to the guides set forth in the "Louisiana Municipal Audit and Accounting Guide".

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

As the municipal governing authority, for reporting purposes, the Village of Bienville is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (municipality), (b) organizations for which the primary government is financially accountable, and (c) 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.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the (Name of Municipality) 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
 - a. The ability of the municipality 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 municipality.
2. Organizations for which the municipality does not appoint a voting majority but are fiscally dependent on the municipality.

Village of Bienville, Louisiana
Notes to the Financial Statements (Continued)

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

As required by generally accepted accounting principles, these financial statements present the Village of Bienville (the primary government) only. There are no component units included in the accompanying financial statements.

Considered in the determination of component units of the reporting entity were the Bienville Parish Police Jury, Sheriff, Clerk of Court, Assessor, and School Board and the District Attorney and Judges for Bienville Parish. It was determined that these governmental entities are not component units of the Village of Bienville reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of the Village of Bienville.

B. FUND ACCOUNTING

The municipality 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 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.

Funds of the municipality are classified into two categories: governmental and proprietary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds

Governmental funds are used to account for all or most of the municipality's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

1. General Fund - The general operating fund of the village and accounts for all financial resources, except those required to be accounted for in other funds.
2. Debt service fund - accounts for transactions relating to resources retained and used for the payment of principal and interest on those long term general obligations recorded in the general long-term debt account group.

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:

Enterprise funds - account for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

C. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds. The governmental funds use 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, gross receipts, and sales taxes 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.

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 principle 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/use) are accounted for as other financing sources (uses).

All proprietary funds are 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 all liabilities associated with the operation of these funds are included on the balance sheet. The proprietary

Village of Bicville, Louisiana
Notes to the Financial Statements (Continued)

funds use the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time liabilities are incurred.

D. BUDGETS

The primary government municipality uses the following budget practices:

The Village adopted a budget for the fiscal year ended June 30, 2001 for the General fund and Debt Service fund. The village follows the following procedures in establishing the budgetary data reflected in the financial statements. During the June meeting, the mayor submitted to the board of aldermen a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and expenses and the means of financing them. During the June meeting, the budget was legally enacted through passage of an ordinance. The public is invited to attend all meetings. The mayor is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures or expenses of any fund must be approved by the board of aldermen. Appropriations lapse at the end of the year. There were no amendments to the original budget.

E. CASH AND EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the municipality may deposit funds in demand deposits, interest-bearing demand deposits, 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; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

F. INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

G. RESTRICTED ASSETS

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. Also the proprietary funds have customer deposits that are classified as restricted assets on the balance sheet.

H. FIXED ASSETS

Fixed assets of the 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. Public domain or infrastructures are not capitalized. Interest costs incurred during construction are capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical costs or estimated costs if historical cost is not available.

Fixed assets used in the proprietary fund operations are included on the balance sheet. Depreciation of all exhaustible fixed assets used by the proprietary funds is charged as an expense against operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful life using the straight-line method over the estimated useful lives of 5-40 years.

I. COMPENSATED ABSENCES

Accumulated vacation, sick pay, and other employee benefits and pensions are not material and are therefore not accrued.

J. FUND EQUITY

Contributed Capital

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers, or other funds when such resources are restricted for the acquisition or construction of capital assets. Contributed capital is not amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such resources.

Reserves

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.

K. INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity

Village of Bienville, Louisiana
Notes to the Financial Statements (Continued)

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers of the primary government are reported as operating transfers.

L. 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

The following is a summary of authorized and levied ad valorem taxes for the year:

<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
15.55	14.44	6/30/01

The following are the principal taxpayers for the municipality (amounts expressed in thousands):

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Bear Creek Storage Facility	\$2,143,150	69.07%
El Paso Production Co.	205,190	6.64%
Bell South Telecommunications	79,680	2.57%
Tennessee Gas Pipeline	62,670	2.02%
Texas Eastern Products Pipeline	49,520	1.60%
Hunt Petroleum Corp.	30,350	0.98%
Caterpillar Financial Services	27,930	0.90%
La. Minerals Ltd	25,700	0.83%
Koch Gateway Pipeline, Co.	22,980	0.74%
Raeford Farms of La., LLC	16,800	0.54%
Total	<u>\$2,663,970</u>	<u>85.89%</u>

3. CASH AND CASH EQUIVALENTS

At June 30, 2001, the Village has cash and cash equivalents (book balances) totaling \$177,690 as follows:

Demand deposits	\$147,571
Time deposits	<u>30,119</u>
Total	<u>\$177,690</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or 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, 2001, the Village has \$178,289 in deposits (collected bank balances). These deposits are secured from risk by \$144,527 of federal deposit insurance and \$33,762 of pledged securities held by the custodial bank in the name of the fiscal agent bank. (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, 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 that the fiscal agent has failed to pay deposited funds upon demand.

4. RECEIVABLES

The receivables of \$4,899 at June 30, 2001, and due from other governmental units of \$1,032, are as follows:

	<u>General Fund</u>	<u>Proprietary Fund</u>	<u>Total</u>
Accounts Receivable:			
User Fees		\$3,410	\$3,410
Franchise Taxes	\$1,489		1,489
Due From Other Governmental Units			
Beer Tax	<u>1,032</u>		<u>1,032</u>
Total	<u>\$2,521</u>	<u>\$3,410</u>	<u>\$5,931</u>

5. FIXED ASSETS

A summary of the changes in fixed assets is shown below:

Village of Bienville, Louisiana
Notes to the Financial Statements (Continued)

	<u>Balance</u> <u>6/30/00</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/01</u>
Land	\$2,000			\$2,000
Furniture & equipment	7,934			7,934
Fire District Improvements	591,523			591,523
Vehicle	1,000			1,000
Total	<u>\$602,457</u>	<u>\$0</u>	<u>\$0</u>	<u>\$602,457</u>

A summary of proprietary property, plant, and equipment follows:

	<u>Balance</u> <u>6/30/00</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/01</u>
Land	\$300			\$300
Water Well & System	120,951			120,951
Equipment	15,000			15,000
Property and equipment	136,251	0	0	136,251
Less accumulated depreciation	<u>(72,074)</u>	<u>(\$8,024)</u>		<u>(80,098)</u>
Property and equipment, net	<u>\$64,177</u>	<u>(\$8,024)</u>	<u>\$0</u>	<u>\$56,153</u>

6. LONG-TERM DEBT - PROPRIETARY FUND TYPE

The following is a summary of long term obligation transactions for the Village for the year ended June 30, 2001:

Note Payable, June 30, 2000	\$12,080
Principal payments	<u>(2,806)</u>
Note Payable, June 30, 2001	<u>\$9,274</u>

Note payable at June 30, 2001, consists of one note payable to the U.S. Department of Agriculture - Farmers Home Administration. The note, dated May 20, 1966, in the amount of \$56,000, is payable over 40 years with interest at the rate of 5.75% per annum. The note is to be retired from revenues derived from user fees of the Water Fund.

7. INTERFUND ASSETS/LIABILITIES

A summary of due from/to other funds follows:

Village of Bienville, Louisiana
Notes to the Financial Statements (Continued)

	<u>Due From</u>	<u>Due To</u>
General Fund	\$20,455	\$1,508
Debt Service Fund	6,731	1,293
Water Fund		<u>24,385</u>
Total	<u>\$27,186</u>	<u>\$27,186</u>

A summary of interfund receivables and payables follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund		\$28,312
Debt Service Fund	\$27,706	
Water Fund	<u>606</u>	
Total	<u>\$28,312</u>	<u>\$28,312</u>

8. PRIOR PERIOD ADJUSTMENT

The following funds' beginning fund balances and retained earnings were adjusted as noted below:

	<u>General Fund</u>	<u>Debt Service</u>	<u>Proprietary Fund</u>
June 30, 2000 beginning balance	\$41,243	\$85,289	\$71,333
Adjustment - prior period outstanding checks	2,570		1,132
Adjustment - prior period bond payment		<u>25,000</u>	
July 1, 2000 beginning balance	<u>\$43,813</u>	<u>\$110,289</u>	<u>\$72,465</u>

SUPPLEMENTARY INFORMATION

Village of Bienville
Supplemental Information Schedules
For the year ended June 30, 2001

COMPENSATION PAID BOARD MEMBERS

The schedule of compensation paid to board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

Mr. Boston, Mayor	\$600
Mr. Wysinger	360
Ms. Kirkham	360
Ms. Brice	<u>360</u>
Total	<u><u>\$1,680</u></u>

WILLIAM D. EDWARDS

Certified Public Accountant
A Professional Accounting Corporation
Member: AICPA / Society of LCPA'S

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Mayor and Board of Aldermen
Village of Bienville
Bienville, Louisiana

I have audited the general purpose financial statements of the Village of Bienville, as of and for the year ended June 30, 2001, and have issued my report thereon dated August 29, 2001. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Village of Bienville's general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and questioned costs as item 01-2.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Village of Bienville's internal control over financial reporting 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 over financial reporting. However, I noted a certain matter involving the internal control over financial reporting and its operation that I consider to be a reportable condition. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect Village of Bienville's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 01-1.

Because of a limited number of available personnel, it is not possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records or to all phases of a transaction. Consequently, the possibility exists that unintentional or intentional errors or irregularities could exist and not be promptly detected.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements 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 over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I believe none of the reportable conditions described is a material weakness.

This report is intended for the information of the Village, the Legislative Auditor, and any interested federal and state agencies and is not intended to be and should not be used by anyone other than these specified parties.



Ruston, Louisiana
August 29, 2001

Village of Bienville
Summary of Prior Year Findings
For the Year Ended June 30, 2001

A. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

00-1. Finding: The Village does not adequately control receipts, monies cannot be traced from time of receipt to a specific bank deposit.

Recommendation: I recommend that the Village immediately set up adequate control over monies received, especially cash.

Conclusion: Unresolved - see 01-1.

00-2. Finding: The Village does not retain disbursement records, several of the disbursements selected for testing had no supporting documentation.

Recommendation: I recommend that the Village take immediate steps to establish a filing system that would provide for record retention.

Conclusion: Resolved

00-3. Finding: The Village failed to adopt its budget for the fiscal year ended June 30, 2000 prior to June 30, 1999.

Recommendation: I recommend that the Village prepare, approve, and keep on hand the required budgets before the fiscal year begins.

Conclusion: Resolved

00-4. Finding: The General fund actual expenditures exceed the budgeted expenditures by \$27,219 or 100%, which violates the local budget law.

Recommendation: I recommend that the Village monitor and amend its budget as needed.

Conclusion: Resolved

B. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

None

C. MANAGEMENT LETTER

None

Village of Bienville
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2001

I have audited the general purpose financial statements of Village of Bienville as of and for the year ended June 30, 2001, and have issued my report thereon dated August 29, 2001. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the general purpose financial statements as of June 30, 2001 resulted in an unqualified opinion.

A. Summary of Audit Results

1. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses ___ Yes ___ No Reportable X Yes ___ No

Compliance

Compliance Material to Financial Statements ___ Yes X No

2. Federal Awards

Internal Control

Material Weaknesses ___ Yes X No Reportable ___ Yes X No

Type of Opinion On Compliance Unqualified ___ Qualified X
 For Major Programs Disclaimer ___ Adverse ___

Are their findings required to be reported in accordance with Circular A-133, Section .510(a)?
 ___ Yes X No

3. Identification of Major Programs:

CFDA Number(s)

Name of Federal Program (or Cluster)

N/A

Dollar threshold used to distinguish between Type A and Type B Programs: \$ 300,000

Is the audited a "low-risk" audited, as defined by OMB Circular A-133? ___ Yes X No

B. Financial Statements Findings

- 01-1. During fieldwork for the Water Fund, I could not trace subsequent cash collections on accounts receivable balances to deposit slips or remittance advices. As a result, the Town cannot be sure if any account balances are accurate at year end and are delinquent. I recommend the Town implement procedures to ensure that each collection by customer can be traced to a deposit slip.

- 01-2. During my test of receipts for the Water Fund, I determined that the monthly bills were calculated incorrectly, according to the ordinance that was adopted for the water usage rates. The effect of this miscalculation is increased user fees. I recommend the town clerk calculate bills according to the approved rates.

C. Federal Award Findings and Questioned Costs

None

VILLAGE OF BIENVILLE
P.O. Box 207
Bienville, LA 71008

CORRECTIVE ACTION PLAN
For the Year Ended June 30, 2001

Village of Bienville hereby submits the following corrective action plan as referenced in the Findings and Questioned Costs:

- 01-1. The Town will implement procedures immediately to ensure that each customer's payments can be traced to a specific deposit.
- 01-2. The Town's mayor will immediately explain how the bills should be calculated according to the approved rates and review the billing for any miscalculations.