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**VILLAGE OF HARRISONBURG
LOUISIANA**

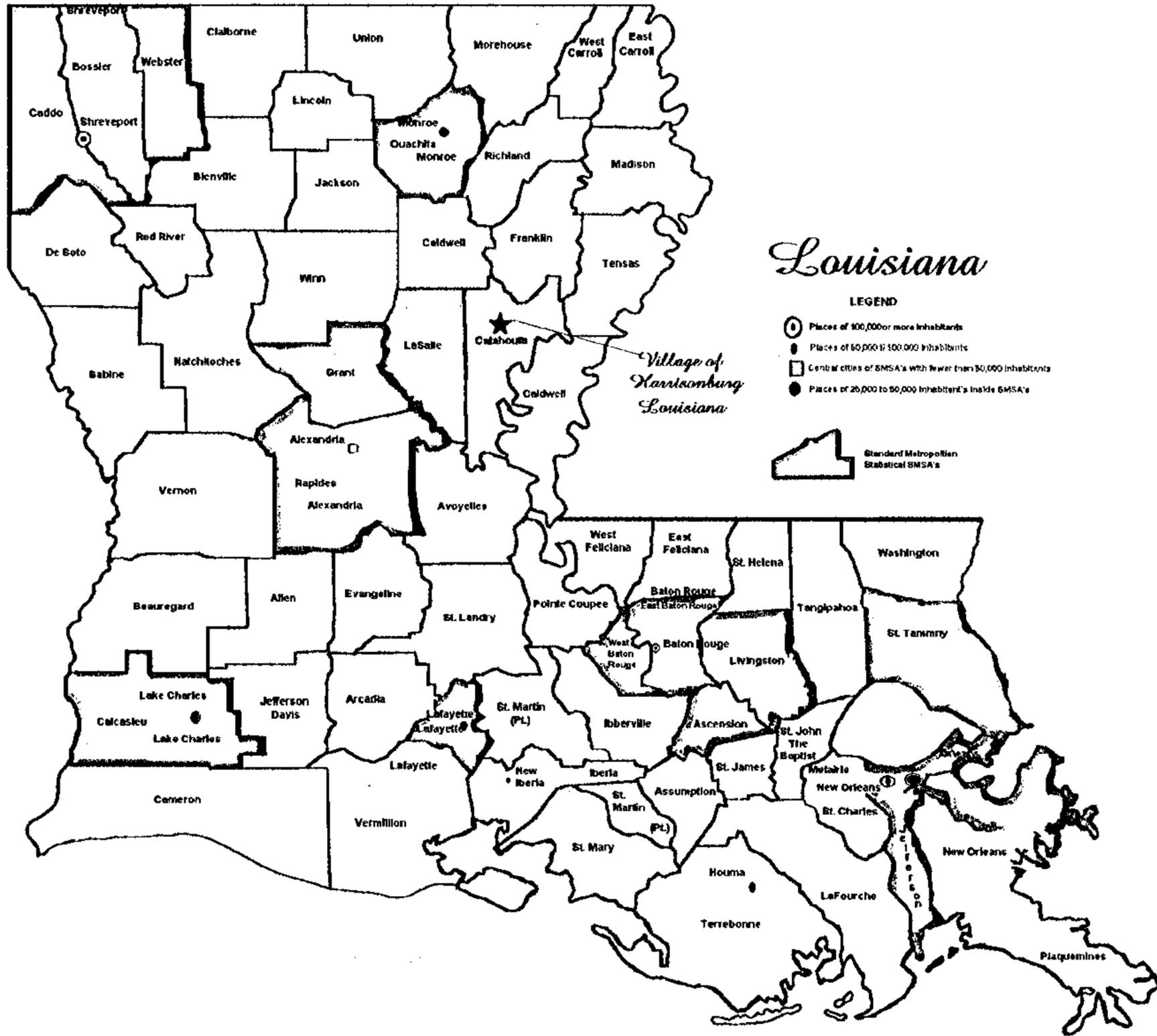
***Capital Projects Funds
& Supplemental Schedule***

JUNE 30, 2000

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 7-18-01

VILLAGE OF HARRISONBURG HARRISONBURG, LOUISIANA



* The Village of Harrisonburg was incorporated October 18, 1923, under the provisions of the Lawrason Act. The Village operates under the Mayor-Board of Alderman form of government.

Village of Harrisonburg, Louisiana
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June 30, 2000

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INDEPENDENT AUDITOR'S REPORT

The Honorable Cater Aplin, Mayor
and Members of the Village Council
Harrisonburg, Louisiana

I have audited the accompanying financial statements of the capital projects funds of the Village of Harrisonburg, Louisiana, as of and for the year ended June 30, 2000 as listed in the table of contents. These financial statements are the responsibility of the Village's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

As discussed in Note A, the financial statements present information only on the capital projects funds of the Village and are not intended to present fairly the financial position and the results of operations of the other funds of the Village of Harrisonburg, Louisiana, in conformity with generally accepted accounting principles..

In my opinion, the financial statements referred to above present fairly, in all material respects the financial position of the capital projects fund of the Village of Harrisonburg, Louisiana, as of June 30, 2000, and the results of its operations for the year then ended in conformity with generally accepted accounting principles in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated June 22, 2001, on my consideration of Village of Harrisonburg, Louisiana's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

My audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements of the Village of Harrisonburg, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

June 22, 2001

Jena, Louisiana

John R. Vercher

MEMBER
-----AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS-----
SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS

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

The Honorable Cater Aplin, Mayor
and Members of the Village Council
Harrisonburg, Louisiana

I have audited the financial statements of the capital projects funds of the Village of Harrisonburg, Louisiana, as of and for the year ended June 30, 2000, and have issued my report thereon dated June 22, 2001. I conducted my audit in accordance with auditing standards generally accepted in the United States of America 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 Harrisonburg, Louisiana's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, on compliance with which could have a direct and material effect on the determination of financial statements 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 the following instances of noncompliance that are required to be reported under Government Auditing Standards that are discussed in Section II of Schedule of Findings and Questioned Costs.

- 2000-C-1 Adequate Books and Accounting Records not Maintained
- 2000-C-2 Annual Audits or Compilation
- 2000-C-3 The Village does not Maintain a Complete Inventory of its Movable Fixed Assets
- 2000-C-4 Bond Covenants; Bond Reserves

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Village of Harrisonburg, Louisiana's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. 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 risk that misstatements in amounts that would be material in relation to the 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 over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of the Village of Harrisonburg's management and Legislative Auditor's Office. However, this report is a matter of public record and its distribution is not limited.

John R. Vercher

Jena, Louisiana
June 22, 2001

CAPITAL PROJECTS FUNDS

To account for the purchase or construction of major capital facilities which are not financed by proprietary funds, special assessment funds or trust funds.

LCDBG Project #107-900455

LCDBG Project # 107-900348

*Village of Harrisonburg, Louisiana
Capital Projects Funds*

*Combining Balance Sheet
June 30, 2000*

| | LCDBG # 107-900348 Project | LCDBG # 107-900455 Project | Total |
|---|---|---|---------------|
| ASSETS | | | |
| Cash | \$ -0- | \$ -0- | \$ -0- |
| Receivables | -0- | -0- | -0- |
| TOTAL ASSETS | \$ -0- | \$ -0- | \$ -0- |
| LIABILITIES AND FUND BALANCE | | | |
| Contracts Payables | \$ -0- | \$ -0- | \$ -0- |
| Fund Balance | -0- | -0- | -0- |
| TOTAL LIABILITIES AND FUND BALANCE | \$ -0- | \$ -0- | \$ -0- |

The accompanying notes are an integral part of this statement.

*Village of Harrisonburg, Louisiana
Capital Projects Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance*

For The Year Ended June 30, 2000

| | LCDBG # 107-900348 Project | LCDBG # 107-900455 Project | Total |
|--|---|---|-------------------|
| REVENUES | | | |
| Intergovernmental (LCDBG Grants) | \$ 329,576 | \$ 105,890 | \$ 435,466 |
| Intergovernmental (Other Grants) | 14,000 | -0- | 14,000 |
| TOTAL REVENUES | \$ 343,576 | \$ 105,890 | \$ 449,466 |
| EXPENDITURES | | | |
| Administration | \$ 9,450 | \$ 10,890 | \$ 20,340 |
| Public Works | 334,126 | 95,000 | 429,126 |
| TOTAL EXPENDITURES | \$ 343,576 | \$ 105,890 | \$ 449,466 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | \$ -0- | \$ -0- | \$ -0- |
| FUND BALANCE – BEGINNING | -0- | -0- | -0- |
| FUND BALANCE - ENDING | \$ -0- | \$ -0- | \$ -0- |

The accompanying notes are an integral part of this statement.

*Village of Harrisonburg, Louisiana
Capital Projects Funds*

*Statement of Revenues, Expenditures
and Changes in Fund Balance
Budget (GAAP Basis) vs Actual*

For The Year Ended June 30, 2000

| | LCDBG # 107-900348 | | |
|--|---------------------------|-------------------|-----------------|
| | Budget | Actual | Variance |
| REVENUES | | | |
| Intergovernmental (LCDBG Grants) | \$ 329,576 | \$ 329,576 | \$ -0- |
| Intergovernmental (Other Grants) | 14,000 | 14,000 | -0- |
| | \$ 343,576 | \$ 343,576 | \$ -0- |
| EXPENDITURES | | | |
| Administration | \$ 9,450 | \$ 9,450 | \$ -0- |
| Public Works | 334,126 | 334,126 | -0- |
| | \$ 343,576 | \$ 343,576 | \$ -0- |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | \$ -0- | \$ -0- | \$ -0- |
| FUND BALANCE – BEGINNING | -0- | -0- | -0- |
| FUND BALANCE – ENDING | \$ -0- | \$ -0- | \$ -0- |

| LCDBG # 107-900455 | | | Total | | |
|--------------------|------------|----------|------------|------------|----------|
| Budget | Actual | Variance | Budget | Actual | Variance |
| \$ 105,890 | \$ 105,890 | \$ -0- | \$ 435,466 | \$ 435,466 | \$ -0- |
| -0- | -0- | -0- | 14,000 | 14,000 | -0- |
| \$ 105,890 | \$ 105,890 | \$ -0- | \$ 449,466 | \$ 449,466 | \$ -0- |
| \$ 10,890 | \$ 10,890 | \$ -0- | \$ 20,340 | \$ 20,340 | \$ -0- |
| 95,000 | 95,000 | -0- | 429,126 | 429,126 | -0- |
| \$ 105,890 | \$ 105,890 | \$ -0- | \$ 449,466 | \$ 449,466 | \$ -0- |
| \$ -0- | \$ -0- | \$ -0- | \$ -0- | \$ -0- | \$ -0- |
| -0- | -0- | -0- | -0- | -0- | -0- |
| \$ -0- | \$ -0- | \$ -0- | \$ -0- | \$ -0- | \$ -0- |

The accompanying notes are an integral part of this statement.

*Notes
To
Financial Statement*

Village of Harrisonburg, Louisiana
Capital Projects
Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Harrisonburg was incorporated October 18, 1923, under the provisions of the Lawrason Act. The Village operates under the Mayor-Board of Alderman form of government. The Village provides the following significant services to its residents as provided by its charter: public safety (police and fire), highways and streets, utilities (water, gas and sewer services) and general administrative functions, including coordination of related services with parish, state and federal governing bodies.

The accounting and reporting policies of the Village of Harrisonburg 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 following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

This report includes only the capital projects funds of the Village which are used to account for the purchase or construction of major capital facilities which are not financed by proprietary funds, special assessment funds or trust funds.

B. Fund Accounting

The accounts of the Village of Harrisonburg are organized on the basis of funds and on account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in the individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The only funds contained in these financial statements are the capital projects funds and are described as follows:

GOVERNMENTAL FUND TYPES

Capital Projects

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds, special assessment funds and trust funds).

*Village of Harrisonburg, Louisiana
Capital Projects Funds
Notes to Financial Statements (Cont.)*

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statement. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets.

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

2. Budgetary Accounting

Budgets were prepared for the Capital Projects Funds. The budget is prepared on a "project wide" basis which may consist of several years. The budget comparison includes the remaining budgeted amounts in the project.

3. Cash and Investments

Deposits

It is the Village's policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The Village's deposits are categorized to give an indication of the level of risk assumed by the Village at year end. The categories are describes as follows:

- *Category 1* – Insured or collateralized with securities held by the Village or by its agent in the Village's name.
- *Category 2* – Collateralized with securities held by the pledging financial institution's trust department or agent in the Village's name.
- *Category 3* – Uncollateralized.

| | Bank Balance 6/30/2000 |
|---|-----------------------------------|
| Catahoula LaSalle Bank (Category1) FDIC | \$ -0- |

Village of Harrisonburg, Louisiana
Capital Projects Funds
Notes to Financial Statements (Cont.)

4. ELECTED OFFICIAL'S SALARIES

| <u>Name</u> | <u>Title</u> | <u>Term Served</u> | <u>Annualized Salary</u> |
|----------------|--------------|-------------------------|--------------------------|
| Cater Aplin | Mayor | 07/01/1999 - 06/30/2000 | \$ 1,620 |
| Ikie Henderson | Alderman | 07/01/1999 - 06/30/2000 | 1,350 |
| Charlie Watson | Alderman | 07/01/1999 - 06/30/2000 | 1,350 |
| Mark Cotten | Alderman | 07/01/1999 - 06/30/2000 | 1,350 |
| Joe Cook | Police Chief | 07/01/1999 - 06/30/2000 | 17,400 |

5. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires 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 and expenses during the reporting period. Actual results could differ from those estimates.

6. ENCUMBRANCES

The Village does not utilize encumbrance accounting.

OTHER SUPPLEMENTARY INFORMATION

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Honorable Cater Aplin, Mayor
And Members of the Village Council
P.O. Drawer 320
Harrisonburg, Louisiana

COMPLIANCE

I have audited the compliance of Village of Harrisonburg, Louisiana, with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2000. The Village of Harrisonburg, Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Village of Harrisonburg, Louisiana's management. My responsibility is to express an opinion on Village of Harrisonburg, Louisiana's compliance based on my audit.

I conducted my audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Village of Harrisonburg, Louisiana's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on Village of Harrisonburg, Louisiana's compliance with those requirements.

In my opinion, Village of Harrisonburg, Louisiana, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2000.

Internal Control Over Compliance

The management of Village of Harrisonburg, Louisiana, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered Village of Harrisonburg, Louisiana's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. 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 noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program 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 over compliance and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of management, the Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

John R. Vercher

Jena, Louisiana

June 22, 2001

**VILLAGE OF HARRISONBURG
HARRISONBURG, LOUISIANA**

**SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2000**

| <u>Federal Grantor/Pass-Through Grantor/Programs Title</u> | <u>Federal CFDA Number</u> | <u>Agency Or Pass-Through Number</u> | <u>Federal Expenditures</u> |
|--|------------------------------------|--|---------------------------------|
| US Department of Housing and Urban Development/Louisiana Division of Administration | | | |
| Louisiana Community Development Block Grant # 107-900455 | 14.228 | 107-900455 | \$ 105,890 |
| Louisiana Community Development Block Grant # 107-900348 | 14.228 | 107-900348 | 329,576 |
| | | | <u>\$ 435,466</u> |

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note A – Single Audit Requirements –

In July 1996, the Single Act Amendments of 1996 (1996 Act) were enacted and superseded the Single Audit Act of 1984. In June 1997 OMB issued a revised Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, to implement the changes from the 1996 Act and to rescind Circular A-128. These requirements provide that entities expending \$300,000 or more of federal funds be subject to a single audit. Therefore, The Village of Harrisonburg, Louisiana is subject to Single Audit requirements for the fiscal year ended June 30, 2000.

Note B – Significant Accounting Policies –

The schedule of expenditures of federal awards utilized the modified accrual basis of accounting where expenditures are recognized when the goods and services are rendered and the resulting liability is incurred.

Supplementary schedule. Presented for purposes of additional analysis only.

**VILLAGE OF HARRISONBURG
HARRISONBURG, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Year Ended June 30, 2000**

I have audited the financial statement of the capital projects funds of the Village of Harrisonburg, Louisiana, as of and for the year ended June 30, 2000 and have issued my report thereon dated June 22, 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 financial statements of the capital projects funds as of June 30, 2000 resulted in an unqualified opinion.

Section I - Summary of Auditor's Reports

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

Internal Control

Material Weaknesses Yes No Reportable Conditions Yes No

Compliance

Compliance Material to Financial Statements Yes No

b. Federal Awards

Internal Control

Material Weaknesses Yes No Reportable Conditions Yes No

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

Are the finding required to be reported in accordance with Circular A-133, Section .510(a)?

Yes No

c. Identification Of Major Programs:

| CFDA Number (s) | Name Of Federal Program (or Cluster) |
|-----------------|--|
| 14.228 | U.S. Department of Housing and Urban Development |

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

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133? Yes No

VILLAGE OF HARRISONBURG
HARRISONBURG, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)
For the Year Ended June 30, 2000

Section II - Financial Statement Findings Required To Be Reported In Accordance With GAGAS

| REFERENCE | DESCRIPTION OF FINDING | Recommendation |
|-----------|---|--|
| 2000-C-1 | <p><u>Adequate Books And Accounting Records Not Maintained.</u> Finding: The Village has not maintained accounting records in a manner to provide legal compliance and the preparation of annual financial statements in compliance with LSA -RS: 24:514, 24:515, 24:517 and/or R33:463. During my review of the Village's accounting records, I found that the books prepared had not been reconciled with the various bank accounts of the Village and the transactions of the various funds (i.e. water, sewer, general, water, sewer, gas) had been intermingled in such a way as to make financial statement preparation by fund difficult or impossible.</p> | <p>The Village Should concentrate its efforts on getting its accounting records in order for the year ending June 30, 2001 to allow financial statement preparation and audit to be performed. The Village should utilize fund accounting and account for each of its various funds independently of each other and reconcile the same to its bank statements on a monthly basis. The Village should also use an approved chart of accounts to post the various transactions of the Village.</p> |
| 2000-C-2 | <p><u>Annual Audits Or Compilations</u> Finding: LSA-RS 24:513 requires that the Village file with the Legislative Auditor's Office audited or compiled financial statements within six months of the Village's fiscal year closing date. The Village did not file financial statements for the fiscal year ended June 30, 2000 with the Legislative Auditor's Office within the required time limit.</p> | <p>The Village should establish a set of books and accounting records that can be audited within six months of the closing of the Village's fiscal year ending June 30, 2001.</p> |
| 2000-C-3 | <p><u>The Village Does Not Maintain A Complete Inventory Of Its Movable Fixed Assets (LRS 24:515(B))</u> Finding: The Louisiana revised statute 24:515(B) requires that the Village maintain current itemized records of all land, buildings, equipment, and other fixed assets purchased or otherwise acquired. In addition, itemized records of fixed assets are necessary for management control and accountability. The Village maintains a list of some office furniture and equipment, however, this list is not reconciled with the books and is incomplete.</p> | <p>Inventory all land, buildings, equipment and other fixed assets owned by the Village and assign actual cost if those records exist or apply an estimated cost to each asset.</p> |
| 2000-C-4 | <p><u>Bond Covenants: Bond Reserves</u> Finding: The Village is not maintaining its bond reserves as required by the Village's bond covenants. The Village does not adequately maintain its reserve fund or its depreciation reserve fund,</p> | <p>The Village is required by its bond covenants to establish a depreciation fund for its water fund and sewer fund and is to maintain them as follows: <u>Water Fund</u> – There should be deposited fifty dollars (\$50.00) per month commencing with the month following completion of the improvements to the system. <u>Sewer Fund</u> – There should be deposited twenty dollars (\$20.00) per month until the balance therein has reached \$3,000.</p> |

**VILLAGE OF HARRISONBURG
HARRISONBURG, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)
For the Year Ended June 30, 2000**

Section II - Financial Statement Findings Required To Be Reported In Accordance With GAGAS

| REFERENCE | DESCRIPTION OF FINDING | Recommendation |
|---------------------|---|---|
| 2000-C-4 (Cont.) | <u>Bond Covenants: Bond Reserves</u> The Village is not maintaining its bond reserves as required by the Village's bond covenants. The Village does not adequately maintain its reserve fund or its depreciation reserve fund. (Cont.) | The bond covenant also requires that the water and sewer fund establish a reserve fund to be maintained as follows: <u>Water Fund</u> – There should be deposited 5% of the amount to be paid into the redemption account, until such time as there has been accumulated therein the sum of \$12,930. <u>Sewer Fund</u> – There should be deposited twenty dollars (\$20.00) per month until the note has been fully retired. |

Section III – Federal Awards Findings and Questioned Costs.

No Items to report.

VILLAGE OF HARRISONBURG
HARRISONBURG, LOUISIANA
JUNE 30, 2000

MANAGEMENT'S CORRECTIVE ACTION FOR CURRENT YEAR FINDINGS

| REFERENCE | DESCRIPTION OF FINDING | CORRECTIVE ACTION PLANNED | CONTACT PERSON | ANTICIPATED COMPLETION DATE |
|-----------|---|---|----------------|-----------------------------|
| 2000-C-1 | <u>Adequate Books And Accounting Records Not Maintained.</u> | The Village will concentrate its efforts on getting its accounting records in order for the year ending June 30, 2001 to allow financial statement preparation and audit to be performed. The Village will utilize fund accounting and account for each of various funds independently of each other and reconcile the same to its bank statements on a monthly basis. The Village will also use an approved chart of accounts to post the various transactions of the Village. | Cater Aplin | August 1, 2001 |
| 2000-C-2 | <u>Annual Audits Or Compilations</u> | The Village will establish a set of books and accounting records that can be audited within six months of the closing of the Village's fiscal year ending June 30, 2001 | Cater Aplin | August 1, 2001 |
| 2000-C-3 | <u>The Village Does Not Maintain A Complete Inventory Of Its Movable Fixed Assets (LRS 24:515(B))</u> | The Village will maintain current itemized records of all land, buildings, equipment, and other fixed assets purchased or otherwise acquired as required by the LRS 24:515(B). | Cater Aplin | August 1, 2001 |

VILLAGE OF HARRISONBURG
 HARRISONBURG, LOUISIANA
 JUNE 30, 2000

MANAGEMENT'S CORRECTIVE ACTION FOR CURRENT YEAR FINDINGS - (Continued)

| REFERENCE | DESCRIPTION OF FINDING | CORRECTIVE ACTION PLANNED | CONTACT PERSON | ANTICIPATED COMPLETION DATE |
|-----------|--------------------------------------|--|----------------|--------------------------------|
| 2000-C-4 | <u>Bond Covenants: Band Reserves</u> | As soon as financial conditions allow, the Village will maintain its bond reserves as required by the Village's bond covenants. The Village will adequately maintain its reserve fund or its depreciation reserve fund | Cater Aplin | August 1, 2001 |

VILLAGE OF HARRISONBURG
STATE OF LOUISIANA
CATAHOULA PARISH

MANAGEMENT'S SUMMARY
OF PRIOR YEAR FINDINGS

Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana 70804-9397

The management of the Village of Harrisonburg, Louisiana has provided the following action summaries relating to audit findings brought to their attention as a result of their financial audit for the year ended June 30, 1999.

1999-C-1) Amended Budgets – (Resolved)

Finding: The general fund overspent its budget by \$58,117 or 20.14% during the year. Revised statute 39:1310 requires the budget to be amended whenever expenditures exceed budgeted amounts by more than 5%.

Action: The Village has begun amending its budget when actual revenue failed to meet budgeted revenue by 5% or more or when actual expenditures exceed budgeted expenditures by 5% or more.

1999-C-2) Maintenance of Fixed Assets Records – (Unresolved)

Finding: The Louisiana revised statute 24:515(B) requires that the Village maintain current itemized records of all land, building, equipment, and other fixed assets purchased or other wise acquired. In addition, itemized records of fixed assets are necessary for management control and accountability. The Village maintains a list of some office furniture and equipment, however, this list is not reconciled with the books and is incomplete.

Action: The Village has begun updating and maintaining its fixed asset inventory that it currently has.

1999-C-3) Bond Covenants – Bond Reserves – (Unresolved)

Finding: The Village is not maintaining its bond reserves as required by the Village's bond covenants. The Village does not adequately maintain its reserve fund or its depreciation reserve fund.

Action: As soon as financial conditions allow, the Village will begin maintaining its reserve fund and its depreciation and contingency fund as required by its bond covenants.

1999-C-4) Minutes of Meetings – (Resolved)

Finding: Act 665 of 1976 requires that minutes be taken of all meetings of the village council. Although it was determined through inquiry that minutes were taken of all meetings, some of those minutes could not be located.

Action: The Village has begun storing its minutes, resolutions, ordinances, and other official business taken by the council in locked files.

VILLAGE OF HARRISONBURG
STATE OF LOUISIANA
CATAHOULA PARISH

MANAGEMENT'S SUMMARY
OF PRIOR YEAR FINDINGS – (Continued)

1999-I-1) Supporting Documentation and Accounting – (Partially Resolved)

Finding: The Village does not maintain adequate supporting documentation (i.e.: invoices, remittance advices, etc.) to support entries into its accounting system. This weakness makes corrections and vouching of the accounting system difficult or impossible. Further, the Village pays and charges all payroll to the Village's general fund. This results in an overstatement of general fund expenditures and an understatement of wages in the sewer, gas, and water funds.

Action: The Village hired a new clerk and is in the process of training personnel to provide accurate accounting records and financial statements to the Village. The Village will establish invoice and remittance advice files that will support accounting transactions in the Village's books. The Village will also begin allocating payroll to the funds that receive the services of those employees.

1999-M-1) Past Due Accounts – (Resolved)

Finding: A review of the Village's accounts receivable revealed several accounts over 90 days with a substantial amount overdue.

Action: The Village has instituted a cutoff policy and will have all employees strictly adhere to that policy.