

VILLAGE OF GRAND CANE
Grand Cane, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 1996

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Grand Cane was incorporated under the provisions of the Lawrason Act in 1939. The village is governed by the mayor-board of aldermen form of government. The mayor and aldermen serve four-year terms that expire on December 31, 1998.

A. REPORTING ENTITY

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

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Village of Grand Cane 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 village 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 village.
2. Organizations for which the village does not appoint a voting majority but are fiscally dependent on the village.

See accountant's compilation report

VILLAGE OF GRAND CANE
Grand Cane, Louisiana
Notes to the Financial Statements (Continued)

Revenues

Franchise taxes and intergovernmental revenues are recorded when the village is entitled to the funds. The state tobacco tax is received quarterly.

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

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

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

Expenditures

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

II. BUDGET PRACTICES

A preliminary budget for the ensuing year is prepared by the clerk in May. The proposed budget is reviewed by the mayor and the board of aldermen and made available to the public. The budget is then adopted during the regular June meeting. The proposed budget for the General Fund is prepared on the cash basis of accounting. The budget is established and controlled by the mayor and the board of aldermen at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes in the budget must be approved by the mayor and the board of aldermen. The village does not use encumbrance accounting in its accounting system.

For the year ended June 30, 1996, the village adopted cash basis budgets for the General Fund and Sewer and Street Maintenance Special Revenue Fund. Budget comparison statements included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments.

See accountant's compilation report

VILLAGE OF GRAND CANE
Independent Accountant's Report on
Applying Agreed-Upon Procedures
June 30, 1996

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

LRS 39:1309-1310 requires that the village adopt a budget amendment when revenues and other sources to date plus projected amounts for the remainder of the year are failing to meet budgeted amounts by five percent or more and/or when expenditures and other uses to date plus projected amounts for the remainder of the year are exceeding budgeted amounts by five percent or more. For the year ended June 30, 1996 actual revenues for the Sewer and Street Maintenance Special Revenue Fund were less than budgeted amounts by \$26,297 or 47.43 %, and expenditures exceeded budgeted expenditures by \$9,072 or 16.36 %. Actual expenditures for the General Fund exceeded budgeted by \$6,291 or 30.16 %. I have recommended that the village monitor its budgets more closely in the future and amend them when changing conditions dictate such a need.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and;
- (a) trace payments to supporting documentation as to correct amount and payee;
 - (b) determine if payments were properly coded to the correct fund and general ledger account;
 - (c) determine whether payments received approval from proper authorities.

An examination of six randomly selected disbursements disclosed the following:

- (a) Two of the six selected disbursements did not have adequate documentation. These disbursements were payments to aldermen. Louisiana Revised Statute 405.G states that aldermen may receive compensation for attending meetings but the amount to be received must be set by ordinance. The village could not locate the ordinance establishing per diem amounts for aldermen. The remaining four disbursements were for the proper amount as reflected on supporting documentation and were made to the correct payee.
- (b) Two of the six payments examined were made by the Grand Cane Preservation District and could not be traced to general ledger posting because the preservation district does not keep books, as discussed to in number 12 below. The remaining four payments were coded to the correct fund and general ledger account.

VILLAGE OF GRAND CANE
Independent Accountant's Report on
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June 30, 1996

Code of Ethics for Public Officials and Public Employees

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

Management provided me with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided me with the required list.

4. Determine whether any of the employees included in the listing obtained from management in procedure number 3 above were also included in the listing obtained from management in procedure number 2 above as immediate family members.

None of the employees included on the list of employees provided by management in agreed-upon procedure 3 above appeared on the list provided by management in agreed-upon procedure 2 above.

Budgeting

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

Management provided me with a copy of the original budget for the general fund and the Sewer and Street Maintenance special revenue fund. There was only 1 amendment to the general fund budget during the year.

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

I traced the adoption of the original general fund budget to the minutes of a meeting held on June 6, 1995 which indicated that the budget had been adopted by the Board of Aldermen of the Village of Grand Cane by a vote of 4 in favor and none opposed. The amendment was adopted by the board on May 7, 1996, by a unanimous vote. A budget for the Grand Cane Preservation District was never adopted.

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

**MAYOR AND BOARD OF ALDERMEN
VILLAGE OF GRAND CANE**
Grand Cane, Louisiana

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed upon by the management of the Village of Grand Cane and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village of Grand Cane's compliance with certain laws and regulations during the year ended June 30, 1996 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for materials and supplies exceeding \$5,000, or public works exceeding \$50,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

A review was made of all disbursement journals for the year. That review did disclose one expenditure made during the period under examination in the amount of \$28,000 for capital improvements. LSA-RS 38:2211-2251 (the public bid law) was complied with for this expenditure.

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

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

VILLAGE OF GRAND CANE
Grand Cane, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULE
As of and For the Year Ended June 30, 1996

COMPENSATION PAID ALDERMEN
Schedule of Per Diem Paid Aldermen

Billy Franklin	\$125
Seth Rutherford	120
Donna Crocker	<u>110</u>
Total	<u>\$355</u>

See accountant's compilation report

VILLAGE OF GRAND CANE
Grand Cane, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULE
As of and for the Year Ended June 30, 1996

COMPENSATION PAID ALDERMEN

The schedule of compensation paid to aldermen is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the aldermen is included in the legislative expenditures of the General Fund. Aldermen receive a per diem \$10 for attending regular meetings and \$5 for attending special meetings.

See accountant's compilation report

SUPPLEMENTAL INFORMATION

See accountant's compilation report

VILLAGE OF GRAND CANE
 Grand Cane, Louisiana
 Notes to the Financial Statements (Continued)

	1996 Assessed Valuation	Per cent of Total Assessed Valuation
Central La. Electric Co.	\$809	12.52 %
South Central Bell	762	11.79 %
First National Bank, Mansfield	288	4.46 %
Simpson, Alfred Earl	159	2.46 %
United Post Office Investments	97	1.50 %
Meyers, Gerald	92	1.42 %
Louisiana Gas Service Co.	91	1.41 %
Speedway Oil Co.	83	1.28 %
Adams, Martha Jean	74	1.15 %
Mansfield Cable TV	73	1.13 %
Total	<u>\$2,528</u>	<u>39.12 %</u>

4. PENSION PLAN

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

5. LITIGATION AND CLAIMS

The village is not involved in any litigation at June 30, 1996, nor is it aware of any unasserted claims.

See accountant's compilation report

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VILLAGE OF GRAND CANE
Grand Cane, Louisiana

Primary Government Financial Statements
With Accountant's Compilation Report
and Agreed-Upon Procedures Report
As of and for the Year Ended
June 30, 1996

VILLAGE OF GRAND CANE
 Grand Cane, Louisiana
 Notes to the Financial Statements (Continued)

The following reconciles the excess of revenues over expenditures as shown on budgetary comparison Statement C (budget basis) to the same amounts shown on Statement B (GAAP basis):

	<u>General</u>	<u>Sewer and Street Maintenance</u>
Excess of revenues over expenditures (Budgetary basis)	\$15,515	(\$35,369)
Payables	<u>(411)</u>	<u>3,573</u>
Excess of revenues over expenditures (GAAP basis)	<u>\$15,104</u>	<u>(\$31,796)</u>

F. CASH AND CASH EQUIVALENTS

Under state law, the village may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The village may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 1996, the village has cash (book balances) totaling \$97,282.

Demand Deposits	\$25,480
Timed deposits	71,777
Petty Cash	<u>25</u>
Total	<u>\$97,282</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. Deposit balances (bank balances) at June 30, 1996, total \$98,418 and are fully secured by federal deposit insurance.

**G. TOTAL COLUMN ON THE
 BALANCE SHEET**

The total column on the balance sheet is captioned Memorandum Only (overview) to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial

See accountant's compilation report

VILLAGE OF GRAND CANE
Grand Cane, Louisiana

Primary Government Financial Statements
With Accountant's Compilation Report
and Agreed-Upon Procedures Report
As of and for the Year Ended June 30, 1996

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VILLAGE OF GRAND CANE
Independent Accountant's Report on
Applying Agreed-Upon Procedures
June 30, 1996

General

12. The accounting records for the Grand Cane Preservation District consisted solely of checkbook records. Consequently, the preservation district was not included in the compiled financial statements of the Village of Grand Cane for the year ended June 30, 1996. Louisiana Revised Statute 24:515(a) requires that all accounts of public funds shall be kept in the form prescribed by the Legislative Auditor. I recommended that the village require the preservation district to establish accounting records and a chart of accounts as prescribed by the Legislative Auditor.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of the Village of Grand Cane and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.



West Monroe, Louisiana
September 16, 1996

VILLAGE OF GRAND CANE
Grand Cane, Louisiana
Notes to the Financial Statements (Continued)

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

Based on the previous criteria, the village has determined that the Grand Cane Preservation District is a component unit of the village. The village appoints the members of the district, can impose its will on the district, and the district has the potential to provide specific financial benefits to the village.

B. FUND ACCOUNTING

The village uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed assets and general long-term debt) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types." Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The village's current operations require the use of governmental fund types described as follows:

Governmental Fund Type - General Fund

The General fund is the general operating fund of the village. It accounts for all financial resources, except those required to be accounted for in the Sewer And Street Maintenance Special Revenue Fund.

See accountant's compilation report

VILLAGE OF GRAND CANE
Grand Cane, Louisiana
GOVERNMENTAL FUND TYPE -
GENERAL AND SPECIAL REVENUE FUNDS

Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Budget (Cash) Basis and Actual
For the Year Ended June 30, 1996

GENERAL FUND.....			SEWER AND STREET MAINTENANCESPECIAL REVENUE FUND.....		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES						
Taxes:						
Ad valorem	\$3,789	\$3,961	\$172	\$9,738	\$10,119	\$381
Franchise	4,942	6,780	1,838			
Occupational licenses	9,615	13,882	4,267			
Intergovernmental/state funds						
Tobacco tax	947	1,260	313			
Other state grants		15,000	15,000			
Fees, charges, and commissions for services				17,702	17,937	235
Use of money and property-						
Interest	1,015	1,761	746		275	275
Other revenues	547	17	(530)	28,000	812	(27,188)
Total revenues	<u>20,855</u>	<u>42,661</u>	<u>21,806</u>	<u>55,440</u>	<u>29,143</u>	<u>(26,297)</u>
EXPENDITURES						
General government:						
Current:						
Personal services and related benefits	12,000	4,804	7,196	16,020	18,125	2,105
Operating services	8,855	9,829	(974)	11,420	14,041	2,621
Materials and supplies		303	(303)	28,000	30,282	2,282
Travel and other		210	(210)			
Intergovernmental		12,000	(12,000)			
Capital outlay					2,064	2,064
Total expenditures	<u>20,855</u>	<u>27,146</u>	<u>(6,291)</u>	<u>55,440</u>	<u>64,512</u>	<u>(9,072)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>NONE</u>	<u>\$15,515</u>	<u>\$15,515</u>	<u>NONE</u>	<u>(\$35,369)</u>	<u>(\$35,369)</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>NONE</u>	<u>54,923</u>	<u>54,923</u>	<u>NONE</u>	<u>54,966</u>	<u>54,966</u>
FUND BALANCES AT END OF YEAR	<u>NONE</u>	<u>\$70,438</u>	<u>\$70,438</u>	<u>NONE</u>	<u>\$19,597</u>	<u>\$19,597</u>

See accompanying notes and account's compilation report.

VILLAGE OF GRAND CANE
Grand Cane, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

Combined Statement of Revenues, Expenditures, and
Changes in Fund Balance
For the Year Ended June 30, 1996

	GENERAL FUND	SEWER AND STREET MAINTENANCE SPECIAL REVENUE FUND	TOTAL (MEMORANDUM ONLY)
REVENUES			
Taxes:			
Ad valorem taxes	\$3,961	\$10,119	\$14,080
Franchise	6,780		6,780
Occupational licenses	13,882		13,882
Intergovernmental/state funds			
Tobacco tax	1,260		1,260
Other state grants	15,000		15,000
Fees, charges and commissions for services		17,937	17,937
Use of money and property			
Interest	1,761	275	2,036
Other revenues	17	812	829
Total revenues	<u>42,661</u>	<u>29,143</u>	<u>71,804</u>
EXPENDITURES			
General government:			
Current:			
Personal services and related benefits	4,806	18,125	22,931
Operating services	10,016	10,329	20,345
Materials and supplies	303	30,421	30,724
Travel and other	432		432
Intergovernmental	12,000		12,000
Capital outlay		2,064	2,064
Total expenditures	<u>27,557</u>	<u>60,939</u>	<u>88,496</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	15,104	(31,796)	(16,692)
FUND BALANCE AT BEGINNING OF YEAR	<u>54,923</u>	<u>54,966</u>	<u>109,889</u>
FUND BALANCE AT END OF YEAR	<u>\$70,027</u>	<u>\$23,170</u>	<u>\$93,197</u>

See accompanying notes and accountant's compilation report.

VILLAGE OF GRAND CANE
Grand Cane, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet, June 30, 1996

	GOVERNMENTALFUND TYPE.....		ACCOUNT GROUP- GENERAL FIXED ASSETS	TOTAL (MEMORANDUM ONLY)
	GENERAL FUND	SEWER AND STREET MAINTENANCE SPECIAL REVENUE FUND		
ASSETS				
Cash and cash equivalents	\$86,504	\$10,778		\$97,282
Due from other funds	17,231	32,443		49,674
Land, buildings, and equipment			\$36,382	36,382
TOTAL ASSETS	<u>\$103,735</u>	<u>\$43,221</u>	<u>\$36,382</u>	<u>\$183,338</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$773	\$495		\$1,268
Payroll deduction payable	492			492
Due to other funds	32,443	17,231		49,674
Sewer deposits		2,325		2,325
Total liabilities	<u>33,708</u>	<u>20,051</u>	NONE	<u>53,759</u>
Fund Equity:				
Investment in general fixed assets			\$36,382	36,382
Fund balance - unreserved - undesignated	70,027	23,170		93,197
Total Fund Equity	<u>70,027</u>	<u>23,170</u>	<u>36,382</u>	<u>129,579</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$103,735</u>	<u>\$43,221</u>	<u>\$36,382</u>	<u>\$183,338</u>

See accompanying notes and accountant's compilation report.

**PRIMARY GOVERNMENT FINANCIAL STATEMENTS
(OVERVIEW)**



Accountant's Compilation Report

MAYOR AND BOARD OF ALDERMEN
VILLAGE OF GRAND CANE
Grand Cane, Louisiana

I have compiled the accompanying Primary Government financial statements and supplemental information schedule, as listed in the foregoing table of contents, of the Village of Grand Cane as of June 30, 1996, and for the year then ended, in accordance with standards established by *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants.

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

West Monroe, Louisiana
September 16, 1996

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VILLAGE OF GRAND CANE
Independent Accountant's Report on
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June 30, 1996

- (c) Inspection of documentation supporting the four disbursements indicated approvals from the Mayor and the village clerk. Further, the types of disbursements made were included in the village's approved budget.

Meetings

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

While dates for upcoming meetings are published in the minutes of each meeting, no agenda for the meetings are published or posted as required by LSA-RS 42:7. Management stated they were not aware of the requirement that agendas for meetings be posted. I recommended that agendas for all meetings be posted at town hall at least 24 hours prior to each meeting as required by the referenced statute. The posted notice should also include a notation from the clerk stating the date it is posted.

Debt

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

I inspected copies of all 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 board for the year indicated no approval for the payments noted. I also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

VILLAGE OF GRAND CANE
 Grand Cane, Louisiana
 Notes to the Financial Statements (Continued)

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. CHANGES IN GENERAL FIXED ASSETS

The following presents the changes in general fixed assets for the year ended June 30, 1996:

	Balance at July 1, 1995	Additions	Deletions	Balance at June 30, 1996
Land and buildings	\$24,000			\$24,000
Furniture and equipment	10,318	\$2,064		12,382
Total	<u>\$34,318</u>	<u>\$2,064</u>	<u>NONE</u>	<u>\$36,382</u>

3. LEVIED TAXES

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

	Authorized Millage	Levied Millage	Expiration Date
Village taxes:			
General	6.00	6.00	Indefinite
Sewer system	5.00	5.01	1998
Sewer/Street	5.00	5.01	2006
Sewer/Street	5.40	5.40	1997

The difference between authorized and levied millages is the result of reassessments of taxable property within the parish as required by Article 7, Section 18 of the Louisiana Constitution of 1974.

The following are the principal taxpayers for the parish and their 1996 assessed valuation (amounts expressed in thousands):

See accountant's compilation report

Special Revenue - Sewer and Street Maintenance Fund

The Sewer and Street Maintenance Fund is used to account for financial resources to be used in the maintenance of the village's sewer and street system.

C. FIXED ASSETS AND LONG-TERM DEBT

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in the General Fund. All purchased fixed assets are valued at cost where historical costs are available and estimated cost where no historical records are available. Approximately 50 per cent of fixed assets are valued at estimated historical costs based on the actual costs of like items, while the remaining 50 per cent are based on actual historical costs. Public domain (infrastructure) general fixed assets consisting of roads, bridges, drainage, parking lots, etc. are not capitalized, as these assets are immovable and of value only to the village. No depreciation has been provided on general fixed assets. There are no general long-term obligations at June 30, 1996.

D. BASIS OF ACCOUNTING

The financial and reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for reporting all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The village uses the following practices in recognizing and reporting revenues and expenditures:

See accountant's compilation report