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**VILLAGE OF CLARENCE, LOUISIANA**

**ANNUAL FINANCIAL REPORT**

**JUNE 30, 1999**

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

Release Date Oct 29 1999

Village of Clarence, Louisiana

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# *Johnson, Thomas & Cunningham*

*Certified Public Accountants*

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## ACCOUNTANTS' COMPILATION REPORT ON THE FINANCIAL STATEMENTS

To the Board of Aldermen of  
the Village of Clarence

We have compiled the accompanying general purpose financial statements of the Village of Clarence as of June 30, 1999, and for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements have been prepared on the modified accrual basis of accounting, which is the generally accepted accounting methods established by the Governmental Accounting Standards Board for governmental units.

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

*Johnson, Thomas & Cunningham*  
Johnson, Thomas & Cunningham, CPAs

December 8, 1999  
Natchitoches, Louisiana

**GENERAL PURPOSE FINANCIAL STATEMENTS  
(COMBINED STATEMENTS - OVERVIEW)**

Village of Clarence, Louisiana  
Combined Balance Sheet-All Fund Types and Account Group  
June 30, 1999

<u>Assets</u>	<u>Governmental</u> <u>Fund Type</u> <u>General</u>	<u>Proprietary</u> <u>Fund Type</u> <u>Enterprise</u>	<u>Account Group</u> <u>General</u> <u>Fixed Assets</u>	<u>Totals</u> <u>(Memorandum Only)</u>
Cash	\$ (315)	\$ 104	\$ 0	\$ (211)
Receivables, Net	6,350	10,211	0	16,561
Restricted Assets-				
Reserve Fund	0	2,266	0	2,266
Contingency Fund	0	300	0	300
Amortization Fund	0	1,205	0	1,205
Customer Deposits	0	4,171	0	4,171
Utility, Plant & Equipment	0	1,726,167	0	1,726,167
Less, Accumulated Depreciation	0	(137,942)	0	(137,942)
Buildings, Equipment & Land	<u>0</u>	<u>14,567</u>	<u>69,794</u>	<u>84,361</u>
Total Assets	<u>\$6,035</u>	<u>\$1,621,049</u>	<u>\$69,794</u>	<u>\$1,696,878</u>
<u>Liabilities</u>				
Accounts Payable	\$5,230	\$ 2,975	\$ 0	\$ 8,205
Accrued Liabilities Payable				
from Restricted Assets-				
Revenue Bonds	0	3,000	0	3,000
Customers' Deposits	0	4,171	0	4,171
Accrued Interest	0	2,675	0	2,675
Revenue Bonds Payable	<u>0</u>	<u>104,000</u>	<u>0</u>	<u>104,000</u>
Total Liabilities	<u>\$5,230</u>	<u>\$ 116,821</u>	<u>\$ 0</u>	<u>\$ 122,051</u>
<u>Fund Equity</u>				
Contributed Capital - Federal Grants	\$ 0	\$1,694,879	\$ 0	\$1,694,879
Investment in General Fixed Assets	0	0	69,794	69,794
Retained Earnings-				
(Deficit)	0	(190,651)	0	(190,651)
Fund Balances-				
Unreserved - Undesignated	<u>805</u>	<u>0</u>	<u>0</u>	<u>805</u>
Total Fund Equity	<u>\$ 805</u>	<u>\$1,504,228</u>	<u>\$69,794</u>	<u>\$1,574,827</u>
Total Liabilities & Fund Equity	<u>\$6,035</u>	<u>\$1,621,049</u>	<u>\$69,794</u>	<u>\$1,696,878</u>

See accountants' compilation report and notes to financial statements.

Village of Clarence, Louisiana  
 Combined Statement of Revenues, Expenses and Changes in Fund Balances-  
 Budget (GAAP Basis) and Actual  
 General Fund Type  
 Year Ended June 30, 1999

	<u>General Fund</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<b>REVENUES:</b>			
Taxes	\$ 30,500	\$ 36,963	\$ 6,463
Licenses & Permits	18,900	8,827	(10,073)
Fines	49,500	48,575	(925)
Intergovernmental	13,650	13,117	(533)
Miscellaneous	<u>3,000</u>	<u>1,135</u>	<u>(1,865)</u>
Total Revenues	<u>\$115,550</u>	<u>\$108,617</u>	<u>\$ (6,933)</u>
<b>EXPENDITURES:</b>			
Current-			
General Government	\$ 71,200	\$ 76,821	\$ (5,621)
Public Safety	39,820	33,440	6,380
Capital Outlay	<u>3,000</u>	<u>1,011</u>	<u>1,989</u>
Total Expenditures	<u>\$114,020</u>	<u>\$111,272</u>	<u>\$ 2,748</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,530	\$ (2,655)	\$ (4,185)
Fund Balance-Beginning of Year	<u>3,460</u>	<u>3,460</u>	<u>0</u>
Fund Balance-End of Year	<u>\$ 4,990</u>	<u>\$ 805</u>	<u>\$ (4,185)</u>

See accountants' compilation report and notes to financial statements.

Village of Clarence, Louisiana  
Statement of Revenues, Expenses and Changes in Retained Earnings  
Proprietary Fund Type  
Enterprise Fund  
Year Ended June 30, 1999

	<u>1999</u>
Operating Revenues:	
Utility Sales & Miscellaneous	\$ <u>76,912</u>
Operating Expenses:	
Taxes	\$ 7,255
Fuel Purchased	1,135
Maintenance & Labor	7,292
Supplies, etc.	8,822
Electricity	11,756
Salaries	21,645
Insurance	2,403
Professional Fees	762
Miscellaneous	2,105
Rent	<u>6,168</u>
Total	\$ <u>69,343</u>
Depreciation	\$ <u>23,617</u>
Total Operating Expenses	\$ <u>92,960</u>
Operating Income (Loss)	\$ <u>(16,048)</u>
Non-Operating Revenues (Expenses):	
Interest Income	\$ 102
Interest Expense	<u>(5,600)</u>
Total	\$ <u>(5,498)</u>
Net Income (Loss)	\$ (21,546)
Retained Earnings-Beginning	<u>(169,105)</u>
Retained Earnings-Ending	\$ <u>(190,651)</u>

See accountants' compilation report and notes to financial statements.

Village of Clarence, Louisiana  
Statement of Cash Flows  
Proprietary Fund Type-Enterprise Fund  
Year Ended June 30, 1999

	<u>1999</u>
Cash Flows from Operating Activities:	
Net Income for the Year	\$(21,546)
Adjustments to Reconcile to Net Cash Provided by Operations-	
Depreciation	23,617
(Increase) in A/R	(754)
Decrease in Restricted Assets	3,194
Increase in Accounts Payable	802
(Decrease) in Customer Deposits	<u>(566)</u>
Cash Provided by Operating Activities	<u>\$ 4,747</u>
 Cash Used by Investing Activities:	
(Increase) in Plant	<u>\$ (2,135)</u>
 Cash Provided by Financing Activities:	
Repayment of Debt	<u>\$ (5,000)</u>
Cash Used by Financing Activities	<u>\$ (5,000)</u>
 (Decrease) in Cash	 \$ (2,388)
 Beginning Cash	 <u>2,492</u>
 Ending Cash	 <u>\$ 104</u>

See accountants' compilation report and notes to financial statements.

**NOTES TO FINANCIAL STATEMENTS**

Village of Clarence, Louisiana  
Notes to Financial Statements  
June 30, 1999

1. **Introduction:**

The Village of Clarence, Louisiana, is incorporated under the Lawrason Act with a Mayor-Board of Aldermen form of government. The executive branch of government is headed by the Mayor and a Legislative branch consisting of Aldermen.

This report includes all funds and account groups which are controlled or dependent on the Village of Clarence's executive and legislative branches (the Mayor and Aldermen). Control by or dependence on the Village of Clarence was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of government body, and other general oversight responsibility.

The Village's operations include police, streets and drainage, and general and administrative services. In addition, the Village operates a Utility System which provides water and sewer services.

2. **Summary of Significant Accounting Policies:**

Reporting Entity-As the municipal governing authority, for reporting purposes, the Village of Clarence is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government, (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 Village of Clarence 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.
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.

Village of Clarence, Louisiana  
Notes to Financial Statements  
June 30, 1999

As required by generally accepted accounting principles, these financial statements present the Village of Clarence as the primary government. The Village does not have any component units.

Fund Accounting-The accounts of the Village of Clarence are organized on the basis of funds and an account group, 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 individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into two generic fund types and two broad fund categories as follows:

Governmental Fund-

General Fund-The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

Proprietary Funds-

Enterprise Funds-The Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (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 the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Fixed Assets-The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets.

Fixed Assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, and are recorded as expenditures in the governmental fund types when purchased. Assets are valued at historical cost. The Village has elected not to capitalize public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings, including roads, bridges, sidewalks, and drainage improvements. No depreciation has been taken on general fixed assets.

The account group is not a "fund". It is concerned only with the measurement of financial position, and is not involved with the measurement of results of operations.

Village of Clarence, Louisiana  
Notes to Financial Statements  
June 30, 1999

The proprietary fund is accounted for on a cost of services or "capital maintenance" measurement focus, and all assets and all liabilities (whether current or noncurrent) associated with its activity are included on the balance sheet.

Depreciation of all exhaustible fixed assets used by the proprietary funds are charged as an expense against the operations. Depreciation has been provided over the estimated useful lives using the straight-line method. Assets are shown at historical cost less an allowance for depreciation. The allowance for depreciation at June 30, 1999 was \$137,942. The estimated useful lives are as follows:

Water System	50 years
Sewer System	50 years
Vehicles & Equipment	5 years

Basis of Accounting

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 except that principal and interest on general long-term debt is recognized when due. Purchase of various operating supplies are regarded as expenditures at the time purchased.

Revenues from local sources consist primarily of sales and fines. Sales tax revenues and fines received are recognized when susceptible to accrual. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

The proprietary fund is accounted for using the accrual basis of accounting whereby revenues are recognized when they are earned and expenses are recognized when incurred.

Budgets and Budgetary Accounting

The Village utilizes the following procedures in establishing the budgetary data reflected in the financial statements.

1. The Mayor prepares the budget which is to be submitted to the Board of Aldermen at the May meeting of the Board. The budget is to be voted on at the June meeting.
2. The budget can be amended after adoption by the Mayor submitting an amended budget to the Board, and adoption by the Board.
3. All budgetary appropriations lapse at the end of each fiscal year.

Village of Clarence, Louisiana  
Notes to Financial Statements  
June 30, 1999

4. The budget for the General fund is adopted on a basis consistent with generally accepted accounting principles (GAAP).

Water and Sewer System Inventories

Water and sewer supplies used in the proprietary fund are expensed when purchased since the amount on hand, if any, is not material in amount.

Retirement Commitments

The employees of the Village of Clarence are not covered by any pension system, other than the social security system.

Unpaid Accumulated Vacation and Sick Pay

At June 30, 1999 there was no unpaid accumulated vacation or sick pay.

Encumbrance Accounting

The Village of Clarence does not employ the use of "encumbrance" accounting methods.

Total Columns on Combined Statements - Overview

Total columns on the combined statements-overview 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.

**3. Restricted Assets - Proprietary Fund Type:**

Restricted assets were applicable to the following at June 30, 1999:

	<u>1999</u>
Reserve Fund	\$2,266
Contingency Fund	300
Amortization Fund	1,205
Customer Deposits	<u>4,171</u>
Total	<u>\$7,942</u>

Village of Clarence, Louisiana  
Notes to Financial Statements  
June 30, 1999

**4. Changes in General Fixed Assets:**

A summary of changes in general fixed assets follows:

Balance at July 1, 1998	\$68,783
Additions for year	<u>1,011</u>
Balance at June 30, 1999	<u>\$69,794</u>

**5. Changes in Long-Term Debt:**

The following is a summary of bond transactions of the Village for the year ended June 30, 1999:

	<u>Revenue Bonds</u>
Bonds Payable at July 1, 1998	\$112,000
Less, Bonds Retired - 6-30-99	<u>5,000</u>
Bonds Payable at June 30, 1999	<u>\$107,000</u>

Bonds payable at June 30, 1999 are comprised of the following individual issues:

	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Rate</u>	<u>Total</u>
1979 Water Revenue Bonds	12-4-79	12-31-19	5%	\$107,000

The annual requirements to amortize all debt outstanding as of June 30, 1999 including interest payments of \$62,125 are as follows:

2000	\$ 8,200
2001	8,050
2002	8,850
2003	8,650
2004	8,450
Thereafter	<u>124,050</u>
Total	<u>\$166,250</u>

Village of Clarence, Louisiana  
Notes to Financial Statements  
June 30, 1999

**6. Flow of Funds, Restriction on Use - Water Fund:**

Under the terms of the bond indenture on outstanding Water Utility Bonds dated August 3, 1970, and December 4, 1979, all income and revenues (hereinafter referred to as revenue) of every nature, earned or derived from operations of the Utility System, are pledged and dedicated to the retirement of said bonds and are to be set aside into the following funds:

- (a) Each month, there will be set aside into a fund called the Amortization Fund an amount constituting 1/12 of the next maturing installment of principal and interest on the outstanding bonds. Such transfers shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due, and may be used only for such payments.
- (b) There shall also be set aside into a Reserve Fund an amount equal to 5% of the principal and interest payments required during the month until there shall have been accumulated in the Reserve Account an amount equal to the maximum principal and interest requirement in any one maturity year (\$13,850). Such amounts may be used only for the payment of maturing bonds and interest coupons for which sufficient funds are not on deposit in the Amortization Fund and as to which there would otherwise be default.
- (c) Funds will also be set aside into a Depreciation and Contingency Fund at the rate of \$55 per month. Money in this fund may be used for the making of extraordinary repairs or replacements to the system which are necessary to keep the system in operating condition and for which money is not available as a maintenance and operation expense.
- (d) All of the revenues received in any fiscal year that are not required to be paid in such fiscal year into any of the above noted funds shall be regarded as surplus and may be used for any lawful purpose.

**7. Cash and Investments:**

The Village's cash is held in separate cash accounts, and accounted for separately in each of the Village's funds. At June 30, 1999, the Village's cash totaled \$7,731. All of this cash is held by banks, and \$7,731 is covered by FDIC insurance.

The Village's cash is categorized below to give an indication of the level of risk assumed by the Village at June 30, 1999. Category 1 includes cash held by the Village which is insured and held in the Village's name. Category 2 would include cash and investments held in the Village's name which is uninsured or unregistered. Category 3 would include the Village's cash held by a trustee or other third party not in the Village's name and uninsured and unregistered.

Village of Clarence, Louisiana  
Notes to Financial Statements  
June 30, 1999

	Category <u>1</u>	Category <u>2</u>	Category <u>3</u>	Carrying <u>Value</u>
Total Cash & Cash Equivalents	\$7,731	\$0	\$0	\$7,731
FDIC Insurance	<u>7,731</u>	<u>0</u>	<u>0</u>	<u>7,731</u>
Balance Uninsured	\$ <u>0</u>	\$0	\$0	\$ <u>0</u>

8. **A summary of proprietary fund property, plant and equipment at June 30, 1999, follows:**

Equipment	\$ 14,567
Water & Sewer System	<u>1,726,167</u>
Total	\$1,740,734
Less, Accumulated Depreciation	<u>(137,942)</u>
Balance	<u>\$1,602,792</u>

9. **Year 2000 Issue:**

The Village of Clarence is aware of the year 2000 issue and is currently assessing its systems. Because of the unprecedented nature of the year 2000 issue, its effects and the success of related efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that parties with whom the Village does business will be year 2000 compliant.

10. **Changes in Contributed Capital:**

Beginning Balance, July 1, 1998	\$1,520,347
Additions	<u>0</u>
Ending Balance, June 30, 1999	<u>\$1,520,347</u>

11. **Compensation of Mayor and Board:**

<u>Name</u>	<u>Amount</u>
Earl Alexander	\$1,650
Elouise Johnson	550
Annie Joseph	550
Lelo Briggs	<u>550</u>
Total	<u>\$3,300</u>

Village of Clarence, Louisiana  
Notes to Financial Statements  
June 30, 1999

**12. Receivables:**

The following is a summary of receivables at June 30, 1999:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Proprietary Fund Types</u>
Taxes	\$2,859	\$ 0
Intergovernmental	738	0
Fines	2,753	0
Utility Sales	0	6,756
Other	<u>0</u>	<u>3,455</u>
Totals	<u>\$6,350</u>	<u>\$10,211</u>

Substantially all receivables are considered to be fully collectible, and no allowance for uncollectibles is used.

# Johnson, Thomas & Cunningham

Certified Public Accountants

Exhibit E

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*Eddie G. Johnson, C.P.A. A Professional Corporation (1968-1996)*

*Mark D. Thomas, C.P.A. A Professional Corporation*

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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Aldermen of  
the Village of Clarence

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Village of Clarence and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village of Clarence's compliance with certain laws and regulations during the year ended June 30, 1999 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 these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

### *Public Bid Law*

1. Select all expenditures made during the year for material and supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

Not applicable.

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

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

Management provided us with the required list, including the noted information.

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

Management provided us with the required list.

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

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

None found.

*Budgeting*

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

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

6. Trace the budget adoption to the minute book.

We traced the adoption of the budget to the minute book.

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 more than 5%.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures for the year did not exceed budgeted amounts by more than 5%.

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

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

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

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

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

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

All payments examined were properly approved by the proper authorities.

*Meetings*

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

The Village of Clarence is only required to post a notice of each meeting and the accompanying agenda on the door of the Village's office building.

*Debt*

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

We inspected copies of all bank deposits 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.

None found.

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

This report is intended solely for the use of management of the Village of Clarence 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.

*Johnson, Thomas & Cunningham*  
Johnson, Thomas & Cunningham, CPA's

December 8, 1999  
Natchitoches, Louisiana

APPENDIX F. LOUISIANA ATTESTATION QUESTIONNAIRE

December 10, 1999 Date

Johnson, Thomas & Cunningham, CPAs  
321 Bienville St.  
Natchitoches, LA 71457  
(Auditors)

In connection with your compilation of our financial statements as of June 30, 1999 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of December 10, 1999 (date).

**Public Bid Law**

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes [] No [ ]

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

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

Yes [] No [ ]

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

Yes [] No [ ]

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:43.

Yes [] No [ ]

**Accounting and Reporting**

**Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:38.

Yes [] No [ ]

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes [] No [ ]

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes [] No [ ]

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes [] No [ ]

**Debt**

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 47:1410.60.

Yes [] No [ ]

**Advances and Bonuses**

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

Yes [] No [ ]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

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

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

*Carl [Signature]* President 12/17/95 Date

Note-Quasi-public entities should delete reference to the above statutes, unless required to follow such laws by contract with their public funding agencies. The quasi-public entities should include a representation that they have complied with the contractual provisions under which they have received state and/or local funds.