

TOWN OF DELHI, LOUISIANA
FINANCIAL REPORT
SEPTEMBER 30, 2003

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Release Date 3-31-04

TOWN OF DELHI, LOUISIANA

FINANCIAL REPORT
SEPTEMBER 30, 2003

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TOWN OF DELHI, LOUISIANA

FINANCIAL REPORT
SEPTEMBER 30, 2005

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MARTIN, HARRISON & SMALLWOOD, L.L.P.

CHARTERED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

December 22, 2003

The Honorable Lynn Lewis, Mayor,
and the Members of the Board of Aldermen
Delhi, Louisiana

We have audited the accompanying general-purpose financial statements of the Town of Delhi, Louisiana, as of and for the year ended September 30, 2003, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Town of Delhi, Louisiana's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our 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; and the provisions of Office of Management and Budget (OMB) Circular A-133, Audit of State, Local Governments, and Non-Profit Organizations. These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Delhi, Louisiana, as of September 30, 2003, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 22, 2003, on our consideration of the Town of Delhi, Louisiana's internal control over financial reporting and our 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 our audit.

The Honorable Lynn Lewis, Mayor,
and the Members of the Board of Aldermen
Bolton, Louisiana
December 22, 2003

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

Martin, Harrison & Smallwood, LLP

TOWN OF DELHE, LOUISIANA

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
SEPTEMBER 30, 2005

	GOVERNMENTAL FUND TYPES		
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS
ASSETS			
Cash	\$ 160,626	\$ 128,216	\$ -
Certificates of Deposit	312,972	394,227	-
Investment in Louisiana Asset Management Pool	-	38,277	-
Receivables			
Services	-	-	-
Rent	1,128	-	-
Accrued interest	925	1,062	-
Franchise & privilege fees	21,559	-	-
Fees received	28,703	-	-
Sales tax	-	72,494	-
Other taxes	1,601	-	-
Grants	-	-	-
Other	14,296	-	-
Due from other funds	178,462	4,928	-
Other assets			
Money deposits	30	-	-
Prepaid insurance	-	-	-
Restricted Assets:			
Cash	825	-	-
Certificates of deposit	18,226	-	-
Investment in Louisiana Asset Management Pool	-	83,182	-
Construction in progress	-	-	198,358
Fund assets	-	-	-
Amount to be provided (in excess) for retirement of long-term debt	-	-	-
TOTAL ASSETS	\$ 792,965	\$ 699,126	\$ 198,358

(Continued)

See accompanying notes to financial statements.

PROPRIETARY FUND TYPE ENTERPRISE FUND (WATER SYSTEM)	ACCOUNT GROUPS		2001 TOTALS (MEMORANDUM ONLY)	2001 TOTALS (MEMORANDUM ONLY)
	GENERAL	GENERAL		
	FIXED ASSETS	LONG-TERM DEBT		
\$ 35,138	\$ -	\$ -	\$ 324,001	\$ 677,689
361,602	-	-	979,801	981,126
-	-	-	38,277	180,336
76,999	-	-	76,999	73,657
-	-	-	1,158	1,158
872	-	-	2,488	2,287
-	-	-	21,858	18,514
-	-	-	26,703	6,858
-	-	-	73,414	43,497
-	-	-	2,601	2,601
-	-	-	-	-
-	-	-	14,296	238
83,179	-	-	284,239	283,828
-	-	-	19	19
3,969	-	-	3,969	2,837
81,515	-	-	62,793	66,882
179,975	-	-	138,397	125,877
-	-	-	58,102	48,475
-	-	-	358,258	-
2,283,324	11,533,665	-	17,798,989	17,179,715
-	-	860,828	860,828	983,299
<u>\$ 2,969,379</u>	<u>\$ 11,533,665</u>	<u>\$ 860,828</u>	<u>\$ 17,658,123</u>	<u>\$ 18,163,014</u>

TOWN OF DELHI, LOUISIANA

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
SEPTEMBER 30, 2001

(Continued)

LIABILITIES AND FUND EQUITY	GOVERNMENTAL FUND TYPES		
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS
LIABILITIES			
Accounts payable	\$ 49,329	\$ 3,680	\$ -
Refunds payable - Due to Titon	-	-	-
Capital lease payable	-	-	-
Payroll liabilities payable	3,343	93	-
Due to retirement systems	7,090	593	-
Due other funds	91,414	148,721	-
Certificates of indebtedness	-	-	-
Payable from restricted assets:			
Customer deposits	-	-	-
TOTAL LIABILITIES	<u>173,186</u>	<u>172,407</u>	<u>-</u>
FUND EQUITY			
Contributed capital - grants	-	-	-
Investment in general fixed assets	-	-	-
Retained earnings			
Reserved for:			
Insurance claims	-	-	-
Unreserved	-	-	-
Fund balance			
Reserved for streets, drainage and other capital improvements	-	13,660	100,398
Reserved for recreation improvements	-	35,136	-
Reserved for water tax refunds	-	209,941	-
Unreserved			
Designated for community and economic development	18,050	26,893	-
Undesignated	549,318	-	-
TOTAL FUND EQUITY	<u>594,378</u>	<u>436,590</u>	<u>330,398</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 773,562</u>	<u>\$ 609,007</u>	<u>\$ 330,398</u>

(Continued)

See accompanying notes to financial statements.

PROPRIETARY FUND TYPE ENTERPRISE FUND (WATER SYSTEM)	ACCOUNT GROUPS		2001	2001
	GENERAL	GENERAL	TOTALS	TOTALS
	FIXED ASSETS	LONG-TERM DEBT	(MEMORANDUM ONLY)	(MEMORANDUM ONLY)
\$ 15,148	\$ -	\$ -	\$ 15,077	\$ 60,818
-	-	-	-	1,351
-	-	6,529	6,529	11,299
85	-	-	3,483	1,308
4,293	-	-	11,943	9,427
4,918	-	-	266,399	281,028
-	-	834,000	834,000	934,000
<u>61,594</u>	-	-	<u>61,594</u>	<u>56,344</u>
<u>85,148</u>	-	<u>860,529</u>	<u>1,292,783</u>	<u>1,481,342</u>
2,329,049	-	-	2,329,049	2,329,049
-	11,323,665	-	11,323,665	10,279,604
141,946	-	-	141,946	128,372
412,000	-	-	412,000	384,394
-	-	-	364,321	13,788
-	-	-	35,139	20,687
-	-	-	259,903	781,829
-	-	-	45,593	89,320
-	-	-	343,338	503,851
<u>2,863,095</u>	<u>11,323,665</u>	-	<u>13,768,338</u>	<u>13,286,424</u>
<u>\$ 3,469,330</u>	<u>\$ 11,323,665</u>	<u>\$ 860,529</u>	<u>\$ 17,961,121</u>	<u>\$ 16,647,726</u>

TOWN OF DELHI, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUES	CAPITAL PROJECTS	DEBT SERVICES
REVENUES				
Taxes	\$ 308,913	\$ 480,370	\$ -	\$ -
Fees	149,562	-	-	-
Licenses & permits	112,897	-	-	-
Franchise & privilege fees	74,138	-	-	-
Rent & lease	44,933	5,900	-	-
Oil & gas royalties	1,794	-	-	-
Garbage collection	169,234	-	-	-
Highway maintenance	9,145	-	-	-
Federal insurance rebates	7,588	-	-	-
Interest	7,735	11,153	-	-
Grants	457,318	-	218,368	-
Recreational facilities	19,125	2,563	-	-
Miscellaneous	18,481	180	-	-
Donations	8,790	-	-	-
Police supplemental pay	18,260	-	-	-
TOTAL REVENUES	<u>1,328,732</u>	<u>504,586</u>	<u>218,368</u>	<u>-</u>
EXPENDITURES				
Current				
Administrative	151,043	30,678	-	-
Public works/safety	377,935	12,731	-	-
Streets, drainage & other capital improvements	200,989	212,762	-	-
General	350,523	3,153	-	-
Recreation	-	180,358	-	-
Capital outlay	458,915	-	-	-
Debt service				
Principal	-	-	-	136,470
Interest	-	-	-	45,081
TOTAL EXPENDITURES	<u>1,240,415</u>	<u>526,829</u>	<u>-</u>	<u>181,551</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>88,317</u>	<u>144,624</u>	<u>218,368</u>	<u>(181,551)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	430,436	-	191,893	(71,351)
Operating transfers out	(7,318)	(280,689)	-	-
	<u>423,118</u>	<u>(280,689)</u>	<u>191,893</u>	<u>(71,351)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>41,203</u>	<u>(645,975)</u>	<u>390,261</u>	<u>-</u>
FUND BALANCES - BEGINNING	<u>323,834</u>	<u>817,581</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 365,037</u>	<u>\$ 436,596</u>	<u>\$ 390,261</u>	<u>\$ -</u>

See accompanying notes to financial statements.

2003		2003	
TOTALS		TOTALS	
(MEMORANDUM		(MEMORANDUM	
ONLY)		ONLY)	
\$	889,683	\$	803,718
	149,562		81,123
	112,887		118,969
	74,118		64,033
	36,822		73,480
	1,734		1,087
	189,334		166,717
	9,149		8,620
	7,388		7,660
	14,878		30,934
	643,796		32,029
	22,798		18,222
	16,381		30,077
	6,730		-
	10,200		14,230
	<u>1,281,418</u>		<u>1,294,264</u>
	171,720		144,851
	280,658		288,192
	413,761		272,472
	384,878		384,584
	110,358		82,727
	458,252		80,192
	128,478		114,008
	82,882		52,828
	<u>1,029,818</u>		<u>1,389,288</u>
	<u>1194,262</u>		<u>1184,490</u>
	727,843		586,787
	<u>627,843</u>		<u>627,787</u>
	<u>140,000</u>		<u>224,007</u>
	64,262		79,871
	<u>1,431,905</u>		<u>1,326,314</u>
\$	<u>1,351,613</u>	\$	<u>1,403,905</u>

TOWN OF DELIE, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL -
GENERAL AND SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

	GENERAL FUND		VARIANCE FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL	
REVENUES			
Taxes	\$ 100,000	\$ 108,913	\$ 8,913
Fees	78,000	149,581	71,581
Licenses & permits	138,000	112,687	(25,313)
Franchise & privilege fees	60,000	74,118	14,118
Fees & leases	46,812	46,933	18
Oil & gas revenues	1,200	1,794	594
Garbage collection	154,000	169,204	15,204
Highway maintenance	7,800	9,142	1,342
Public insurance rebates	7,800	7,288	(512)
Interest	8,800	7,725	(1,075)
Grants	425,000	427,318	2,318
Recreational facilities	10,000	10,725	725
Miscellaneous	5,400	14,481	11,081
Donations	-	4,750	4,750
Police supplemental pay	-	10,200	10,200
TOTAL REVENUES	<u>1,022,412</u>	<u>1,128,222</u>	<u>105,810</u>
EXPENDITURES			
Current			
Administrative	144,000	151,843	(7,843)
Public works/utility	365,400	377,885	(12,485)
Streets, drainage & other capital improvements	200,000	200,000	0000
General	346,950	330,328	(16,622)
Reservation	-	-	-
Capital outlay	450,000	458,952	(8,952)
TOTAL EXPENDITURES	<u>1,306,350</u>	<u>1,319,008</u>	<u>(12,658)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(283,938)</u>	<u>(80,786)</u>	<u>193,152</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	417,000	431,435	14,435
Operating transfers out	-	(7,348)	(7,348)
	<u>417,000</u>	<u>424,087</u>	<u>7,087</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>(86,938)</u>	<u>41,299</u>	<u>\$ 128,237</u>
FUND BALANCES - BEGINNING	<u>521,024</u>	<u>521,024</u>	
FUND BALANCES - ENDING	<u>\$ 434,086</u>	<u>\$ 562,323</u>	

See accompanying notes to financial statements.

SOCIAL REVENUE FUND TYPES

BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 308,000	\$ 488,570	\$ (18,400)
"	"	"
"	"	"
9,980	9,980	"
"	"	"
"	"	"
11,080	11,153	153
"	"	"
3,080	3,583	503
"	180	180
<u>312,280</u>	<u>324,386</u>	<u>(12,106)</u>
21,280	20,878	402
12,580	12,723	(143)
283,680	211,762	(70,918)
3,080	3,153	73
324,580	330,358	(5,778)
<u>322,580</u>	<u>322,623</u>	<u>373</u>
123,080	144,624	(21,544)
"	"	"
<u>324,580</u>	<u>324,624</u>	<u>(44)</u>
<u>324,580</u>	<u>324,624</u>	<u>(44)</u>
643,580	643,970	\$ (390)
<u>822,881</u>	<u>822,881</u>	
<u>\$ 847,621</u>	<u>\$ 828,928</u>	

TOWN OF DELHI, LOUISIANA
 STATEMENT OF REVENUES, EXPENSES AND CHANGES
 IN RETAINED EARNINGS - PROPRIETARY FUND TYPE - ENTERPRISE
 FUND (WATER SYSTEM)
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 200

OPERATING REVENUES	
Water charges	\$ 400,200
Sewer charges	181,200
Revenues & tap fee	1,500
Miscellaneous	1,815
TOTAL OPERATING REVENUES	<u>584,715</u>
OPERATING EXPENSES	
Bad debts	1,807
Depreciation	181,200
Engineering fees	1,344
Insurance	46,488
Legal & professional fees	83,500
Miscellaneous	7,211
Office expense	6,807
Repair & maintenance	20,412
Retirement	9,470
Salaries	181,200
Supplies	66,499
Payroll taxes	11,337
Employee uniforms	6,807
Utilities	84,377
Vehicle maintenance	9,462
Water & sewer analysis	6,500
TOTAL OPERATING EXPENSES	<u>834,426</u>
OPERATING INCOME	250,289
NON-OPERATING REVENUES (EXPENSES)	
Interest revenue	6,450
	<u>6,450</u>
INCOME BEFORE OPERATING TRANSFERS	61,115
OPERATING TRANSFERS OUT	<u>(140,000)</u>
NET INCOME (LOSS)	(78,885)
RETAINED EARNINGS - BEGINNING	<u>612,808</u>
RETAINED EARNINGS - ENDING	<u>\$ 533,923</u>

See accompanying notes to financial statements.

TOWN OF DELHI, LOUISIANA

STATEMENT OF CASH FLOWS -
PROPRIETARY FUND TYPE - ENTERPRISE FUND (WATER SYSTEM)
FISCAL YEAR ENDED SEPTEMBER 30, 2003**OPERATING ACTIVITIES**

Operating income	\$ 32,663
Adjustment to reconcile operating income to net cash provided by operating activities:	
Depreciation	184,388
Bad debts	1,257
Increase (decrease) in:	
Accounts receivable	(5,319)
Accrued interest	852
Due from other funds	(1,087)
Prepaid insurance	(5,568)
Increase (decrease) in:	
Accounts payable	(5,350)
Accrued expenses	627
Customer deposits	3,850
Net cash provided by (used in) operating activities	<u>164,213</u>

INVESTING ACTIVITIES

Interest revenue	8,454
Purchase of certificates of deposit	(7,155)
Net cash provided by (used in) investing activities	<u>1,299</u>

CAPITAL FINANCING ACTIVITIES

Purchase of fixed assets	(18,800)
Net cash provided by (used in) capital financing activities	<u>(18,800)</u>

NON-CAPITAL FINANCING ACTIVITIES

Operating transfers out	(140,000)
Net cash provided by (used in) non-capital financing activities	<u>(140,000)</u>

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

(4,437)

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR121,806**CASH AND CASH EQUIVALENTS AT END OF YEAR**\$ 117,369**CASH AND CASH EQUIVALENTS AS SHOWN
ON THE COMBINED BALANCE SHEET**

Cash	\$ 53,199
Restricted cash	<u>64,170</u>
	<u>\$ 117,369</u>

**SUPPLEMENTAL DISCLOSURES
OF CASH FLOW INFORMATION**

Cash paid during the year for:	
Interest	None

See accompanying notes to financial statements.

TOWN OF DELLA LOUISIANA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS -
 BUDGET (GRAP BASIS) AND ACTUAL -
 PROPRIETARY FUND TYPE - ENTERPRISE FUND (WATER SYSTEM)
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
OPERATING REVENUES			
Water charges	\$ -	\$ 405,295	\$ -
Sewer charges	-	799,260	-
Reconnect & tap fees	-	3,690	-
Miscellaneous	-	9,612	-
TOTAL OPERATING REVENUES	<u>299,800</u>	<u>1,207,857</u>	<u>908,057</u>
OPERATING EXPENSES			
Bad debt	-	1,297	-
Depreciation	-	304,789	-
Engineering fees	-	3,143	-
Insurance	-	45,443	-
Legal & professional fees	-	33,580	-
Miscellaneous	-	7,511	-
Office expense	-	6,837	-
Repair & maintenance	-	20,412	-
Retirement	-	9,423	-
Salaries	-	131,347	-
Supplies	-	89,499	-
Payroll taxes	-	11,337	-
Employee uniforms	-	6,967	-
Utilities	-	84,237	-
Vehicle maintenance	-	9,462	-
Sewer plant expense	-	-	-
Water & sewer analysis	-	6,320	-
TOTAL OPERATING EXPENSES	<u>480,000</u>	<u>1,044,429</u>	<u>174,429</u>
OPERATING INCOME	119,800	93,661	(26,139)
NON-OPERATING REVENUE (EXPENSES)			
Interest revenue	8,000	8,424	424
	<u>8,000</u>	<u>8,424</u>	<u>424</u>
INCOME BEFORE OPERATING TRANSFERS	127,800	91,115	(36,685)
OPERATING TRANSFERS OUT	<u>(143,800)</u>	<u>(140,000)</u>	<u>3,800</u>
NET INCOME (LOSS)	(16,000)	(48,885)	\$ (32,885)
RETAINED EARNINGS - BEGINNING	<u>632,896</u>	<u>632,896</u>	
RETAINED EARNINGS - ENDING	<u>\$ 606,896</u>	<u>\$ 584,011</u>	

See accompanying notes to financial statements.

TOWN OF DELHI, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2003

(3) Summary of Significant Accounting Policies

The Town of Delhi, Louisiana (the Town), was incorporated under the Louisiana Act and operates under a Mayor-Board of Aldermen form of government.

The accounting and reporting policies of the Town relating to the funds and account groups included in the accompanying combined financial statements conforms to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *Quality of State and Local Governmental Units* and by the Financial Accounting Standards Board (when applicable). As allowed in Section 80 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, the Town has elected not to apply to its proprietary activities Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedures issued after November 30, 1989. The more significant accounting policies of the Town are described below.

A. Financial Reporting Entity

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

B. Fund Accounting

The accounts of the Town are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing 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 four generic fund types under two broad categories as follows:

GOVERNMENTAL FUNDS

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

TOWN OF DELLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2003

B. Fund Accounting - Continued

Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources (other than special assessments, expropriable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Funds - These funds are used to account for the accumulation of resources for, and the payments of, general long-term debt principal, interest and related costs.

Capital Projects Funds - These funds are used to account for the financial resources used by the acquisition or construction of major capital facilities.

PROPRIETARY FUND

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

The Enterprise Fund (Water System) is accounted for on a cost of services or "capital maintenance" basis. This means that all assets and all liabilities (whether current or noncurrent) associated with its activity are included on its balance sheet. Its reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

C. Fixed Assets and Long-Term Liabilities

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, are capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

TOWN OF DELHI, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2003

C. Fixed Assets and Long-Term Liabilities - Continued

These two account groups are not "funds." They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

Interest costs are capitalized when incurred on debt whose proceeds were used to finance the construction of assets. Interest earned on the proceeds of tax-exempt borrowing arrangements restricted to the acquisition of qualifying assets is offset against interest costs in determining the amount to be capitalized.

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 statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

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

Those revenues susceptible to accrual are property taxes, fee revenues, franchise taxes, interest revenue, tobacco taxes, sales taxes and charges for services. All other revenues are recognized when they are received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which is recognized when due.

The Water System is accounted for using the accrual basis of accounting. Revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

E. Budget and Budgetary Accounting

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

1. In the month of September, the Mayor submits to the Board of Aldermen a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at Town Hall to obtain taxpayer comments.

TOWN OF DELHI, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2003

E. Budgets and Budgetary Accounting - Continued

3. Prior to October 1, the budget is legally enacted through passage of an ordinance.
4. The Mayor is authorized to transfer budgeted amounts between departments within any fund, however, any revisions that alter the total expenditures of any fund must be approved by the Board of Aldermen. Therefore, the level of budgetary responsibility is by total appropriations; however, for report purposes, this level has been expanded to a functional basis.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund.
6. Budgeted amounts are as originally adopted and amended by the Board of Aldermen.
7. All budgetary appropriations lapse at the end of each fiscal year; however, unexpended fund balances are used to fund expenditures of subsequent years.
8. Budgets for the General, Special Revenue and Proprietary Fund Type funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

F. Cash and Investments

At September 30, 2003, the Town's cash was made up of petty cash of \$240, checking and savings accounts of \$324,028, and certificates of deposit maturing in 3 months or less of \$91,646, for a total of \$415,914. Cash included in this total of \$101,961 is restricted and is shown as such on the Combined Balance Sheet - All Funds Types and Account Groups.

The Town considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Statutes allow the Town to invest in bank savings accounts and certificates of deposit provided they are adequately collateralized by the bank. The Town is also allowed to invest in obligations of the U. S. Treasury. The Town had a total in certificates of deposit, which had maturities of more than three months, of \$1,118,833. Certificates of deposit in this total of \$139,032 are restricted and are shown as such on the Combined Balance Sheet - All Funds Types and Account Groups.

The Town's cash is secured by federal depository insurance of up to \$100,000 per financial institution plus collateral held by the pledging banks or their agents with a market value of \$1,903,431 (see schedule as follows). As of September 30, 2003, the Town was fully collateralized.

TOWN OF DELHI, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2003

F. Cash and Investments - Continued

	Cash Equivalents		Certificates of Deposit	Total
	Cash	Certificates of Deposit		
At September 30, 2003:				
Carrying Amount on Balance Sheet	\$224,269	\$ 91,646	\$1,118,833	\$1,534,748
Bank Balances:				
a: Insured (FDIC) or collateralized with securities held by the entity or its agent in the entity's name	108,108	\$1,646	323,838	533,592
b: Collateralized with securities held by pledging financial institution's trust department or agent in the entity's name	218,163	-	795,795	1,013,958
c: Uncollateralized, including any securities held for the entity but not in the entity's name	-	-	-	-
Total Bank Balances	\$324,269	\$ 91,646	\$1,118,833	\$1,534,748

G. Bad Debts

Uncollectible receivables for ad valorem taxes and utilities are recognized when incurred by direct write-off. Although this is a departure from generally accepted accounting principles, historically such amounts have been immaterial.

H. Stewardship, Compliance and Accountability

Excess of expenditures over appropriations: The General Fund and Proprietary Fund expenditures were in excess of budgeted appropriations, but did not exceed 5%.

I. Total Columns on Combined Statements

Total columns on the Combined Statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with

TOWN OF DELHI, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2003

I. Total Columns on Combined Statements - continued

generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

J. On Behalf of Payments for Salaries

Included in the General Fund financial statements are amounts paid by the State of Louisiana as supplemental salaries to the Town's policemen. The payments of \$10,200 are included on the financial statement as Revenue and Public Works/Safety Expenditures.

(2) Property Tax

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and payable December 31. The Town bills and collects its own property taxes. Town property tax revenues are recognized when levied to the extent that they result in current receivables.

The Town is permitted by the Municipal Finance Law of the state to levy taxes up to 10.10 mills on the total assessed value for the Town for governmental services other than the payment of principal and interest on long-term debt and is required amounts for the payment of principal and interest on long-term debt.

For the year ended September 30, 2003, taxes of 10.10 mills were levied on property with assessed valuations totaling \$10,858,690 for a total of \$106,644. The taxes were dedicated as follows:

General corporate purposes	10.10 mills
	<u>10.10 mills</u>

(3) Property, Plant and Equipment

A summary of Enterprise Fund (Water System) property, plant and equipment at September 30, 2003 is shown below.

Land	\$ 5,718
Buildings	189,403
Water tanks, lines, wells, etc.	2,070,348
Equipment	121,499
Sewer treatment plant	<u>2,153,738</u>
	4,540,604
Less: Accumulated depreciation	<u>2,337,360</u>
	<u>\$ 2,203,244</u>

TOWN OF DELHI, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2000

(3) Property, Plant and Equipment - Continued

Depreciation is computed on buildings, plant and equipment based on the estimated useful lives of the assets. The straight-line method with no salvage value is used. Buildings and improvements are depreciated over 40 years; water and sewer plant and related lines are depreciated over 50 years; all other equipment is depreciated over 5 to 15 years.

CHANGES IN GENERAL FIXED ASSETS

	<u>Land</u>	<u>Buildings</u>	<u>Improvements Other than Buildings</u>
General fixed assets - beginning of year	\$ 153,534	\$ 2,358,529	\$ 7,263,299
Additions:			
General fund	-	408,435	26,080
Sales tax	-	-	104,381
Deletions:			
Obsolete assets	-	-	-
General fixed assets - end of year	<u>\$ 153,534</u>	<u>\$ 2,758,737</u>	<u>\$ 7,289,730</u>

<u>Equipment</u>	<u>2007 Total</u>
\$ 1,200,832	\$10,878,694
32,437	458,933
91,715	185,108
<u> </u>	<u> </u>
<u>\$ 1,324,984</u>	<u>\$11,522,735</u>

TOWN OF DELHI, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2003

(4) Certificates of Indebtedness

On August 23, 1999, the Town received \$1,300,000 from certificates issued to Bank One for the purpose of funding the costs of acquiring, constructing, and improving streets, drainage and other capital facilities. The certificates mature August 1, 2009, and interest is paid semi-annually at a rate of 4.95%. Annual payment requirements on these certificates are as follows:

September 30	Interest	Principal	Total Debt Service
2004	\$ 42,273	\$126,000	\$ 168,273
2005	36,036	131,000	167,036
2006	29,502	136,000	165,502
2007	22,671	141,000	163,671
2008	15,494	153,000	168,494
2009	7,820	160,000	167,820
	<u>\$123,896</u>	<u>\$854,000</u>	<u>\$1,017,896</u>

(5) Interfund Receivables and Payables

Individual fund interfund receivable and payable balances at September 30, 2003, were as follows:

FUND	INTERFUND RECEIVABLES	INTERFUND PAYABLES
General Fund	\$ 178,462	\$ 95,619
Special Revenue Funds	4,918	168,222
Enterprise Fund	83,179	4,000
	<u>\$ 266,559</u>	<u>\$ 267,841</u>

(6) Sales Taxes

1/2 Cent Sales Tax

On July 15, 1980, a resolution was adopted for a 1/2 cent sales tax for the Town. On September 13, 1980, a special election was held to vote on the proposed sales tax. The sales tax was adopted by a vote of 323 to 404 and became effective November 1, 1980, for ten years. It was renewed on November 6, 1990 for ten years and again on November 3, 1998 for an additional ten-year period. The revenue from this sales tax is dedicated as follows:

TOWN OF DELHI, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2003

(5) Sales Taxes - continued

1. The first \$40,000 is dedicated to the maintenance, operation and addition to the Town's recreational facilities.
2. After satisfaction of the above, funds can be used in any of the areas listed below:
 - A. Street, sidewalk, bridge, and alley maintenance and improvement
 - B. Street light maintenance
 - C. Garbage collection
 - D. Police department
 - E. Fire department
 - F. Public parks
 - G. Airports
 - H. Real estate and equipment acquisition as related to the above

1 Cent Sales Tax

On October 7, 1989, the voters of the Town approved a one-cent sales tax that became effective January 1, 1990 for a period of ten years. On November 3, 1998 the tax was renewed for an additional ten years. The revenue from this tax is dedicated to streets, drainage and other capital improvements.

(7) Risk of Loss

The Town is exposed to a variety of risks that may result in losses. These risks may include possible loss from acts of God, injury to employees, property damage, or breach of contract. The Town finances these potential losses through purchasing insurance from several commercial companies, as well as self-insuring physical damage on its automobiles. The level of coverage has remained constant. The Town is not a member of a risk pool. All claims currently filed are adequately covered by the policies in place with no outstanding liabilities for the Town.

(8) Contingent Liabilities

Under the Town's personnel policies, all annual vacation and sick leave lapse as of September 30. Therefore, no accrual is necessary for compensated absences.

TOWN OF DELHI, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2003

(8) Compensation Paid to the Governing Body

The following amounts were paid to the Town's Board of Aldermen for the year ended September 30, 2003:

Board Member	AMOUNT
Don Tolar	\$ 2,400
Perry Smith	2,400
Shirley McDade	2,400
Tommy Bradley	2,400
W.B. Sumner	2,400
	<u>\$ 12,000</u>

(10) Capital Lease Obligation

The Town leased a police vehicle under a capital lease. The economic substance of the lease is that the Town is financing the acquisition of the vehicle through the lease. Accordingly, the vehicle has been recorded as a general fixed asset in the accompanying financial statements at the present value of the minimum lease payments discounted at an annual interest rate of 5.55%. The lease expires on January 11, 2004. The following is a schedule of the future minimum payments required under the lease together with the present value as of September 30, 2003:

January 11, 2004	<u>\$ 7,208</u>
	7,208
Less: Amount representing interest:	<u>379</u>
Present value of minimum lease payments	<u>\$ 6,829</u>

TOWN OF DELHI, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2003

(1) Pension and Retirement Plans

Defined Benefit Pension Plans

The employees of the Town participate in a Statewide Local Government Retirement System, a multiple-employer cost sharing public employee retirement system. Contributions of participating state agencies are pooled within the systems to fund accrued benefits with contributions approved by the Louisiana Legislature. The Town's employees and policemen participate in the Municipal Employees' Retirement System of Louisiana ("MERS") and the Municipal Police Employees' Retirement System of Louisiana ("MPERS"). These systems issue publicly available financial reports that include financial statements and required supplementary information. These reports can be obtained by writing to Municipal Employees' Retirement System, 7697 Park Boulevard, Baton Rouge, Louisiana, 70809, and Municipal Police Employees Retirement System, 840 United Plaza Boulevard, Baton 370, Baton Rouge, Louisiana, 70809.

Members of the MERS and MPERS are required by statute to contribute 5.0% and 7.5%, respectively, to the systems.

The Town's required contribution rates and amounts for the current year and two preceding years are reflected below:

2003	September 30, 2003		September 30, 2002		September 30, 2001	
	Rate	Amount	Rate	Amount	Rate	Amount
MERS	4.50%	26,625	4.50%	16,171	4.50%	13,256
MPERS	9.00%	2,363	9.00%	3,235	9.00%	4,673

(12) Enterprise Fund Segment Information

The net working capital for the enterprise fund was \$497,828 in 2003.

TOWN OF DELHI, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2003(10) Governmental Accounting Standards Board Statement No. 34

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments (Statement)*. Certain of the significant changes in the Statement include the following:

- For the first time the financial statements will include:
 - A Management Discussion and Analysis (MD&A) section providing an analysis of the city's overall financial position and results of operations.
 - Financial statements prepared using full accrual accounting for all of the City's activities, including reporting infrastructure assets (roads, bridges, etc.)
- A change in the fund financial statements to focus on the major funds.

The general provisions of GASB Statement No. 34 must be implemented by the Town of Delhi no later than the fiscal year ending September 30, 2004.

OTHER INDEPENDENT AUDITORS' REPORTS

MARTIN, HARRISON & SMALLWOOD, L.L.P.

CHARTERED PUBLIC ACCOUNTANTS

5900 BELLAIR BLVD., P.O. BOX 4044 - MONROE, LA 70131-4044 - (504) 835-8800
801 DEPOT STREET, SUITE 5 - BIRMOINGHAM, LA 70001 - (504) 835-8871

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

December 22, 2003

The Honorable Lynn Lewis, Mayor
and the Members of the Board of Aldermen
Delhi, Louisiana

We have audited the general-purpose financial statements of the Town of Delhi, Louisiana, as of and for the year ended September 30, 2003, and have issued our report thereon dated December 22, 2003. We conducted our 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; and OMB Circular A-135, *Audit of States, Local Governments, and Non-Profit Organizations*.

Compliance

As part of obtaining reasonable assurance about whether the Town of Delhi, Louisiana's general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Town of Delhi, Louisiana, in a separate letter dated December 22, 2003.

The Honorable Lynn Lewis, Mayor,
and the Members of the Board of Aldermen
Delhi, Louisiana
December 22, 2003
Page 2

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Delhi, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting 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 misstatements in amounts that would be material in relation to the general-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the Town of Delhi, Louisiana in a separate letter dated December 22, 2003.

This report is intended solely for the information and use of the Mayor, Board of Aldermen, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be used and should not be used by anyone other than these specified parties.

Martin, Harrison & Smallwood, LLP

MARTIN, HARRISON & SMALLWOOD, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

8608 KILPATRICK BLVD., P.O. BOX 9999 - MONROE, LA 70111-4999 - (504) 885-4500
404 DEPOT STREET, SUITE A - DELHI, LA 70006 - (504) 894-6575

**Independent Auditors' Report on Compliance With
Requirements Applicable to Each Major Program and
Internal Control Over Compliance in Accordance
With OMB Circular A-133**

December 21, 2000

The Honorable Lynn Lewis, Mayor
And the Members of the Board of Aldermen
Delhi, Louisiana

Compliance

We have audited the compliance of Town of Delhi, 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 September 30, 2000. Town of Delhi, Louisiana's major federal programs are identified in the Schedule of Expenditures of Federal Awards. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of Town of Delhi, Louisiana's management. Our responsibility is to express an opinion on Town of Delhi, Louisiana's compliance based on our audit.

We conducted our 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 *Audit of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we 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 Town of Delhi, Louisiana's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Town of Delhi, Louisiana's compliance with those requirements.

The Honorable Lynn Lewis, Mayor,
and the Members of the Board of Aldermen
Delhi, Louisiana
December 22, 2003
Page 2

In our opinion, Town of Delhi, 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 September 30, 2003.

Internal Control Over Compliance

The management of Town of Delhi, 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 our audit, we considered Town of Delhi, Louisiana's internal control over compliance with requirements that could have a material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our 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. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the board of directors, management and federal awarding agencies and is not intended to be and should not be used by anyone other than those specified parties.

Martin, Harrison + Smallwood, LLP

TOWN OF DELHI, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures
United States Department of Agriculture:			
Direct Awards:			
USDA	16.769	N/A	\$200,000
United States Housing and Urban Development:			
Pass-through Program from the Division Of Administration - Louisiana Community Development Block Grant (LCDMG)			
	14.228	589295	<u>218,389</u>
Total			<u>\$418,389</u>

Note: The Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting.

TOWN OF DELHI, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2003

SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the general-purpose financial statements of Town of Delhi, Louisiana.
2. No instances of noncompliance material to the general-purpose financial statements of Town of Delhi, Louisiana were disclosed during the audit.
3. No reportable conditions were disclosed during the audit of the major federal award programs.
4. The auditors' report on compliance for the major federal award programs for the Town of Delhi, Louisiana expresses an unqualified opinion.
5. There were no findings relating to major programs that would be required to be reported under Section 510(a) of OMB Circular A-133.
6. No instances of noncompliance material to the major federal award programs for the Town of Delhi, Louisiana were disclosed during the audit. However, we noted certain immaterial instances of noncompliance, which we have reported to management of the Town of Delhi, Louisiana dated December 23, 2003.
7. The programs tested as major programs included:
United States Department of Housing and Urban Development
Louisiana Community Development Block Grant - CFDA 14.228
8. The threshold for distinguishing Types A and B programs was \$100,000.
9. Town of Delhi, Louisiana was not determined to be a low-risk auditee.

OTHER FINANCIAL INFORMATION

MARTIN, HARRISON & SMALLWOOD, L.L.P.

REGISTERED PUBLIC ACCOUNTANTS

ONE EMPYREAN BLVD., P.O. BOX 9999 - MONROE, LA 70009 - (504) 835-0000
ONE EMPYREAN BLVD., SUITE 2 - MONROE, LA 70009 - (504) 835-0000

INDEPENDENT AUDITORS' REPORT ON OTHER FINANCIAL INFORMATION

December 21, 2009

The Honorable Lynn Lewis, Mayor
and the Members of the Board of Aldermen
Delhi, Louisiana 71231

The general-purpose financial statements of the Town of Delhi, Louisiana, for the year ended September 30, 2009, and our report thereon are presented in the preceding section of this report. Our audit was made primarily for the purpose of formulating an opinion on the general-purpose financial statements taken as a whole. The other financial information presented hereinafter is for supplementary analysis purposes and is not considered necessary for a fair presentation of the financial position and results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The other financial information was subjected to the procedures applied in our audit of the related general-purpose financial statements and, in our opinion, is fairly stated in all material aspects in relation to the general-purpose financial statements taken as a whole.

Martin, Harrison + Smallwood, LLP

TOWN OF DELHI, LOUISIANA
 SCHEDULE OF EXPENDITURES
 GENERAL FUND
 FISCAL YEAR ENDED SEPTEMBER 30, 2003

ADMINISTRATIVE

Salaries	\$ 66,118
Aldermen's allowance	11,000
Advertising & publishing	4,874
Legal & accounting	13,850
Telephone	1,964
Utilities	8,327
Supplies & office expense	2,506
Miscellaneous	3,318
LMA meeting	18,642
Retirement fund	18,033
Repairs & maintenance	1,000
Total Administrative	<u>171,091</u>

PUBLIC SAFETY

Fire	
Volunteer expenses	\$ 13,100
Fuel, supplies & maintenance	9,474
Telephone	1,161
Total Fire	<u>23,735</u>

Police

Salaries	\$ 238,104
Supplemental pay	15,200
Caracas fees	2,400
Court Magistrate	2,123
Supplies	11,044
Printer's cost	25,028
Telephone	1,947
Repairs and maintenance	1,552
Training	15,293
Utilities	2,908
Miscellaneous	15,638
Retirement fund	2,262
Gas & oil (police cars)	17,700
Law enforcement fund	150
Total Police	<u>317,551</u>
Total Public Safety	<u>5,377,005</u>

(Continued)

See auditor's report on other financial information.

TOWN OF MILIE, LOUISIANA
 SCHEDULE OF EXPENDITURES
 GENERAL FUND
 FISCAL YEAR ENDED SEPTEMBER 30, 2003

(Continued)

STREETS

Salaries	\$ 124,061
Supplies	8,433
Utilities	27,288
Gas & oil	8,575
Equipment maintenance	18,077
Miscellaneous	8,788
Total Streets	<u>\$ 200,222</u>

GENERAL

Health insurance	\$ 2,625
Garbage payment	142,180
Community Center #2	4,197
Post control	1,140
Country Club maintenance	7,603
Beautification	7,477
Arpent	2,420
Christmas decorations	4,483
Insurance	51,558
Dues	327
Miscellaneous	12,451
Payroll taxes	34,561
Civic Center	16,852
Railroad lease	658
Garbage tags	2,342
Harsh House	4,172
Total General	<u>\$ 321,322</u>

TOTAL EXPENDITURES**\$ 1,081,508**

(Concluded)

See auditor's report on other financial information.

MARTIN, HARRISON & SHALLHOOD, L.L.P.

CHARTERED PUBLIC ACCOUNTANTS

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6101 DELCOURT • DELMONTE, LA 70006 • (504) 835-0000

December 23, 2003

The Honorable Lynn Lewis, Mayor
and the Members of the Town Council
Town of Delhi, Louisiana

We have audited the financial statements of the Town of Delhi, Louisiana as of and for the year ended September 30, 2003, and have issued our report thereon dated December 23, 2003. We conducted our 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.

As part of our examination, we have issued our report on the financial statements, dated December 23, 2003, and our report on internal control and compliance with laws, regulations, and contracts, dated December 23, 2003.

During the course of our examination, we became aware of the following matters, which represent immaterial instances of non-compliance.

FINDING #1

During our review of the fire and water revenue we found that the reconciliations of the related accounts receivable has improved over prior years but are still not being reconciled on a consistent basis.

RECOMMENDATION

Reconciliation of accounts receivable should be done at least on a monthly basis.

FINDING #2

During our review of the General Fund, it came to our attention that a check had been voided, but was not removed from the outstanding check register. This caused a difference in the general ledger cash account balance and the reconciled balance.

RECOMMENDATION

When voiding checks, they should also be removed from the outstanding check register. Bank reconciliation balances should always be agreed to the general ledger.

FINDING #2

During our review of the occupational licenses, we noted that there were unpaid licenses for five businesses.

RECOMMENDATION

The Town should use all means available to collect occupational license fees.

FINDING #3

A review of the Town's records revealed that the new lease with the Swann Candy Company had not been signed. Also, we found no signed agreement with the volunteer fire department relating to the Town's responsibilities toward the new fire truck.

RECOMMENDATION

All contracts and agreements should be executed in a timely manner.

FINDING #4

During our review of expenditures, we noted that invoices had been paid twice in two separate instances.

RECOMMENDATION

All invoices should be marked paid and prior invoices should be reviewed before current payment is made to avoid this type error.

FINDING #5

During our review of police department tickets, we found some gaps in the numerical sequence of the tickets. This was due to voided tickets and some uncompleted ticket books.

RECOMMENDATION

The Town of Delhi Police Department should be able to account for every ticket issued or voided and should make explanatory comments in the ticket log for all gaps in numerical sequence of the tickets.

FINDING #7

During our review of the Town's records, it came to our attention that the police department had opened a new checking account. This account was not reflected in the Town's accounting records. Although the transactions in the account were immaterial, the Louisiana Act requires that all bank accounts be reported in the Town's accounting records.

RECOMMENDATION

All accounts opened by the Town should have prior approval of the Town Council.

We are available to further explain the above findings and to help implement the recommendations. Please feel free to contact us at any time if we may be of any assistance. We appreciate the cooperation and courtesy extended to us during the course of the audit.

Respectfully,

MARTIN, HARRISON & SMALLWOOD, L.L.P.



Mike M. Martin
Certified Public Accountant

Town of Delhi

200 BROADWAY - P.O. BOX 270 • DELHI, LOUISIANA • 70802
TEL. (504) 876-5762 • FAX (504) 876-5862

March 18, 2004

Office of the Legislative Auditor
Mr. Grover Austin
1600 North Third Street
Baton Rouge, Louisiana 70802

Dear Sir:

Attached you will find my responses to the seven findings in the audit of the financial statements of the Town of Delhi for the year ending September 30, 2003, performed by Martin, Harrison & Smallwood.

If additional explanation is needed, please feel free to contact me.

Sincerely,

Mayor Lynda Lewis

cc: Martin, Harrison & Smallwood, L.L.P.

J. Lynn Lewis, Mayor
Grover Austin, Auditor
City of Delmon, Louisiana
70802
City of Delmon, Louisiana
70802

Town of Delhi Audit

Response to Findings of September 26, 1980 Audit

Finding #1

The two people who are responsible for water revenues and fire revenues have been instructed to perform a monthly reconciliation of their accounts receivable.

Finding #2

The city clerk has been instructed to remove any voided check from the outstanding check register to insure that bank reconciliation balances agree with the general ledger.

Finding #3

Of the five outstanding occupational license fees, one business has paid; one remains unpaid and we are diligently trying to collect; one business has closed; and two had paid their fee to the parish (they are currently sending their occupational license fees to the Town of Delhi).

Finding #4

a. Mr. Johnson, owner of Dumas Candy Company refused to sign the new contract. He disputes the increase in rent for the newly constructed building which he occupies. We are operating under the old contract temporarily. Negotiations continue.

b. We have received a signed agreement with the volunteer fire department relating to the Town's responsibilities toward the new fire truck.

In the future, all contracts will be executed in a timely manner.

Finding #5

We have contacted both companies involved in the overpayment. The Town of Delhi has received refunds from both companies.

Finding #6

I have instructed Chief McKinney to have his staff be more diligent in accounting for every ticket issued or voided and to make explanatory comments in the ticket log for all gaps in numerical sequence of the tickets.

Finding #7

All department heads and the Chief of Police have been instructed that if it is necessary to open an additional checking account that it is to be opened by the city clerk in the name of the Town of Delhi and have prior approval of the Town Council.