

VILLAGE OF FLOREN
ANNUAL FINANCIAL REPORT
SEPTEMBER 30, 2005

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

Released Date 4-7-08

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INDEPENDENT AUDITOR'S REPORT

The Honorable Rodney Jordan, Mayor
and the Members of the Board of Aldermen
Village of Florien, Louisiana

I have audited the accompanying general purpose financial statements of the Village of Florien, Louisiana, as of and for the year ended September 30, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of the Village of Florien, Louisiana management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the accounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Village of Florien, Louisiana, as of September 30, 2001, and the results of its operations and the 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.

The Honorable Rodney Jordan, Mayor
And the Members of the Board of Aldermen
Village of Florien, Louisiana
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In accordance with *Government Auditing Standards*, I have also issued my report dated March 4, 2004 on my consideration of the Village of Florien's internal control over financial reporting and my test of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Village of Florien, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.



DeRidder, Louisiana
March 4, 2004

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

VILLAGE OF FLOREN

BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP
For the Fiscal Year Ended September 30, 2003

	Governmental Fund Types		
	General	Special Revenue	Capital Projects
ASSETS			
Cash	\$ 13,510	\$ 61,300	\$ -
Receivables -			
Accounts	2,060	-	-
Sales taxes	-	11,020	-
Ad valorem taxes	133	-	-
Franchise taxes	4,252	-	-
Grants	9,118	-	-
Due from other funds	-	2,158	-
Due from other governments	-	-	-
Prepaid insurance	4,997	2,294	-
Restricted assets -			
Cash	-	-	-
Customers' deposits - cash	-	-	-
Flood assets, net	-	-	-
Total assets	\$ 34,113	\$ 77,000	\$ -
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$ 12,148	\$ 8,651	\$ -
Accrued salaries payable	9,400	2,110	-
Payroll taxes payable	2,572	413	-
Payable from			
restricted assets -			
Customers' deposits	-	-	-
Due to other funds	10,520	-	-
Total liabilities	\$ 37,640	\$ 11,200	\$ -

Proprietary Fund Type		Account Group	Totals
Enterprise		General Fixed Assets	(Miscellaneous Only)
\$	35,321	\$ -	\$ 113,383
	13,785	-	15,363
	-	-	11,828
	-	-	133
	-	-	4,250
	-	-	5,118
	31,430	-	35,878
	350	-	558
	2,386	-	5,607
	1,254	-	1,254
	5,273	-	5,273
	<u>2,686,617</u>	<u>421,368</u>	<u>3,021,383</u>
\$	2,691,046	\$ 421,368	\$ 3,327,527
\$	7,172	\$ -	\$ 27,869
	3,347	-	14,579
	844	-	3,811
	7,125	-	3,125
	<u>3,358</u>	<u>-</u>	<u>35,878</u>
\$	20,746	\$ -	\$ 89,392

(Continued)

The accompanying notes are an integral part of this statement.

VILLAGE OF FLORIAN

BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP
 For the Fiscal Year Ended September 30, 2003

	Governmental Fund Types		
	General	Special Revenue	Capital Projects
Fund equity:			
Contributed capital	\$ -	\$ -	\$ -
Investment in general fixed assets	-	-	-
Retained earnings (deficit) -			
Reserved	-	-	-
Unreserved	-	-	-
Fund balances -			
Unreserved - undesignated	<u>(21,527)</u>	<u>65,864</u>	<u>-</u>
Total fund equity	<u>\$ (21,527)</u>	<u>\$ 65,864</u>	<u>\$ -</u>
Total liabilities and fund equity	<u>\$ 34,113</u>	<u>\$ 77,280</u>	<u>\$ -</u>

<u>Proprietary Fund Type</u>	<u>Account Group General Fund Assets</u>	<u>Totals (Memorandum Only)</u>
<u>Enterprise</u>		
\$ 3,025,791	\$ -	\$ 3,025,791
-	421,168	421,168
-	-	-
(351,491)	-	(351,491)
<u>-</u>	<u>-</u>	<u>42,277</u>
<u>\$ 3,674,300</u>	<u>\$ 421,168</u>	<u>\$ 3,137,745</u>
<u>\$ 2,895,848</u>	<u>\$ 421,168</u>	<u>\$ 2,217,527</u>
		(Continued)

The accompanying notes are an integral part of this statement.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - ALL GOVERNMENTAL FUND TYPES**
For the Fiscal Year Ended September 30, 2005

	General Fund	Special Revenue	Capital	Totals (Memorandum Only)
Revenues:				
Taxes	\$ 32,764	\$ 92,617	\$ -	\$ 145,381
Licenses and permit	26,190	-	-	26,190
Intergovernmental	40,045	4,716	25,764	70,545
Charge for services	30,200	-	-	30,200
Fines and forfeits	32,285	-	-	32,285
Use of money and property	975	-65	-	1,410
Miscellaneous	931	940	-	1,874
Total revenues	<u>\$ 185,238</u>	<u>\$ 98,711</u>	<u>\$ 25,764</u>	<u>\$ 317,713</u>
Expenditures:				
General government	\$ 98,474	\$ -	\$ -	\$ 98,474
Public safety	110,342	100,187	-	210,529
Public works	15,546	-	25,764	41,310
Total expenditures	<u>\$ 225,462</u>	<u>\$ 100,187</u>	<u>\$ 25,764</u>	<u>\$ 351,413</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (32,244)</u>	<u>\$ (1,476)</u>	<u>\$ -</u>	<u>\$ (33,720)</u>
Other financing sources (uses):				
Transfer in	\$ 20,000	\$ -	\$ -	\$ 20,000
Transfer out	-	(10,000)	-	(10,000)
Total other financing sources (uses):	<u>\$ 20,000</u>	<u>\$ (10,000)</u>	<u>\$ -</u>	<u>\$ 10,000</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (32,244)</u>	<u>\$ (11,476)</u>	<u>\$ -</u>	<u>\$ (23,720)</u>
Fund balances, beginning	<u>(11,283)</u>	<u>77,280</u>	<u>-</u>	<u>65,997</u>
Fund balances, ending	<u>\$ (23,527)</u>	<u>\$ 65,804</u>	<u>\$ -</u>	<u>\$ 42,277</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF FLOREN

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2009

	General Fund		Variance - Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Taxes	\$ 62,000	\$ 52,700	\$ (9,300)
Licenses and permits	28,000	28,100	(1,840)
Intergovernmental	-	48,045	48,045
Charge for services	20,000	28,200	800
Fines and forfeits	30,000	52,200	16,200
Use of money and property	-	975	975
Miscellaneous	15,000	931	(14,069)
Total revenues	<u>\$ 155,000</u>	<u>\$ 179,218</u>	<u>\$ 23,218</u>
Expenditures:			
General government	\$ 70,000	\$ 58,474	\$ (28,474)
Public safety	76,000	118,342	(33,742)
Public works	20,000	18,646	1,354
Total expenditures	<u>\$ 166,000</u>	<u>\$ 215,462</u>	<u>\$ (58,862)</u>
Excess (deficiency) of revenues over expenditures	\$ (5,000)	\$ (12,244)	\$ (26,644)
Other financing sources (uses):			
Transfer in	\$ -	\$ -	\$ -
Transfer out	-	20,000	20,000
Total other financing sources (uses):	<u>\$ -</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ (5,000)	\$ (12,244)	\$ (36,644)
Fund balances, beginning	<u>(11,287)</u>	<u>(11,287)</u>	<u>-</u>
Fund balances, ending	<u>\$ (16,887)</u>	<u>\$ (23,527)</u>	<u>\$ (6,644)</u>

Special Revenue Fund		
Budget	Actual	Variance - Favorable (Unfavorable)
\$ 130,000	\$ 90,617	\$ (37,383)
-	-	-
-	4,716	4,716
-	-	-
-	-	-
-	403	403
-	943	943
<u>\$ 130,000</u>	<u>\$ 96,711</u>	<u>\$ (31,289)</u>
\$ -	\$ -	\$ -
-	-	-
75,000	106,187	(21,187)
<u>\$ 75,000</u>	<u>\$ 106,187</u>	<u>\$ (21,187)</u>
\$ 55,000	\$ (1,476)	\$ (56,476)
\$ -	\$ -	\$ -
<u>-</u>	<u>(18,953)</u>	<u>(18,953)</u>
<u>\$ -</u>	<u>\$ (18,953)</u>	<u>\$ (18,953)</u>
\$ 55,000	\$ (11,476)	\$ (66,476)
<u>77,280</u>	<u>77,280</u>	<u>-</u>
<u>\$ 132,280</u>	<u>\$ 65,804</u>	<u>\$ (66,476)</u>

The accompanying notes are an integral part of this statement.

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN RETAINED EARNINGS - PROPRIETARY FUND TYPE**
For the Fiscal Year Ended September 30, 2005

	<u>Enterprise</u>
Operating revenues:	
Charges for services	\$ 131,404
Operating expenses:	
Personal services and related benefits	\$ 44,503
Supplies	48,637
Other services and charges	35,696
Heat, light, and power	19,499
Depreciation	73,911
Total operating expenses	<u>\$ 222,246</u>
Operating income (loss)	<u>\$ (90,842)</u>
Non-operating revenues (expenses):	
Interest income	\$ 297
Transfer out	<u>(10,000)</u>
Total non-operating revenues (expenses)	<u>\$ (9,703)</u>
Net income (loss)	<u>\$ (98,545)</u>
Retained earnings, (deficit), beginning	<u>(252,948)</u>
Retained earnings, (deficit), ending	<u>\$ (351,493)</u>

The accompanying notes are an integral part of this statement.

STATEMENT OF CASH FLOWS
For the Fiscal Year Ended September 30, 2003

	<u>Enterprise</u>
Cash flows from operating activities:	
Cash received from customers	\$ 123,403
Cash payments to suppliers for goods and services	(95,177)
Cash payments for employee services and employee related benefits	(34,812)
Net cash used for operating activities	<u>\$ (10,644)</u>
Cash flows from noncapital financing activities:	
Transfers out:	<u>\$ (10,000)</u>
Net cash used for noncapital financing activities	<u>\$ (10,000)</u>
Cash flows from capital and related financing activities:	
Construction grants received	\$ 68,287
Acquisition and reconstruction of capital assets	(68,605)
Amounts paid to other funds	(3,358)
Net cash used for capital and related financing activities	<u>\$ (3,676)</u>
Cash flows from investing activities:	
Interest on cash management activities	<u>\$ 297</u>
Net decrease in cash and cash equivalents	<u>\$ (20,063)</u>
Cash and cash equivalents, beginning of year	<u>74,011</u>
Cash and cash equivalents, end of year	<u>\$ 44,948</u>

(Continued)

The accompanying notes are an integral part of this statement.

STATEMENT OF CASH FLOWS
For the Fiscal Year Ended September 30, 2015

RECONCILIATION OF OPERATING
LOSS TO NET CASH PROVIDED BY
OPERATING ACTIVITIES

	<u>Enterprise</u>
Operating income (loss)	\$ (18,440)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	\$ 71,611
Changes in assets & liabilities	
Decrease in accounts receivable	1,375
Decrease in prepaid insurance	543
Increase in accounts payable	2,667
Decrease in salaries payable	(111)
Decrease payroll taxes payable	(204)
Decrease in customer deposits	(5,025)
Total adjustments	\$ 70,056
Net cash provided by operating activities	\$ (18,644)
	(Calculated)

The accompanying notes are an integral part of this statement.

VILLAGE OF FLORES

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended September 30, 2003

INTRODUCTION

The Village of Flores was incorporated in 1999 under the provisions of the Louisiana Act. The Village operates under a Mayor-Board of Aldermen form of government.

The accounting and reporting policies of the Village of Flores conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guidelines set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, *Audits of State and Local Governmental Units*.

The Village maintains a general fund that provides police protection, garbage collection and recreation for its citizens, a sales tax fund that provides for repairs and maintenance of approximately 12 miles of roads and streets, and an enterprise fund that provides water and sewer services to approximately 130 residents. The village also maintains other funds as necessary for other operations.

The Village is located within Sabine Parish in the southwestern part of the State of Louisiana and is comprised of approximately 700 residents. The governing board is composed of three elected aldermen that are compensated for the regular and special board meetings they attend. There are approximately eight employees that maintain the water and sewer systems and provide police protection and garbage collection for the village.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

As the municipal governing authority, for reporting purposes, the Village of Flores is considered a separate financial reporting entity. The Village of Flores, which is the primary government, does not have (a) organizations for which the primary government is financially accountable, and (b) other organizations for which the nature and significance of their relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete; therefore the village is also the financial reporting entity.

B. FUND ACCOUNTING

The municipality uses funds and account groups to report on its financial position and the results of its operations.

VILLAGE OF FLOREN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

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

Governmental Fund

The governmental funds are used to account for all or most of the municipality's general activities, including the acquisition or construction of general fixed assets. The governmental funds include:

1. **General Fund** - the general operating fund of the municipality and accounts for all financial resources, except those required to be accounted for in other funds.
2. **Special Revenue Fund** - accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
3. **Capital Project Fund** - accounts for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

Proprietary Funds

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. The proprietary funds differ from the governmental funds in that their focus is on income measurement, which together with the maintenance of equity is an important financial indicator.

Proprietary Funds include:

Enterprise Fund - accounts for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided

VILLAGE OF FLORIEN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

C. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of the funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Revenues are recognized when they become measurable and available as net current assets. Taxpayer assessed income and gross receipts are considered "measurable" when in the hands of collecting governments and are recognized as revenues at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Ad valorem taxes are assessed for the calendar year on November 15 of each year and become delinquent on January 1. The taxes are generally collected in December of the current year and January and February of the ensuing year.

Expenditures

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

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (and any other financing source/use) are accounted for as other financing sources (uses).

All proprietary funds are accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The proprietary fund uses the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized as the time liabilities are incurred.

VILLAGE OF FLORIAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

D. BUDGET

The primary government municipality uses the following budget practices:

1. The Village Treasurer prepares a proposed budget and submits same to the Mayor and Board of Aldermen.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after the publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. The budgets for the general fund and special revenue fund are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Aldermen. Such amendments were not material in relation to the original appropriations.

E. ENCUMBRANCES

The Village of Florian does not use encumbrance accounting.

F. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, money market accounts and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the municipality may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks of the United States, or under the laws of the United States.

VILLAGE OF FLORIEN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Under state law, the municipality may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; if original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

G. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

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

H. INVENTORIES

The Village of Florien does not maintain an inventory. Purchases are made as needed for repair and maintenance and replacement of existing equipment.

I. PREPAID ITEMS

Prepaid amounts consist of insurance policy premiums paid in advance.

J. RESTRICTED ASSETS

Certain resources set aside for the replacement and extension of the waste water system along with deposits made by customers for the water and sewer systems are classified as restricted assets on the balance sheet because their use is limited.

K. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are reported in the general fixed assets account group. Public domain or infrastructures are not capitalized. Interest costs incurred during construction are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available.

Fixed assets used in the proprietary fund operations are included on the balance sheet of the funds net of accumulated depreciation. Depreciation of all depreciable fixed assets used by proprietary fund operations is charged as an expense against operations. Depreciation is computed using the straight-line method and useful lives as follows:

VILLAGE OF FLOREN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Water Utility- Storage tanks, lines, and meters	3-20 years
Other equipment	3-10 years
Sewer Utility - Distribution system	30 years
Other equipment	3-10 years

L. LEAVE POLICY

The Village allows employees to accumulate up to ten days of sick leave per year. The vacation policy allows for one week of vacation after one year of employment and two weeks of vacation after two or more years of employment. Neither sick leave nor vacation leave is compensated if not used. The Village has no obligation to pay any other benefits.

M. LONG-TERM OBLIGATIONS

The Village of Floren has no long-term obligations as of September 30, 2001.

N. FUND EQUITY

Contributed Capital

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

Reserves

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

Designated Fund Balances

Designated fund balances represent tentative plans for future use of financial resources.

O. INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as

VILLAGE OF FLOREN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

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

P. SALES TAXES

The Village of Floren receives a sales tax that is dedicated to the general maintenance of streets.

Q. TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

R. BAD DEBTS

Uncollectible amounts due for customers' utility receivables will be recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable.

Due to the immateriality of uncollectible receivables an allowance account has not been established.

S. FASB PRONOUNCEMENTS

The Village of Floren, Louisiana has applied all applicable GASB (Government Accounting Standards Board) pronouncements as well as FASB (Financial Accounting Standards Board) statements and interpretations, APB (Accounting Principles Board) opinions and (ARB's) Accounting Research Bulletin issued on or before November 30, 1989 unless these pronouncements conflict with or contradict GASB pronouncements. Also, applied are the FASB statements and interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements.

VILLAGE OF FLORIAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. FUND DEFICITS

The following individual fund had a deficit in its unreserved retained earnings at September 30, 2003:

Fund	Deficit Amount
Utility Fund	\$151,493

The retained earnings deficit in the enterprise fund arises because of the application of generally accepted accounting principles of financial reporting for such funds. Depreciation is a non-cash expense, contributes to the deficit. Even though the retained earnings deficit exists, the utility fund had an overall fund equity of \$ 2,634,308 at September 30, 2003. The Board of Aldermen will raise user fees to reduce the retained deficit, when needed.

3. LEVIED TAXES

Taxes are levied on January 1, billed between November 1 and November 15, and payable by December 31. The due date for unpaid taxes is August 15 of the following year. The tax collector bills and collects the Village's property taxes. Village property revenues are recognized when billed to the extent that they result in current receivables.

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

	Authorized Millage	Levied Millage	Expiration Date
Village taxes:			
General street maintenance	7.27	7.27	Annual Renewal

4. CASH AND CASH EQUIVALENTS

The following is a summary of cash and cash equivalents at September 30, 2003:

	Primary Government
Money market accounts	\$ 77,284
Savings account	1,379
Interest-bearing demand deposits	2,854
Non-interest bearing demand deposits	17,193
Petty cash	180
Total	\$ 129,090

VILLAGE OF FLORIAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

As September 30, 2003, the primary government had \$ 122,900 in deposits (collected bank balances). These deposits are secured from risk by \$ 122,900 of federal deposit insurance. State statistics relating to cash and cash equivalents are located at Note 1F, "Cash, Cash Equivalents, and Investments."

8. INVESTMENTS

The Village of Florian had no investments as of September 30, 2003.

9. RECEIVABLES

The following is a summary of receivables for September 30, 2003:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Special Revenue</u>	<u>Capital Projects Fund</u>	<u>Proprietary Fund</u>
Taxes:				
Franchise	\$ 4,332	\$ -	\$ -	\$ -
Sales	-	11,026	-	-
Ad Valorem	131	-	-	-
Grants:				
OCPS	7,323	-	-	-
LCLE	1,795	-	-	-
Utility Billing:				
Accounts	-	-	-	13,785
Sanitation	2,060	-	-	-
Total	\$ 15,541	\$ 11,026	\$ -	\$ 13,785

VILLAGE OF FLORIAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

7. **FIXED ASSETS**

The changes in general fixed assets follow:

	Balance September 30, 2002			Balance September 30, 2001		
		Additions	Deductions			
Land	\$ 47,900	\$ -	\$ -	\$ 47,900		
Vehicles	56,490	3,048	-	59,538		
Equipment	291,788	3,999	-	301,980		
Buildings	7,793	4,960	-	12,753		
Total	<u>\$ 403,771</u>	<u>\$ 11,967</u>	<u>\$ -</u>	<u>\$ 421,168</u>		

A summary of proprietary property, plant and equipment follows:

	Enterprise Funds
Land	\$ 47,900
Distribution system and plant	3,193,360
Other equipment	23,613
Vehicles	<u>3,999</u>
Total	\$ 3,168,772
Less accumulated depreciation	(561,081)
Net	<u>\$ 2,607,691</u>

8. **ACCOUNTS AND OTHER PAYABLES**

The following is a summary of payables at September 30, 2002:

Class of Payable	General Fund	Special Revenue Fund	Capital Projects Fund	Proprietary Funds
Payroll taxes	\$ 2,772	\$ 403	\$ -	\$ 844
Accounts	12,348	8,631	-	7,172
Salaries	9,400	2,130	-	3,247
Total	<u>\$ 24,520</u>	<u>\$ 11,164</u>	<u>\$ -</u>	<u>\$ 11,263</u>

VILLAGE OF FLOREN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

9. **DUE FROM/TO OTHER FUNDS**

Individual fund balances due from/to other funds at September 30, 2003, are as follows:

Fund	Due from other funds	Due to other funds
General Fund	\$ -	\$ 33,520
Special Revenue Fund	2,158	-
Proprietary Funds:		
Utility Fund	33,520	2,158
Total	<u>\$ 33,878</u>	<u>\$ 35,678</u>

10. **DUE FROM OTHER GOVERNMENTAL UNITS**

Amounts due from other governmental units at September 30, 2003, consisted of the following:

Village of Fisher	<u>\$ 250</u>
-------------------	---------------

11. **RESTRICTED ASSETS - PROPRIETARY FUND TYPES**

Restricted assets were applicable to the following at September 30, 2003:

Wastewater treatment account	\$ 1,254
Customers' deposits	3,771
Total	<u>\$ 5,025</u>

12. **CHANGES IN CONTRIBUTED CAPITAL**

The following is a summary of changes in contributed capital:

	Water Utility Fund
Balance at September 30, 2002	\$ 2,996,503
Additions:	
Louisiana Department of Transportation and Development Waterline Relocation	69,286
Balance at September 30, 2003	<u>\$ 3,025,791</u>

VILLAGE OF FLOREN

NOTES TO FINANCIAL STATEMENTS (CONCLUDED)

13. EXPENDITURES ACTUAL AND BUDGETED

The general fund and sales tax fund had actual total expenditures over budgeted expenditures for the year ended September 30, 2003:

	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund	\$ 166,600	\$ 215,862	\$ (49,262)
Sales Tax Fund	\$ 75,900	\$ 100,187	\$ (24,187)

SUPPLEMENTAL INFORMATION SCHEDULES

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

VILLAGE OF FLORENCE

Schedule I

GENERAL FUND
BALANCE SHEET

For the Fiscal Year Ended September 30, 2005

ASSETS

Cash	\$	13,553
Accounts receivable:		
Ad valorem tax		133
Franchise tax		4,353
Sanitation		2,060
Grants		9,118
Prepaid insurance		<u>4,897</u>
Total assets	\$	<u>24,113</u>

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable	\$	12,148
Accrued salaries payable		8,400
Payroll taxes payable		2,972
Due to other funds		<u>13,520</u>
Total liabilities	\$	<u>37,040</u>

Fund balance:

Unreserved - undesignated	\$	<u>(23,527)</u>
Total liabilities and fund balance	\$	<u>24,113</u>

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues:			
Taxes	\$ 62,000	\$ 52,701	\$ (9,299)
Licenses and permits	28,000	26,168	(1,832)
Intergovernmental	-	48,845	48,845
Charges for services	20,000	28,203	8,203
Fines and forfeits	26,000	32,203	6,203
Use of money and property	-	975	975
Miscellaneous	15,000	921	(14,079)
Total revenues	<u>\$ 141,000</u>	<u>\$ 190,216</u>	<u>\$ 49,216</u>
Expenditures:			
General government	\$ 70,000	\$ 98,474	\$ (28,474)
Public safety	76,680	118,542	(41,862)
Public works	20,000	16,646	3,354
Total expenditures	<u>\$ 166,680</u>	<u>\$ 225,662</u>	<u>\$ (59,082)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (25,680)</u>	<u>\$ (35,446)</u>	<u>\$ (9,766)</u>
Other financing sources:			
Transfers in	\$ -	\$ 20,000	\$ 20,000
Excess (deficiency) of revenues and other sources over expenditures	<u>\$ (25,680)</u>	<u>\$ (15,446)</u>	<u>\$ (10,234)</u>
Fund balance, beginning	<u>(11,281)</u>	<u>(11,281)</u>	<u>-</u>
Fund balance, ending	<u>\$ (26,961)</u>	<u>\$ (26,727)</u>	<u>\$ (234)</u>

GENERAL FUND
 SCHEDULE OF REVENUES COMPARED TO BUDGET (GAAP BASIS)
 For the Fiscal Year Ended September 30, 2003

	Budget	Actual	Variance - Favorable (Unfavorable)
Taxes:			
Franchise	\$ 25,500	\$ 23,368	\$ (2,132)
Ad valorem taxes	<u>34,500</u>	<u>28,213</u>	<u>(7,167)</u>
Total taxes	<u>\$ 62,000</u>	<u>\$ 52,701</u>	<u>\$ (9,299)</u>
Licenses and permits:			
Occupational	\$ 28,000	\$ 26,168	\$ (1,840)
Intergovernmental:			
Federal grant	\$ -	\$ 38,042	\$ 38,042
State grants	-	9,000	9,000
Local grants	<u>-</u>	<u>1,000</u>	<u>1,000</u>
Total intergovernmental	<u>\$ -</u>	<u>\$ 48,042</u>	<u>\$ 48,042</u>
Charges for services:			
Sanitation	\$ 30,000	\$ 30,285	\$ 285
Fees and forfeits:			
Traffic fines	\$ 35,000	\$ 32,285	\$ (2,715)
Use of money and property:			
Rent	\$ -	\$ 975	\$ 975
Miscellaneous:			
Other revenues	\$ 15,000	\$ 921	\$ (14,079)
Total revenues	<u>\$ 161,000</u>	<u>\$ 155,288</u>	<u>\$ (5,712)</u>

GENERAL FUND
SCHEDULE OF EXPENDITURES (COMPARED TO BUDGET (GAAP BASIS))
 For the Fiscal Year Ended September 30, 2005

	Budget	Actual	Variance - Favorable (Unfavorable)
General government:			
Personal services and related benefits	\$ 30,300	\$ 49,047	\$ 1,747
Contract labor	-	182	(182)
Dues	675	385	290
Utilities and telephones	3,580	6,680	(3,100)
Office expenditures	5,000	4,905	95
Legal and advertising	1,635	5,877	(4,242)
Professional fees	1,000	1,280	(280)
Insurance	6,000	12,285	(6,285)
Maintenance	850	6,886	(6,036)
Postage	1,000	842	158
Licenses and permits	-	50	(50)
Other taxes	-	543	(543)
Miscellaneous	-	230	(230)
Recreation	-	2,453	(2,453)
Capital Outlay	-	4,960	(4,960)
Total general government	\$ 50,000	\$ 98,474	\$ (48,474)
Public safety:			
Police -			
Personal services and related benefits	\$ 49,150	\$ 62,250	\$ (13,100)
Supplies & fuel	5,500	14,362	(8,862)
Insurance	3,700	5,640	(1,940)
Professional fees	2,100	1,590	509
Telephones	3,580	4,714	(1,134)
Office expenditures	150	207	(57)
Maintenance	9,000	5,211	3,789
Uniforms	300	1,361	(1,061)
Dues	-	200	(200)
Collection fees	-	461	(461)
Rent	-	64	(64)
Training	-	208	(208)
Travel	-	251	(251)
Capital outlay	3,000	8,655	(5,655)

(Continued)

GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
 For the Fiscal Year Ended September 30, 2005

	Budget	Actual	Variance- Favorable (Unfavorable)
Debt service:			
Principal	-	1,289	(1,289)
Interest	-	11	(11)
Total public safety	<u>\$ 79,600</u>	<u>\$ 180,342</u>	<u>\$ (31,742)</u>
Public Works:			
Sanitation			
Personal services and related benefits	\$ 15,000	\$ 12,298	\$ 2,702
Insurance	1,150	1,179	(29)
Supplies & fuel	1,850	2,183	(333)
Maintenance	2,000	1,696	904
Total public works	<u>\$ 20,000</u>	<u>\$ 16,696</u>	<u>\$ 3,304</u>
Total expenditures	<u>\$ 146,600</u>	<u>\$ 325,467</u>	<u>\$ (38,867)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (5,600)</u>	<u>\$ (12,244)</u>	<u>\$ (6,644)</u>
Other financing sources:			
Transfers in	<u>\$ -</u>	<u>\$ 20,800</u>	<u>\$ 20,800</u>
Excess (deficiency) of revenues and other sources over expenditures	<u>\$ (5,600)</u>	<u>\$ (12,244)</u>	<u>\$ (6,644)</u>
Fund balance, beginning	<u>(11,281)</u>	<u>(11,281)</u>	<u>-</u>
Fund balance, ending	<u>\$ (16,881)</u>	<u>\$ (23,527)</u>	<u>\$ (6,646)</u>

(Concluded)

SPECIAL REVENUE FUND

Sales Tax Fund - To account for the receipt and use of proceeds of the Village's sales and use tax. These taxes are dedicated to expenditures for the improvement of roads, streets, water treatment, and general improvements and maintenance of public facilities of the Village.

SPECIAL REVENUE FUND
SALES TAX FUND
BALANCE SHEET

For the Fiscal Year ended September 30, 2009

ASSETS

Cash	\$	61,809
Sales tax receivable		11,028
Due from other funds		2,358
Prepaid insurance		<u>2,804</u>
Total assets	\$	<u>77,999</u>

LIABILITIES AND FUND BALANCE

Liabilities:		
Accounts payable	\$	8,681
Accrued salaries payable		2,330
Payroll taxes payable		<u>415</u>
Total liabilities	\$	<u>11,426</u>
Fund balance:		
Unreserved - undesignated	\$	<u>65,573</u>
Total liabilities and fund balance	\$	<u>77,999</u>

SALES TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For the Fiscal Year Ended September 30, 2003

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues:			
Taxes	\$ 130,000	\$ 92,617	\$ (37,383)
Intergovernmental	-	4,718	4,718
Use of money and property	-	433	433
Miscellaneous	-	943	943
Total revenues	<u>\$ 130,000</u>	<u>\$ 98,711</u>	<u>\$ (31,289)</u>
Expenditures:			
Public works:			
Highway and streets:			
Personal services and related benefits	\$ 30,800	\$ 30,158	\$ 641
Contract services	14,900	17,841	(2,941)
Commissions	-	3,818	(3,818)
Utilities	10,000	11,320	(1,320)
Supplies	2,000	534	1,466
Legal and professional fees	1,000	5,550	(4,550)
Insurance	1,800	9,078	(7,278)
Fuel	1,800	3,573	273
Maintenance	4,000	7,230	(3,230)
Miscellaneous	4,200	-	4,200
Capital outlay	4,500	13,484	(10,984)
Total expenditures	<u>\$ 75,000</u>	<u>\$ 109,187</u>	<u>\$ (25,187)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 55,000</u>	<u>\$ (1,476)</u>	<u>\$ (56,476)</u>
Other financing (uses):			
Transfers out	<u>\$ -</u>	<u>\$ (18,900)</u>	<u>\$ (18,900)</u>
Excess (deficiency) of revenues over expenditures and other uses	<u>\$ 55,000</u>	<u>\$ (11,476)</u>	<u>\$ (66,476)</u>
Fund balance, beginning	<u>77,280</u>	<u>77,280</u>	<u>-</u>
Fund balance, ending	<u>\$ 132,280</u>	<u>\$ 65,804</u>	<u>\$ (66,476)</u>

CAPITAL PROJECTS FUND

Street Improvements - To account for the receipt and use of proceeds for improvements to the street and roads infrastructure.

CAPITAL PROJECTS FUND
COMBINING BALANCE SHEET
September 30, 2015

	<u>Street Improvements</u>
ASSETS	
LCDBG grants receivable	<u>\$ -</u>
LIABILITIES AND FUND BALANCE	
Liabilities	
Contracts payable	<u>\$ -</u>
Fund balance	<u>\$ -</u>

CAPITAL PROJECTS FUND
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 Year Ended September 30, 2021

		<u>Street Improvements</u>
Revenues:		
Intergovernmental:		
LCDRG grants	\$	<u>25,784</u>
Expenditures:		
Public works:		
Engineering and other	\$	3,138
Construction contracts		<u>77,614</u>
Total public works	\$	<u>80,752</u>
Excess (deficiency) of revenues over expenditures	\$	-
Fund balance - beginning		<u>-</u>
Fund balance - ending	\$	<u>-</u>

ENTERPRISE FUND

Utility Fund - To account for the provision of water and sewer services to residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

**ENTERPRISE FUND
BALANCE SHEET
September 30, 2011**

ASSETS

Current assets:

Cash	\$	38,331
Accounts receivable		13,705
Due from other governmental units - Village of Fisher		590
Due from other funds		13,530
Prepaid insurance		2,366
Total current assets	\$	<u>88,522</u>

Restricted assets:

Wastewater Improvement account - Cash	\$	1,254
Customer meter deposits - Cash		5,173
Total restricted assets	\$	<u>6,427</u>

Fixed assets:

Property, plant, and equipment, at cost, net of accumulated depreciation	\$	<u>2,680,047</u>
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Total assets	\$	<u>2,685,046</u>
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(Continued)

ENTERPRISE FUND
BALANCE SHEET
September 30, 2003

LIABILITIES AND FUNDS EQUITY

Liabilities:

Current liabilities

(payable from current assets)

Accounts payable	\$ 1,172
Salaries payable	1,247
Payroll taxes payable	884
Due to other funds	<u>1,258</u>
Total current liabilities (payable from current assets)	<u>\$ 4,561</u>

Current liabilities

(payable from restricted assets)

Customers' deposits	<u>\$ 1,125</u>
---------------------	-----------------

Total liabilities	<u>\$ 5,686</u>
--------------------------	-----------------

Fund equity:

Contributed capital	<u>\$ 3,025,290</u>
---------------------	---------------------

Retained earnings (deficit) -

Reserved	\$ -
Unreserved	<u>(351,491)</u>
Total retained earnings	<u>\$ (351,491)</u>

Total fund equity	<u>\$ 2,673,799</u>
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Total liabilities and fund equity	<u>\$ 5,686,046</u> (Concluded)
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**ENTERPRISE FUND
SCHEDULE OF REVENUES,
EXPENSES, AND CHANGES IN RETAINED EARNINGS (Deficit)
Year Ended September 30, 2011**

Operating revenues:

Charges for services	\$	<u>131,494</u>
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Operating expenses:

Personal services and related benefits	\$	44,597
Supplies		46,837
Other services and charges		15,606
Heat, light, and power		15,493
Depreciation		73,911
Total operating expenses	\$	<u>228,334</u>

Operating income (loss)	\$	<u>(96,840)</u>
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Non-operating revenues (expenses):

Interest income	\$	267
Transfer out		<u>(18,000)</u>
Total non-operating revenues (expenses)	\$	<u>(17,733)</u>

Net income (loss)	\$	(98,540)
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Retained earnings (deficit), beginning		<u>(252,648)</u>
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Retained earnings (deficit), ending	\$	<u>(351,490)</u>
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ENTERPRISE FUND
SCHEDULE OF CASH FLOWS
 Year Ended September 30, 2011

Cash flows from operating activities:	
Cash received from customers	\$ 121,461
Cash payments to suppliers for goods and services	(89,197)
Cash payments for employee services and employee related benefits	(44,912)
Net cash used by operating activities	<u>\$ (10,648)</u>
Cash flows from noncapital financing activities:	
Transfers out	\$ (110,000)
Net cash used for noncapital financing activities	<u>\$ (110,000)</u>
Cash flows from capital and related financing activities:	
Construction grants received	\$ 69,287
Acquisition and construction of capital assets	(90,895)
Amounts paid to other funds	(5,798)
Net cash used for capital and related financing activities	<u>\$ (27,406)</u>
Cash flows from investing activities:	
Interest on cash management activities	\$ 297
Net decrease in cash and cash equivalents	<u>\$ (28,857)</u>
Cash and cash equivalents, beginning of year	<u>74,811</u>
Cash and cash equivalents, end of year	<u>\$ 45,954</u>

(Continued)

ENTERPRISE FUND
SCHEDULE OF CASH FLOWS
Year Ended September 30, 2021

RECONCILIATION OF OPERATING
INCOME (LOSS) TO NET CASH
PROVIDED BY OPERATING ACTIVITIES

Operating income (loss)	<u>\$ (88,840)</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation	\$ 73,961
Changes in assets and liabilities	
Decrease in accounts receivable	3,379
Decrease in prepaid insurance	543
Increase in accounts payable	2,087
Decrease in retention payable	(111)
Decrease in payroll taxes payable	(204)
Decrease in customer deposits	<u>(2,877)</u>
Total adjustments	<u>\$ 70,178</u>
Net cash provided (used) by operating activities	<u>\$ (18,662)</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets not used in proprietary fund operations.

SCHEDULE OF GENERAL FIXED ASSETS
September 30, 2015

General fixed assets, at cost		
Land	\$	47,500
Vehicles		39,530
Equipment		300,385
Buildings		<u>12,735</u>
Total general fixed assets	\$	<u>400,150</u>

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
Year Ended September 30, 2000

	<u>Land</u>	<u>Vehicles</u>	<u>Equipment</u>	<u>Buildings</u>	<u>Total</u>
General fixed assets, beginning	\$ 47,500	\$ 56,499	\$ 191,788	\$ 7,795	\$ 403,573
Additions	-	1,048	3,393	4,980	13,555
Deletion	-	-	-	-	-
General fixed assets, ending	<u>\$ 47,500</u>	<u>\$ 58,538</u>	<u>\$ 195,181</u>	<u>\$ 12,775</u>	<u>\$ 413,168</u>

SCHEDULE OF COMPENSATION PAID ALDERMEN
Year Ended September, 2003

ALDERMEN	Compensation Paid
Don Devaney	\$ 1,200
Marvin Williams	1,100
Eddie Jones, Jr.	<u>1,100</u>
Total	<u>\$ 3,400</u>

VILLAGE OF FLOREN

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

Year ended September 30, 2003

Prior Audit Findings

FINDING – FINANCIAL STATEMENT AUDIT**Compliance****Audit Finding No. 1****Budget Variances****Finding:**

The budget variances for the general fund and sales tax fund expenditures and other uses were twenty-two percent and twenty-two percent respectively at year-end. According to the Louisiana Local Government Budget Act R.S. 59:1711, anytime total actual expenditures and other uses within a fund are exceeding the total budgeted expenditures and other uses by five percent or more the individual preparing the budget shall advise the mayor in writing. The mayor has not been notified that actual expenditures and other uses exceeded budgeted expenditures by more than five percent.

Initial Occurrence – September 30, 2002**Corrective action taken – No**

This is a repeat comment in this year's management letter dated March 4, 2004.

VILLAGE OF FLORIEN

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

Year ended September 30, 2003

Prior Audit Findings

Compliance

Audit Finding No. 2

Customer DepositsFinding:

At all times during the year the customer deposit cash account should equal or exceed the customer deposit liability account. At year-end the customer deposit cash account was \$ 1,857 less than the customer deposit liability account. Also, the customer deposit liability listing has not been reconciled to the actual customer deposits.

Initial Occurrence - September 18, 2002

Corrective action taken - No

This is a repeat comment in this year's management letter dated March 4, 2004.

Compliance

Audit Finding No. 3

Appointment of Key OfficialsFinding:

It was noted that at the beginning of the Mayor's current term of office, key officials were not appointed to their respective positions. This appointment should take place at the first council meeting following the beginning of the Mayor's term of office. Some possible key positions would be street commissioner, village clerk, village treasurer, utility superintendent and director of public works. It was also noted that subsequently, at the April 2, 2003 council meeting, the Mayor was re-appointed as street commissioner.

Initial Occurrence - September 18, 2002

Corrective action taken - The next date for corrective action on this comment will be the first council meeting after July 1, 2004.

VILLAGE OF FLOREN

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
 Year ended September 30, 2004

Prior Audit Findings

Compliance**Audit Finding No. 4****Boise Cascade Corporation Property Tax Exemption****Finding:**

On September 7, 1993 the Village Council adopted Ordinance No. 100. This ordinance enlarged the city limits and assessed the Boise Cascade Corporation plywood manufacturing facility. With the assessment, the Village would provide the facility with police protection, non-industrial water and sewer services, and all other services provided by the Village. In turn, Boise Cascade Corporation would then be subject to Village taxes. The assessment resulted in a significant increase of approximately twenty-one thousand dollars of ad valorem taxes to the Village based on the assessed value of Boise Cascade Corporation's plywood manufacturing facility. Ordinance No. 100, in addition to enlarging the city limits, also reduced this ad valorem tax not to exceed twelve thousand dollars per year for a period of two years for the Boise Cascade Corporation. The only governing body that has the authority to reduce ad valorem taxes is the Louisiana Tax Commission, therefore the Village council did not have the authority to reduce the ad valorem taxes to be paid by Boise Cascade Corporation with the adoption of Ordinance No. 100. Boise Cascade Corporation has since paid only twelve thousand dollars per year for ad valorem taxes to the village.

Initial Occurrence – September 30, 2002

Corrective action taken – This matter was referred to the Legislative Auditor's office at their request and as of this date no known action has been taken.

VILLAGE OF FLOREN

SCHEDULE OF THE CORRECTIVE ACTION PLAN
FOR THE CURRENT YEAR AUDIT FINDINGS
Year Ended September 30, 2003

Current Year Audit Findings

The mayor has stated that he would respond to the audit findings within the thirty-day period following the release of the audit report.

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

The Honorable Rodney Jordan, Mayor
and the Members of The Board of Aldermen
Village of Florien, Louisiana

I have audited the general purpose financial statements of the Village of Florien, Louisiana, as of and for the year ended September 30, 2003, and have issued my report thereon dated March 4, 2004. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village of Florien, Louisiana's general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described below.

Audit Finding No. 1

Budget Variances

Finding:

The budget variances for the general fund and sales tax fund expenditures were twenty-six percent and twenty-five percent respectively at year-end. According to the Louisiana Local Government Budget Act R.S. 18:1101, anytime total actual expenditures and other uses within a fund are exceeding the total budgeted expenditures and other uses by five percent or more the individual preparing the budget shall advise the mayor in writing.

The Mayor has not been notified that actual expenditures and other uses exceed budgeted expenditures by more than five percent.

Recommendation:

I recommend that the budget amounts of revenues and other sources and expenditures and other uses be compared to these actual amounts throughout the year. At any time that actual amounts exceed budgeted amounts by five percent or more, the Mayor should be notified in writing and the budget should be amended as necessary. This is a repeat comment from the prior year audit of September 30, 2002.

Audit Finding No. 2

Customer Deposits

Finding:

At all times during the year the customer deposit cash account should equal or exceed the customer deposit liability account. At year-end the customer deposit cash account was \$ 1,352 less than the customer deposit liability account. Also the customer deposit liability listing has not been reconciled to the actual customer deposits.

Recommendation:

I recommend that the customer deposit liability listing be updated and all customer deposits be accurately reflected in the account. Each month the customer deposit cash account should be checked to see that the balance equals or exceeds the customer deposit liability listing. This is a repeat comment from the prior year audit of September 30, 2002.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Village of Florien, Louisiana's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in accounts 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. I noted

The Honorable Rodney Jordan, Mayor
and the Members of the Board of Aldermen
Village of Florien, Louisiana
Page 2

no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of management, others within the organization, the Board of Aldermen, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties, although under Louisiana Revised Statute 24:313, this report is distributed by the Legislative Auditor as a public document.



De Ridder, Louisiana
March 4, 2004

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The Honorable Rodney Jordan, Mayor
The Honorable Members of the Board of Aldermen
Village of Florien, Louisiana

In planning and performing my audit of the financial statements of the Village of Florien, Louisiana for the year ended September 30, 2003, I considered its internal control in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control. However, I noted certain matters involving internal control and its operation that I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control that, in my judgment, could adversely affect the Village of Florien, Louisiana's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Other Comments and Recommendations

Record Keeping

Finding:

Information requested from the client was not supplied in a timely manner during the audit. This resulted due to the fact that the police department was routinely locked with no one available to supply needed information in a timely manner. Also, some of the information supplied was incorrect with no explanation available by management.

Recommendation:

I recommend that someone be assigned responsibility and access to the police department in the secretary's absence. The village should keep accurate records and management should have these records available and be knowledgeable of their contents.

Subsequent Event

Finding:

Subsequent to the Village's fiscal year end of September 30, 2003 the police department purchased a new patrol unit under a lease purchase agreement without approval from the board of aldermen. Also, if this unit was not purchased on a state contract the bid law was violated.

Recommendation:

I recommend that for all purchases the Village's policy of board approval be followed and the purchase of equipment, vehicles, and moveable property that cost over \$ 10,000 be advertised and awarded based on timely received sealed bids, unless purchased under state contract.

My consideration of internal control would not necessarily disclose all matters in internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, none of the reportable conditions described above is believed to be a material weakness.

These conditions were considered in determining the nature, timing, and extent of the audit tests applied in my audit of the September 30, 2003 financial statements, and this report does not affect my report on those financial statements dated March 4, 2004. I have not considered the internal control since the date of my report.

This report is intended solely for the information and use of the Village Council, management, others within the administration, and the Legislative Auditor; and is not intended to be and should not be used by anyone other than those specified parties.

John B. Winkler, CPA

DeBossier, Louisiana
March 4, 2004