

Village of Morganza 40
Louisiana 96202886
2413

George F. Delaune

CERTIFIED PUBLIC ACCOUNTANT

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VILLAGE OF MORGANZA, LOUISIANA

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 1998

VILLAGE OF MORGANZA
POINTE COUPEE PARISH, LOUISIANA
P. O. BOX 66
MORGANZA, LA 70759
(225) 694-3655

11/17/12

MAYOR
Eugene "Jacko" Serio

ALDERMEN
Eric Gustin, Gas Commissioner
Stanley LeCoq, Water & Sewer Commissioner
Carmella Guedry, Street Commissioner

CITY MANAGER
Mark S. Ramagos

CITY CLERK
Diane Grantham

CHIEF OF POLICE
Carl K. Landry

MEETING DATE
1st & 3rd Tuesday of Every Month
7:00 PM - Town Hall

**VILLAGE OF MORGANZA, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 1998
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George F. Delaune

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OFFICERS ASSOCIATION

INDEPENDENT AUDITOR'S REPORT

**The Honorable Eugene Serio, Mayor
and Members of the Board of Aldermen
Village of Morganza, Louisiana**

I have audited the accompanying general-purpose financial statements of the **VILLAGE OF MORGANZA, LOUISIANA**, as of and for the year ended June 30, 1998, as listed in the Table of Contents. These general-purpose financial statements are the responsibility of the Village of Morganza's management. My responsibility is to express an opinion on these general-purposes financial statements based on my audit.

I conducted my audit 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 the Louisiana Governmental Audit Guide. Those standards and the Guide require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Village of Morganza, Louisiana, as of June 30, 1998, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued my report dated October 29, 1998, on my consideration of the Village of Morganza's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

My audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the Village of Morganza, Louisiana, taken as a whole. The schedules listed in the table

of contents and schedule of expenditures of federal awards are presented for purposes of additional analysis or as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and are 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 my opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

George F. Delaune, CPA

October 29, 1998

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VILLAGE OF MORGANZA, LOUISIANA
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP
JUNE 30, 1998

	Governmental Fund Types		Proprietary Fund Type	Account Group	Totals
	General	Capital Projects	Enterprise	General Fixed Assets	Memorandum Only
ASSETS					
Cash	\$26,333	\$50	\$508,463		\$534,846
Investments			96		96
Receivables -					25
Taxes - ad valorem	25				25
Taxes - franchise	3,881				3,881
Utility billings			117,473		117,473
Due from General Fund			3,891		3,891
Due from Capital Projects			50		50
Due from other governmental units -					537
Louisiana - beer taxes	537				537
Louisiana - tobacco taxes	1,026				1,026
Louisiana - video poker	1,753				1,753
Louisiana - public safety (sales tax)	801				801
Louisiana - transportation (grass cutting)	1,934				1,934
Louisiana - Division of Administration		24,378			24,378
Prepaid expenses			2,364		2,364
Property, Plant and Equipment -					
At cost			1,711,011	\$102,776	1,813,787
Accumulated depreciation			(589,089)		(589,089)
TOTAL ASSETS	\$36,290	\$24,428	\$1,754,259	\$102,776	\$1,917,753
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts payable	\$31,500		\$5,639		\$37,139
Construction payable		\$24,378			\$24,378
Accrued liabilities -					509
Salaries	509				509
Payroll deductions	1,011		1,090		2,101
Due to Public Utility Fund	3,891	50			3,941
Due to other governmental units -					36,068
P.C. Parish - Solid Waste System			36,068		36,068
Consumer deposits			31,471		31,471
Total Liabilities	36,911	24,428	74,268		135,607
Fund Equity:					
Contributed capital			1,175,525		1,175,525
Investment in general fixed assets				\$102,776	102,776
Retained earnings - unreserved			504,466		504,466
Fund balance - unreserved/undesignated	(621)				(621)
Total Fund Equity	(621)		1,679,991	102,776	1,782,146
TOTAL LIABILITIES AND FUND EQUITY	\$36,290	\$24,428	\$1,754,259	\$102,776	\$1,917,753

The accompanying notes are an integral part of this statement.

VILLAGE OF MORGANZA, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1998

	General	Capital Projects	Totals (Memorandum Only)
Revenues:			
Taxes	\$62,159		\$62,159
Licenses and permits	17,106		17,106
Intergovernmental revenue	23,215	\$29,878	53,093
Fines and forfeitures	2,479		2,479
Miscellaneous revenues	4,488		4,488
Total Revenues	109,447	29,878	139,325
Expenditures:			
<i>Current operations</i>			
Salaries and benefits	66,034		66,034
Purchased professional services	2,531		2,531
Utilities	9,964		9,964
Other purchased services	12,505		12,505
Repairs, maintenance and supplies	18,716		18,716
Capital outlays	34,964	29,878	64,842
Total Expenditures	144,714	29,878	174,592
(Deficiency) of Revenues Over Expenditures	(35,267)		(35,267)
Operating Transfers:			
From Public Utility Fund	20,000		20,000
(Deficiency) of Revenues and Transfers Over Expenditures	(15,267)		(15,267)
Fund Balance - July 1	14,646		14,646
FUND BALANCE - June 30	(\$621)		(\$621)

The accompanying notes are an integral part of this statement.

VILLAGE OF MORGANZA, LOUISIANA
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL [GAAP BASIS] - GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED JUNE 30, 1998

	General Fund			Capital Projects		
	Budget	Actual	Variance Favorable (Unfavorable)	Project Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	\$60,500	\$62,159	\$1,659			
Licenses and permits	16,000	17,106	1,106			
Intergovernmental revenues	11,000	23,215	12,215	\$394,612	\$29,878	(\$364,734)
Fines and forfeitures	1,500	2,479	979			
Miscellaneous revenues	2,600	4,488	1,888			
Total Revenues	91,600	109,447	17,847	394,612	29,878	(364,734)
Expenditures:						
Current Operations:						
General government	35,477	25,708	9,769			
Police department	30,353	36,229	(5,876)			
Street department	46,470	47,813	(1,343)			
Capital Outlays:						
Police department	5,496	5,496				
Street department	29,468	29,468		394,612	29,878	364,734
Sewer improvements						
Total Expenditures	147,264	144,714	2,550	394,612	29,878	364,734
(Deficiency) of Revenues Over Expenditures	(55,664)	(35,267)	20,397			
Operating Transfers:						
From Public Utility	20,000	20,000				
(Deficiency) of Revenues and Transfers Over Expenditures	(35,664)	(15,267)	20,397			
Fund Balance - July 1	14,646	14,646				
FUND BALANCE - June 30	(\$21,018)	(\$621)	\$20,397			

The accompanying notes are an integral part of this statement.

VILLAGE OF MORGANZA, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
PROPRIETARY FUND TYPE (ENTERPRISE FUND)
FOR THE YEAR ENDED JUNE 30, 1998
With Comparative Total for 1997

	1998	1997
Operating Revenues:		
Charges for services	\$272,506	\$261,251
Customer service charges	466	175
Penalty charges	6,535	4,389
Total Operating Revenues	279,507	265,815
Operating Expenses:		
General and administrative	59,826	59,076
Natural gas department	105,512	113,731
Water department	41,132	36,086
Sewer department	53,113	31,749
Total Operating Expenses	259,583	240,642
Operating Income	19,924	25,173
Non-operating Revenues (Expenses):		
Utility billing fee	4,504	4,524
Interest earned	18,799	16,270
Investment gains	1,900	3,463
Rural development grant	15,000	
Bad debts written off	(1,932)	(886)
Total Non-operating Revenues (Expenses)	38,271	23,371
Income Before Operating Transfers	58,195	48,544
Other Financing (Uses):		
Operating transfers out	(20,000)	
Net Income	38,195	48,544
Retained Earnings - July 1	466,271	417,727
RETAINED EARNINGS - June 30	\$504,466	\$466,271

The accompanying notes are an integral part of this statement.

**VILLAGE OF MORGANZA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 - THE ENTITY

The Village of Morganza, Louisiana (the "Village") was incorporated on March 6, 1908, under the provisions of Title 33, Chapter 2, Part 1, of the Louisiana Revised Statutes (Lawrason Act - Act No. 36 of 1898). The Village provides police protection; streets and drainage maintenance; public improvements; gas, water, and sewer services; and general administration. The Village operates under a Mayor-Board of Aldermen Council form of government. The Mayor and three Council Members are elected at large to serve four year terms. The Mayor is entitled to a per diem of \$147 per month and each Council Member \$42 for each meeting attended. The Village of Morganza is located in Pointe Coupee Parish and a geographic area of approximately six square miles. The estimated population as of July 1, 1997 was 759. The Village employs five full-time employees. The Village serves 504 gas customers, 315 water customers, and 295 sewer customers; and maintains 20 miles of streets.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements of the Village have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

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

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Village of Morganza for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria include:

VILLAGE OF MORGANZA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the municipality to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the municipality.
2. Organizations for which the municipality does not appoint a voting majority but are fiscally dependent on the municipality.
3. Organizations for which the reporting entity financial statements should be misleading if data of the organization is not included because of the nature or significance of the relationship.

As required by generally accepted accounting principles, since the Village has no component units, these financial statements present the primary government of the Village of Morganza.

Other Organizations

The municipality may appoint some, or all, governing board members of organizations that are not included as component units in the primary government's reporting entity. These organizations are classified as [a] related organizations, [b] joint ventures and jointly governed organizations, and [c] component units of another government with characteristics of a joint venture or jointly governed organization.

Considered in the determination of component units of the reporting entity were the Pointe Coupee Parish Police Jury, Sheriff, Clerk of Court, Assessor, and School Board and the District Attorney and Judges for the 18th Judicial District. It was determined that these governmental entities are not component units of the Village of Morganza reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of the Village of Morganza.

Also, excluded from the reporting entity:

Fire Protection District No. 2 of the Parish of Pointe Coupee, Louisiana

This potential component unit has a separate board appointed jointly by the area governments' governing bodies. It provides services to residents, within the geographic boundaries of the government and other areas adjacent to it. This unit is excluded from the reporting entity because the government does not have the ability to exercise influence or control over its daily operations, approve budgets or provide funding.

VILLAGE OF MORGANZA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Fund Accounting

The Village uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions 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 Village are classified into two categories: governmental and proprietary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds

Governmental funds are used to account for all or most of the Village's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

General Fund – the general operating fund of the Village and accounts for all financial resources, except those required to be accounted for in other funds.

Capital Projects Fund — account 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. Proprietary funds differ from 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 – account 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

VILLAGE OF MORGANZA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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, expense incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Basis of Accounting

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

The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting,

Revenues:

Revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Consequently, the Village recognizes revenues as follows:

1. Ad valorem taxes and related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.
2. Sales and use tax revenues are recorded in the month they are received by the centralized parish sales tax collector.
3. Federal and state grants and reimbursements are recorded when the Village is entitled to the funds. Where grant revenue is dependent upon expenditures by the Village, revenue is recognized when the related expenditures are incurred.

VILLAGE OF MORGANZA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. Fines, forfeitures, and court costs are recorded in the year they are received by the Village or parish tax collector.
5. Fees, charges and commissions are recognized as revenue in the month in which they are earned and billed.
6. Substantially all other revenues are recorded when received by the Village.

Expenditures:

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

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). Transfers are recorded when the funds are actually transferred.

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 funds use the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time liabilities are incurred.

Encumbrances

The Village does not follow the encumbrance method of accounting.

Budgets

The Village uses the following budget practices:

1. Budgets are prepared for the General Fund and Enterprise Fund on the GAAP Basis and appropriations (unexpended budget balances) lapse at year end.
2. A notice of the proposed operating budgets are published and since the budget for the General Fund is less than \$250,000; the Village is required to hold at least one public hearing. Publication of the budget was made after adoption

VILLAGE OF MORGANZA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. There were no budget amendments; consequently, the financial statements present the original budgets.

Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Village may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

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

Accounts Receivable and Bad Debts

The Village uses the direct charge-off method whereby uncollectible amounts due from ad valorem taxes are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. The direct charge-off method is used because it does not cause a material departure from GAAP and it approximates the valuation method.

Inventories

Inventories for supplies are immaterial and are recorded as expenditures when purchased.

General Fixed Assets

Fixed assets used in governmental fund type operations are accounted for in the General Fixed Asset Group of Accounts rather than in governmental funds. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, streets, drainage system, and lighting systems, are not capitalized with other fixed assets. No depreciation has been provided on such assets.

All fixed assets are valued at historical cost. Repairs and maintenance are recorded as expenditures; renewals and betterments are capitalized.

**VILLAGE OF MORGANZA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

Property, Plant and Equipment - Proprietary Fund

Additions to the utility plant in service are recorded at cost or, if contributed property, at their estimated fair value at time of contribution. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. The sale or disposal of fixed assets is recorded by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income.

Depreciation has been calculated on depreciable property using the straight-line method. Estimated useful lives are as follows:

Natural Gas System	50 Years
Water System	10 - 50 Years
Sewer System	5 - 50 Years
Equipment	5 Years
Furniture and Office Equipment	3 - 10 Years
Vehicles	5 Years

Compensated Absences

Accumulated unpaid vacation and sick leave is accrued when incurred in proprietary funds. The amount of accumulated vacation and sick leave recorded in the governmental funds is that amount, adjusted to current salary costs, which is expected to be liquidated with expendable available financial resources. Only the current portion is reflected in the funds. The remainder of the liability is reported in the General Long-Term Debt Account Group. The guidelines of GASB Codification Section C60 were applied in determining the liability for both governmental and proprietary funds.

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.

**VILLAGE OF MORGANZA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

Reserves

Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use.

Designated Fund Balances

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

Sales and Use Tax

The Village has a one per cent sales and use tax approved by the voters, for an indefinite period. The tax, after all necessary costs for collection and administration, is available for general purposes.

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 or results of operations, 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.

NOTE 3 - LEVIED TAXES

All taxable property located within the State of Louisiana is subject by law to taxation on the basis of its assessed valuation. The assessed value is determined by the Parish Assessor, except for public utility property which is assessed by the Louisiana Tax Commission.

The 1974 Louisiana Constitution provided that, beginning in 1978, all land and residential property were to be assessed at 10% of fair market value; agricultural, horticultural, marsh lands, timber lands and certain historic buildings are to be assessed at 10% of "use" value; and all other property is to be assessed at 15% of fair market value. Fair market values are determined by the elected assessor of the parish and are subject to review and final certification by the Louisiana Tax Commission. The Assessor is required to reappraise all property every four years.

The Sheriff of Pointe Coupee Parish, as provided by State Law, is the official tax collector of property taxes levied by the Village. All taxes are due by December 31 of the year and are delinquent on January 1 of the next year, which is also the lien date.

**VILLAGE OF MORGANZA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

State law requires the Sheriff to collect property taxes in the calendar year in which the assessment is made. If the taxes are not paid by the due date of December 31st, the taxes bear interest at 1.25% per month until the taxes are paid. After notice is given to the delinquent taxpayers, the Sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed.

Property taxes are recognized as revenue in the year for which they are levied and become due. The majority of the year's taxes are collected from November to February by the Sheriff. Any amounts not collected at June 30th are shown as accounts receivable.

The following is a summary of authorized and levied ad valorem taxes for the year ended June 30, 1998:

Fund	Authorized Millage	Levied Millage	Expiration Date
General Fund	7.00	6.35	Indefinite

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

The following are the principal taxpayers for the Village and their 1997 assessed valuation:

Taxpayer	Type of Business	Assessed Valuation	Tax Paid
Regions Bank of Louisiana	Banking	\$209,525	\$12,924
BellSouth Telecommunications, Inc.	Telephone	114,790	7,078
Pointe Coupee Electric Membership Corp.	Electric	33,572	2,070
Joseph J. III and Stephanie B. Ewing	Various	28,100	1,730
Union Pacific Railroad Co.	Railroad	24,170	1,398
Joseph C. & Rose V. Bergeron	Various	29,050	1,374
H. M. & W. Super Mart	Grocery	18,100	1,114
Guaranty Bank & Trust Company	Banking	18,080	1,113
Cable TV of Pointe Coupee	Cable TV	16,717	1,029
Adam J. Martin	Various	16,500	696
Total		<u>\$508,604</u>	<u>\$31,171</u>

**VILLAGE OF MORGANZA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

NOTE 4 - CASH and CASH EQUIVALENTS

The following is a summary of cash and cash equivalents at June 30, 1998:

Demand deposits	\$150
Interest-bearing demand deposits	<u>534,696</u>
Total	<u><u>\$534,846</u></u>

These deposits are stated at cost, which approximates market. Under state statutes, these deposits 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.

At June 30, 1998, the Village has \$536,272 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance and \$436,272 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 5 - INVESTMENTS

The following is a summary of investments at June 30, 1998:

	<u>Cost</u>	<u>Market Value</u>
50,000 Mortgage Securities Trust, Unit CMO Series 11	<u>\$96</u>	<u>\$96</u>

GASB No. 3 states that a unit investment trust is an investment security and the Village has adopted to report this investment in accordance with SFAS No. 115. Consequently, this investment is recognized at market value as of June 30, 1998. This investment does not meet the investment allowed by LRS 39:1271 and is a violation of state law.

VILLAGE OF MORGANZA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 6 - CHANGES IN FIXED ASSETS

A summary of changes in general fixed assets follows:

	<u>7-1-1997</u>	<u>Additions</u>	<u>Deletions</u>	<u>6-30-1998</u>
Land	\$2,000			\$2,000
Buildings	31,356			31,356
Equipment	34,456	\$34,964		69,420
	<u>\$67,812</u>	<u>\$34,964</u>		<u>\$102,776</u>

A summary of changes in proprietary property, plant and equipment follows:

	<u>7-1-1997</u>	<u>Additions</u>	<u>Deletions</u>	<u>6-30-1998</u>
Land	\$12,610			\$12,610
Machinery and equipment	17,119			17,119
Furniture and office equipment	11,570			11,570
Vehicles	21,164			21,164
Natural gas system	214,029			214,029
Water system	690,823	\$15,419	(\$15,419)	690,823
Sewer system	743,414	283		743,697
	<u>1,710,728</u>	<u>\$283</u>		<u>1,711,011</u>
Accumulated depreciation	<u>(554,398)</u>	<u>(\$50,110)</u>	<u>\$15,419</u>	<u>(589,089)</u>
	<u>\$1,156,330</u>			<u>\$1,121,923</u>

NOTE 7 - UTILITY SERVICE AGREEMENT

An agreement between the Solid Waste Disposal System of the Parish of Pointe Coupee and the Village of Morganza provides for the billing of customers on the Village's system. This billing agreement went into effect for the month of October 1985. Under the terms of the agreement, the Village retains a \$.75 per customer as a billing fee. The amount owed to the Solid Waste Disposal System as of June 30, 1998 is \$36,068.

**VILLAGE OF MORGANZA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

NOTE 8 - CENTRALIZED COLLECTION AGENCY AGREEMENT

In accordance with Paragraph (B)(1) of Section 3 of Article VII of the Constitution of the State of Louisiana, the Village entered into an agreement on May 20, 1992 with all of the sales and use taxing authorities of the Parish of Pointe Coupee designating the Sales Tax Department of the Pointe Coupee Parish Police Jury as the single tax collection entity. The agreement is effective as of July 1, 1992, the agreement authorizes the Village to compensate the collection agency 1.25% of the gross amounts collected.

NOTE 9 - PENSION PLAN AND RETIREMENT COMMITMENTS

Social Security and Medicare -

All employees of the Village are members of the Federal Social Security and Medicare System. The total payroll for employees of the Village covered by the System for the year ended June 30, 1998, was \$79,746.

The total contribution to the System is 15.3% of taxable payroll of which the Village and employees contribute 7.65% each. For the year ended June 30, 1998, the Village contributed \$6,101 to the System.

NOTE 10 - CONTINGENT LIABILITIES

There is no pending litigation against the Village.

NOTE 11 - GRANT AWARD

On November 18, 1997, the Louisiana Division of Administration awarded the Village \$394,612 in CDBG funds for improvements to its sewer system.

**VILLAGE OF MORGANZA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

NOTE 12 - COMPENSATION PAID TO BOARD MEMBERS

In compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature, compensation paid to the mayor and board members is as follows:

Mayor	- Eugene Serio	\$1,764
Council Mem-	- Eric Gustin	966
	- Stanley LeCoq	798
	- Carmella Guedry	1,008
		<hr/>
		<u>\$4,536</u>

SUPPLEMENTAL DATA

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VILLAGE OF MORGANZA, LOUISIANA
SCHEDULE OF REVENUES
BUDGET AND ACTUAL [GAAP BASIS] - GOVERNMENTAL FUND TYPE (GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 1998

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Taxes:			
General property	\$9,500	\$9,429	(\$71)
Sales	37,000	36,289	(711)
Electric franchise	12,000	12,886	886
Cable TV franchise	2,000	3,555	1,555
Total Taxes	<u><u>\$60,500</u></u>	<u><u>\$62,159</u></u>	<u><u>\$1,659</u></u>
Licenses and Permits:			
Occupational - businesses	\$7,000	\$4,560	(\$2,440)
Occupational - insurance	8,000	11,766	3,766
Liquor and beer permits	1,000	780	(220)
Total Licenses and Permits	<u><u>\$16,000</u></u>	<u><u>\$17,106</u></u>	<u><u>\$1,106</u></u>
Intergovernmental Revenues:			
Grant - La Comm on Law Enforcement		\$3,341	\$3,341
Grant - La Police Supplemental pay		3,600	\$3,600
La - Tobacco taxes	\$4,000	4,104	104
La - Beer taxes	2,000	1,817	(183)
La - Video poker	5,000	7,853	2,853
Pointe Coupee Drug Task Force		2,500	2,500
Total Intergovernmental Revenues	<u><u>\$11,000</u></u>	<u><u>\$23,215</u></u>	<u><u>\$12,215</u></u>
Fines and Forfeitures:			
Traffic fines	\$1,500	\$2,479	\$979
Miscellaneous Revenues:			
LDOTD grass contract	\$1,900	\$3,868	\$1,968
Interest earned	\$600	480	(120)
Other	100	140	40
Total Miscellaneous Revenues	<u><u>\$2,600</u></u>	<u><u>\$4,488</u></u>	<u><u>\$1,888</u></u>

VILLAGE OF MORGANZA, LOUISIANA
SCHEDULE OF CURRENT OPERATING EXPENDITURES
BUDGET AND ACTUAL [GAAP BASIS] - GOVERNMENTAL FUND TYPE (GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 1998

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
General Government -			
Salaries and Benefits -			
Mayor's per diem	\$1,764	\$1,764	
Council members' per diem	3,024	2,772	252
Salaries - janitor	1,094	1,094	
Group insurance	9,200	1,549	7,651
Unemployment compensation	25	44	(19)
Workers compensation	300	(379)	679
Social security and medicare	30	93	(63)
Uniform expense		153	(153)
Purchased Professional Services -			
Professional fees - legal	100		100
Professional fees - assessor	440	440	
Professional fees - auditor	1,500	1,500	
Professional fees - accountant	400	150	250
Professional fees - computer service			
Professional fees - sales tax collector	300	368	(68)
Conventions and conferences	150	73	77
Utilities -			
Electricity	2,600	1,990	610
Natural gas		453	(453)
Other Purchased Services -			
Insurance - fire	1,700	1,578	122
Insurance - liability	4,200	2,251	1,949
Insurance - bonds	250	223	27
Telephone	1,500	1,308	192
Paging system		199	(199)
Publishing and recording	900	366	534
Dues	450	372	78
Subscriptions		315	(315)
Tourism and promotion	500	1,050	(550)
Repairs, Maintenance and Supplies -			
Buildings	1,000	2,150	(1,150)
Janitorial and other supplies	150	187	(37)
Equipment maintenance	800	1,550	(750)
Beautification program	1,000	76	924
Office supplies	1,100	902	198
Miscellaneous supplies	1,000	1,117	(117)
Total General Government	<u><u>\$35,477</u></u>	<u><u>\$25,708</u></u>	<u><u>\$9,769</u></u>

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Police Department -			
Salaries and Benefits -			
Salary - chief	\$17,207	\$17,207	
Salary - auxiliary	736	1,399	(663)
Salary - police supplemental pay		3,600	(3,600)
Group insurance		2,954	(\$2,954)
Unemployment compensation	60		60
Workers compensation	1,400	1,551	(151)
Social security and medicare	1,400	1,423	(23)
Other Purchased Services -			
Insurance - liability	2,500	2,841	(341)
Insurance - vehicles and equipment	1,500		1,500
Telephone	800	795	5
Fees - law enforcement		118	(118)
Repairs, Maintenance and Supplies -			
Vehicles - gas and oil	1,800	1,498	302
Vehicle - maintenance	1,400	1,647	(247)
Police supplies	500	1,099	(599)
Radios and equipment	1,000	90	910
Miscellaneous supplies	50	7	43
Total Police Department	<u>\$30,353</u>	<u>\$36,229</u>	<u>(\$5,876)</u>
Street Department -			
Salaries and Benefits -			
Salary - laborers	\$20,000	\$21,638	(\$1,638)
Group insurance		2,661	(2,661)
Unemployment compensation	70		70
Workers compensation	4,200	4,856	(656)
Social security and medicare	1,600	1,655	(55)
Utilities -			
Street lighting	8,500	7,521	979
Other Purchased Services -			
Insurance - liability	1,700	1,089	611
Insurance - vehicles and equipment	1,300		1,300
Repairs, Maintenance and Supplies -			
Maintenance of streets	500		500
Culverts	200	302	(102)
Street signs and posts	200	1,887	(1,687)
Vehicle - gas and oil	1,600	555	1,045
Vehicle - maintenance	500	199	301
Tractor - gas and oil	1,200	932	268
Tractor - maintenance	1,800	1,185	615
Small tools and supplies	2,000	2,056	(56)
Miscellaneous supplies	1,100	1,277	(177)
Total Street Department	<u>\$46,470</u>	<u>\$47,813</u>	<u>(\$1,343)</u>

**VILLAGE OF MORGANZA, LOUISIANA
SCHEDULE OF OPERATING EXPENSES
PROPRIETARY FUND TYPE (ENTERPRISE FUND)
FOR THE YEAR ENDED JUNE 30, 1998
With Comparative Total for 1997**

	<u>1998</u>	<u>1997</u>
General and Administrative -		
Salaries and Benefits -		
Salary - superintendent	\$25,039	\$24,740
Salary - office	13,209	13,052
Group insurance	4,628	4,855
Unemployment compensation	38	76
Workers compensation	1,008	1,050
Social security and medicare	3,060	2,900
Purchased Professional Services -		
Professional fees - auditor	1,500	1,500
Professional fees - accounting	150	400
Other Purchased Services -		
Insurance	1,790	2,027
Telephone and paging	3	255
Printing	744	
Travel	28	128
Continuing education	457	503
Dues	685	475
Repairs, Maintenance and Supplies -		
Vehicle - gas and oil	1,482	1,230
Truck maintenance	1,085	454
Equipment maintenance	136	45
Trencher maintenance	737	377
Radio maintenance		13
Computer maintenance		300
Office supplies	880	1,821
Postage	1,257	1,181
Miscellaneous	359	143
Depreciation	<u>1,551</u>	<u>1,551</u>
Total General and Administrative	<u>\$59,826</u>	<u>\$59,076</u>
Natural Gas Department -		
Purchased Professional Services -		
Cathodic protection survey		\$1,529
Leakage survey		619
Drug testing	144	144
Utilities -		
Rectifier units	887	4,219
Other Purchased Services -		
Insurance	1,771	2,042
Repairs, Maintenance and Supplies -		
Natural gas purchases	93,717	94,729
Maintenance of meters	1,020	1,212
Maintenance of lines	1,408	2,392
Severance tax	348	348
Small tools and supplies	136	713
Captan		1,182
Miscellaneous	1,800	321
Depreciation	<u>4,281</u>	<u>4,281</u>
Total Natural Gas Department	<u>\$105,512</u>	<u>\$113,731</u>

	<u>1998</u>	<u>1997</u>
Water Department -		
Utilities -		
Current used in pumping	\$4,809	\$4,662
Other Purchased Services -		
Insurance	1,208	1,393
Dues	723	63
Repairs, Maintenance and Supplies -		
Maintenance of sewer plant	978	
Maintenance of pumping equipment	127	76
Maintenance of lines	3,308	1,201
Maintenance of water tower	504	300
Maintenance of chlorinator		474
Monthly lease on monitor	3,420	3,420
Small tools and supplies	252	968
Chlorine	2,910	1,637
Miscellaneous	450	
Depreciation	<u>22,443</u>	<u>21,892</u>
 Total Water Department	 <u>\$41,132</u>	 <u>\$36,086</u>
 Sewer Department -		
Purchased Professional Services -		
Compliance tests	\$1,445	\$1,100
Utilities -		
Current used in pumping	10,069	9,727
Repairs, Maintenance and Supplies -		
Maintenance of oxidation pond	9,350	5,902
Maintenance of pumping equipment	19	83
Maintenance of lines	1,777	333
Maintenance of lift stations	1,082	222
Small tools and supplies	666	520
Chlorine	6,844	1,863
Miscellaneous	26	439
Depreciation	<u>21,835</u>	<u>11,560</u>
 Total Sewer Department	 <u>\$53,113</u>	 <u>\$31,749</u>

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VILLAGE OF MORGANZA, LOUISIANA
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
 YEAR ENDED JUNE 30, 1998

Federal Grantor/ Pass-Through Grantor/ Program Name	CFDA Number	State Number	Federal Award	Total Expenditures
<i>U.S. Department of Housing and Urban Development Community Planning & Development CDBG/Small Cities Program Louisiana Division of Administration Sewer Rehabilitation</i>	14.219	<u>107 800259</u>	<u>\$394,612</u>	<u>\$29,878</u>

George F. Delaune

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OFFICERS ASSOCIATION

**INDEPENDENT AUDITOR'S 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 Eugene Serio
and the Board of Aldermen
Village of Morganza, Louisiana**

I have audited the general-purpose financial statements of the VILLAGE OF MORGANZA, LOUISIANA, as of and for the year ended June 30, 1998, and have issued my report thereon dated October 29, 1998. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*.

Compliance

As part of obtaining reasonable assurance about whether the Village of Morganza's 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 those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended solely for the information of management, the Legislative Auditor for the State of Louisiana, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

George F. Delaune, CPA

October 29, 1998

George F. Delaune

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

The Honorable Eugene Serio
and the Board of Aldermen
Village of Morganza, Louisiana

Compliance

I have audited the compliance of the VILLAGE OF MORGANZA, LOUISIANA with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1998. Village of Morganza's major federal programs are identified in the Supplemental Data schedule reported on page 28. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Village of Morganza's management. My responsibility is to express an opinion on Village of Morganza's compliance based on my audit.

I conducted my audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and the Louisiana Governmental Audit Guide. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements 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 Village of Morganza's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on Village of Morganza's compliance with those requirements.

In my opinion, the Village of Morganza complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1998.

Internal Control Over Compliance

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

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended for the information of management, the Legislative Auditor for the State of Louisiana, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

George F. Delaune, CPA

October 29, 1998

VILLAGE OF MORGANZA, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 1998

I have audited the financial statements of Village of Morganza, Louisiana as of and for the year ended June 30, 1998, and have issued my report thereon dated October 29, 1998. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of June 30, 1998 resulted in an unqualified opinion.

Section I - Summary of Auditor's Reports

1. Report on Internal Control and Compliance Material to the Financial Statements
 - a. No material weaknesses or reportable conditions were disclosed during the audit of the general purpose financial statements.
 - b. No instances of noncompliance material to the financial statements were disclosed during the audit of the general purpose financial statements.

2. Federal Awards
 - a. No material weaknesses or reportable conditions were disclosed during the audit of the federal financial awards.
 - b. An unqualified opinion was issued on compliance with major programs.
 - c. There were no findings to be reported in accordance with Circular A-133, Section .510(a).

3. Identification of Major Programs
 - a. CFDA #14.219 U.S. Department of Housing and Urban Development
Community Planning & Development CDBG/Small Cities
Program
 - b. Dollar threshold used to distinguish between Type A and Type Programs - \$300,000.
 - c. The auditee is a "low-risk" auditee, as defined by OMB Circular A-133.

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

DATA COLLECTION FORM

FOR REPORTING ON AUDITS OF STATE AND LOCAL GOVERNMENT AND QUASIPUBLIC ENTITIES

OMB Form 0348-0057 may be used as a substitute for this form. Date Submitted <u>11/12/98</u>	RETURN to: Legislative Auditor Attn: Engagement Processing Post Office Box 94397 Baton Rouge, Louisiana 70804-9397
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1. Fiscal Year Ending Date For This Submission: <u>6/30/98</u>	2. Type of Report: <input type="checkbox"/> Single Audit <input checked="" type="checkbox"/> GAO Audit Standards Audit <input type="checkbox"/> Compilation <input type="checkbox"/> Compilation/Attestation <input type="checkbox"/> Program Audit <input type="checkbox"/> Other
3. Audit Period Covered <input checked="" type="checkbox"/> Annual <input type="checkbox"/> Biennial <input type="checkbox"/> Other to	

4. AUDITEE INFORMATION			5. AUDITOR INFORMATION		
Auditee Name <u>VILLAGE OF MORGANZA</u>			Firm Name <u>GEORGE F. DELAUNE, CPA</u>		
Street Address (Number and Street) <u>112 LA HWY 3050</u>			b. Street Address (Number and Street) <u>7663 ANCHOR DRIVE</u>		
Mailing Address (PO No.) <u>P.O. BOX 66</u>			Mailing Address (PO No.)		
City <u>MORGANZA</u>	State <u>LA</u>	Zip <u>70759</u>	City <u>VENTRESS</u>	State <u>LA</u>	Zip <u>70783</u>
Auditee Contact Name <u>DIANE GRANTHAM</u> Title <u>TOWN CLERK</u>			c. Auditor Contact Name <u>GEORGE DELAUNE</u> Title		
Telephone <u>225/694-3655</u> Fax <u>225/694-2472</u>			Telephone <u>225/638-3387</u> Fax <u>225/638-8145</u>		
Email (Optional)			Email (Optional) <u>gfdc@earthlink.net</u>		

Component Units Included Within the Report and for Which No Separate Report Will Be Issued:
NONE

If there are no modifications to the auditor's financial opinion, no reportable conditions, no material weaknesses, no reported instances of noncompliance, and no management letter, check this box; do not complete the rest of the form.

6. FINANCIAL STATEMENTS

a. Type of audit report on financial statements. Not Applicable
 Unqualified Opinion Qualified Opinion Adverse Opinion Disclaimer of Opinion

b. Is a 'going concern' explanatory paragraph included in the audit report? Yes No

c. Do any of the funds have deficit fund balances? Yes No

d. Is there a related party footnote? Yes No

7. INTERNAL CONTROL
Do the comments on internal control include: material weaknesses reportable conditions not applicable

8. COMPLIANCE
Do the comments on compliance include: illegal acts fraud/criminal acts not applicable

9. MANAGEMENT LETTER (Finding Caption and No.)

_____	Resolved <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable
_____	Resolved <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable
_____	Resolved <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable

10. SCHEDULE OF CURRENT YEAR FINDINGS/QUESTIONED COSTS (Finding Caption and No.)

_____	\$ _____	Resolved <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable
_____	\$ _____	Resolved <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable
_____	\$ _____	Resolved <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable
_____	\$ _____	Resolved <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable
_____	\$ _____	Resolved <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable
_____	\$ _____	Resolved <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable

Do any findings address nepotism, ethics violations or related party transactions? Yes No

Do any findings address violation of bond indenture covenants? Yes No

11. SCHEDULE OF PRIOR YEAR FINDINGS/QUESTIONED COSTS (Finding Caption and No.)

_____	Resolved <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable
_____	Resolved <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable
_____	Resolved <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable
_____	Resolved <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable
_____	Resolved <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable