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Village of Bienville  
Bienville, Louisiana

Annual Financial Statements  
As of June 30, 2004 and for the Year Then Ended

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 Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 12-8-04

**EDWARDS & WADE, CPAs**

A PROFESSIONAL CORPORATION  
206 REYNOLDS DRIVE, SUITE G-2 • RUSTON, LOUISIANA 71270

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Village of Bienville  
Annual Financial Statements  
As of and for the Year Ended June 30, 2004  
With Supplemental Information Schedules

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**Village of Bienville**  
**Management's Discussion & Analysis**  
**June 30, 2004**

We the financial management of the Village of Bienville, present the users of this financial statement an overview of the financial activities of the Village. This information is designed to assist the user in focusing on significant financial issues, identifying changes in financial position, identifying material deviations from approved budget documents, and identifying individual fund issues or concerns.

The Management's Discussion and Analysis (MD&A) is intended to focus on the current fiscal year's activities, changes, and presently known facts. It should be read in conjunction with the financial statements that begin on Statement A.

**FINANCIAL HIGHLIGHTS**

- The ending unreserved fund balances for Governmental Funds was \$232,533. This is over ten times the amount of general expenses in the current fiscal year.
- The unrestricted net assets in the Proprietary Fund was \$17,875 and the Investment in Capital Assets (net of related debt) was \$38,190, for a total of \$56,065. This is over two times the current fiscal year operating expenses.
- Cash and Cash equivalents increased in the current fiscal year for both the General Fund and Proprietary Fund by \$21,215 and \$543 respectively.

**Government-Wide Financial Statements**

The government-wide financial statements (see Statements A and Statement B) are designed to be similar to those of private sector businesses in that all governmental and business-type activities are consolidated into columns which add to a total for the primary government. The statements combine all governmental funds' current financial resources with capital assets and long-term obligations. Also presented in the government-wide financial statements is a total column for the business-type activities of the primary government. Component units, if present, are presented as a separate column in the government-wide statements and as individual activities in the Fund Financial Statements.

The Statement of Net Assets (see Statement A) presents information on all the government's assets and liabilities, with the difference between the two reported in net assets. Over time, changes in net assets may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The Statement of Activities (see Statement B) presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs,

**Village of Bienville**  
**Management's Discussion & Analysis**  
**June 30, 2004**

regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in his statement for some items that will result in cash flows only for future fiscal periods. For example, uncollected taxes result in cash flows for future periods. The focus of Statement of Activities is on both the gross and net cost of various activities which are funded by the government's general tax and other revenues. This is intended to summarize information and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

The governmental activities reflect the Village's basic services including public safety (fire protection), general government services (executive, legislative, judicial), and intergovernmental. These services are financed primarily by taxes. The business-type activities reflect private sector type operations (water utilities) where the fee for service typically covers all or most of the cost of operations, including depreciation.

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar.

**Governmental Funds** are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The Governmental Major Fund (see Statement C through Statement F) presentation is presented on the modified accrual basis. This is the manner in which the financial plan is typically developed excluding certain timing differences between budget basis and the generally accepted accounting principle (GAAP) basis. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's current financing requirements. The Village has presented the general fund as a major fund. There are no non-major governmental funds for the Village.

**Proprietary Funds** are comprised of both enterprise and internal service funds on the financial statements. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements (see Statement G through Statement I). Internal service funds are accounting devices used to accumulate and allocate cost internally among the Village's various functions. The Village has no internal service funds.

**Village of Bienville**  
**Management's Discussion & Analysis**  
**June 30, 2004**

While the total on the business-type fund financial statements (see Statement G through Statement I) is the same as the business-type column as the government-wide financial statement, the governmental major funds total column requires a reconciliation because of the different measurement focus which is reflected on the page following each statement (see Statement D and Statement F). The flow of current financial resources will reflect capital expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets into the Governmental Activities column in the government-wide statements.

**Capital Assets**

General capital assets include land, improvements to land, buildings, vehicles, machinery and equipment, infrastructure, and all other tangible assets that are used in operations and that have initial useful lives greater than one year and exceed the government's capitalization threshold (see Note 7 and Note 1-F). The Village has capitalized all purchased general capital assets. Governmental Accounting Standards Board Statement No. 34 allows the Village a transitional period for reporting infrastructure assets ending on June 15, 2005. The government plans to record all material donated assets within the next fiscal year. Prior to the implementation of the new reporting model, no depreciation was charged on general capital assets. Accumulated depreciation was recorded for the first time, based on the date of acquisition and the life span of the asset, in the June 30, 2004 financial statements.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are a required part of the basic financial statements and can be found on starting on page 16 of this report.

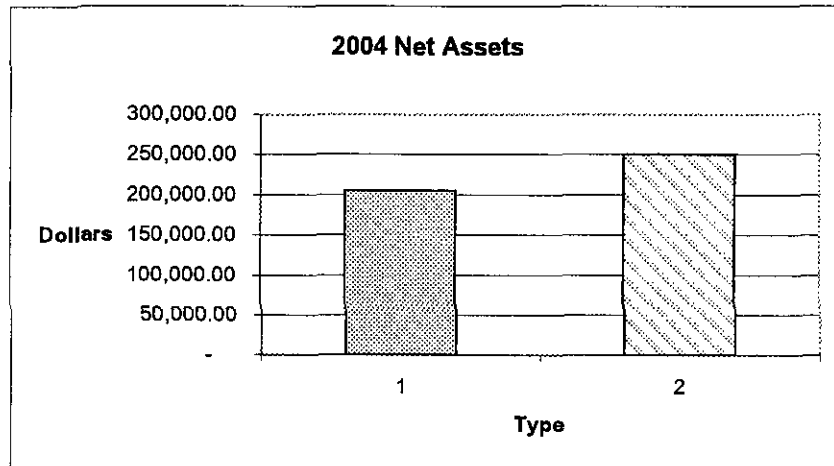
**Village of Bienville  
Management's Discussion Analysis**

Government-Wide Financial Analysis

**Village of Bienville  
Condensed Statement of Net Assets  
June 30, 2003 & 2004**

	Government Activities		Business-Type Activities		Total	
	6/30/2003	6/30/2004	6/30/2003	6/30/2004	6/30/2003	6/30/2004
<b>Assets:</b>						
Current and Other Assets	220,624.00	246,057.00	46,434.00	52,182.00	267,058.00	298,239.00
Restricted Assets	-	-	4,440.00	4,590.00	4,440.00	4,590.00
Capital Assets(net)	602,457.00	166,838.00	41,324.00	38,190.00	643,781.00	205,028.00
<b>Total Assets</b>	<b>823,081.00</b>	<b>412,895.00</b>	<b>92,198.00</b>	<b>94,962.00</b>	<b>915,279.00</b>	<b>507,857.00</b>
					-	-
<b>Liabilities:</b>						
Current Liabilities	13,520.00	13,524.00	34,578.00	38,897.00	48,098.00	52,421.00
<b>Total Liabilities</b>	<b>13,520.00</b>	<b>13,524.00</b>	<b>34,578.00</b>	<b>38,897.00</b>	<b>48,098.00</b>	<b>52,421.00</b>
					-	-
<b>Net Assets:</b>						
Invested in capital assets, net of debt	602,457.00	166,838.00	42,276.00	38,190.00	644,733.00	205,028.00
Unrestricted	207,104.00	232,533.00	15,344.00	17,875.00	222,448.00	250,408.00
<b>Total Net Assets</b>	<b>809,561.00</b>	<b>399,371.00</b>	<b>57,620.00</b>	<b>56,065.00</b>	<b>867,181.00</b>	<b>455,436.00</b>

For more detail see Statement A, The Statement of Net Assets





**Village of Bienville  
Management's Discussion Analysis**

**Village of Bienville  
Condensed Statement of Activities  
For the Years Ended June 30, 2003 and 2004**

	Government Activities		Business-Type Activities		Total	
	6/30/2003	6/30/2004	6/30/2003	6/30/2004	6/30/2003	6/30/2004
<b>Revenues</b>						
<b>General Revenues:</b>						
Property Taxes	44,629	45,461	-	-	44,629	45,461
Other Taxes	2,269	2,714	-	-	2,269	2,714
Intergovernmental Revenues	126	50	-	-	126	50
Franchise Fees	4,411	4,639	-	-	4,411	4,639
Investment Earnings	75	250	1,107	633	1,182	883
Other General Revenues		308	-	-	-	308
General revenues and transfers	(7,305)	(5,204)	-	-	(7,305)	(5,204)
<b>Program Revenues:</b>						
Charges for Services	-	-	16,586	15,786	16,586	15,786
Operating Grants & Contributions	590		7,305	10,178	7,895	10,178
<b>Total Revenues</b>	<u>44,795</u>	<u>48,218</u>	<u>24,998</u>	<u>26,597</u>	<u>69,793</u>	<u>74,815</u>
<b>Expenses</b>						
General Government	18,256	22,789	-	-	18,256	22,789
Water Utilities	-	-	26,339	28,152	26,339	28,152
<b>Total Expenses</b>	<u>18,256</u>	<u>22,789</u>	<u>26,339</u>	<u>28,152</u>	<u>44,595</u>	<u>50,941</u>
Changes in Net Assets		25,429		(1,555)		23,874
Net Assets - Beginning		<u>373,942</u>		<u>57,620</u>		<u>264,724</u>
Net Assets - Ending		<u>\$ 399,371</u>		<u>\$ 56,065</u>		<u>\$ 288,598</u>

**Financial Contact**

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village's finances. If you have any questions about this report or need any additional information, contact the Mayor's office at P.O. Box 200, Bienville, Louisiana 71008, or call (318) 385-7532.

# EDWARDS & WADE

Certified Public Accountants  
A Professional Accounting Corporation  
Members: AICPA / Society of LCPA's

## Independent Auditor's Report

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Bienville, as of and for the year ended June 30, 2004, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village of Bienville's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we 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. We believe that our audit provides a reasonable basis for our opinions.

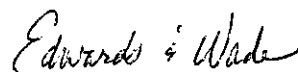
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Village of Bienville, as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the financial statements, the Village has implemented a new financial reporting model as required by the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as of June 30, 2004.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 4, 2004, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The required supplementary information as indicated in the table of contents on pages 1 through 5 and 26 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Bienville's basic financial statements. The accompanying supplementary information, as referenced in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.



Ruston, Louisiana  
November 4, 2004

Village of Bienville, Louisiana  
Statement of Net Assets  
June 30, 2004

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>ASSETS</b>			
Cash and cash investments	\$212,853	\$42,819	\$255,672
Receivables	3,425	9,363	12,788
Internal balances	29,011		29,011
Prepaid assets	768		768
Restricted assets		4,590	4,590
Capital assets (net)	166,838	38,190	205,028
<b>TOTAL ASSETS</b>	<b>\$412,895</b>	<b>\$94,962</b>	<b>\$507,857</b>
<b>LIABILITIES</b>			
Accounts, salaries, and other payables	\$13,524	\$5,296	\$18,820
Internal balances		29,011	29,011
Customer deposits		4,590	4,590
<b>TOTAL LIABILITIES</b>	<b>13,524</b>	<b>38,897</b>	<b>52,421</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	166,838	38,190	205,028
Unrestricted	232,533	17,875	250,408
<b>TOTAL NET ASSETS</b>	<b>\$399,371</b>	<b>\$56,065</b>	<b>\$455,436</b>

The accompanying notes are an integral part of this statement.

Village of Bienville, Louisiana  
 Statement of Activities  
 Year Ended June 30, 2004

	Program Revenues			Net (Expenses) Revenues and Changes of Primary Government		
	Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental Activities:</b>						
General government	\$22,789			(\$22,789)		(\$22,789)
Total governmental activities	<u>22,789</u>	<u>0</u>	<u>0</u>	<u>(22,789)</u>	<u>0</u>	<u>(22,789)</u>
<b>Business-type activities</b>						
Water utilities	28,152	\$4,974			(7,392)	(7,392)
Total business-type activities	<u>28,152</u>	<u>4,974</u>	<u>0</u>	<u>0</u>	<u>(7,392)</u>	<u>(7,392)</u>
Total primary government	<u>\$50,941</u>	<u>\$4,974</u>	<u>\$0</u>	<u>(\$22,789)</u>	<u>(\$7,392)</u>	<u>(\$30,181)</u>
<b>General revenues:</b>						
Property taxes				45,461		45,461
Other taxes				2,714		2,714
Intergovernmental revenues				50		50
Franchise fees				4,639		4,639
Investment earnings				250	633	883
Other general revenues				308		308
Transfers				(5,204)	5,204	0
Total general revenues and transfers				<u>48,218</u>	<u>5,837</u>	<u>54,055</u>
Change in Net Assets				25,429	(1,555)	23,874
Net assets - beginning				373,942	57,620	431,562
Net assets - ending				<u>\$399,371</u>	<u>\$56,065</u>	<u>\$455,436</u>

The accompanying notes are an integral part of this statement.

Village of Bienville, Louisiana  
Balance Sheet, Governmental Funds  
June 30, 2004

	<u>General Fund</u>
<b>ASSETS</b>	
Cash and equivalents	\$212,853
Receivable	3,425
Due from other funds	29,011
Prepaid assets	<u>768</u>
<b>TOTAL ASSETS</b>	<b><u>\$246,057</u></b>
<b>LIABILITIES AND FUND BALANCES</b>	
Liabilities:	
Accounts, salaries, and other payables	<u>\$13,524</u>
Total liabilities	13,524
Fund balance - unreserved	<u>232,533</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$246,057</u></b>

The accompanying notes are an integral part of this statement.

Village of Bienville, Louisiana  
 Reconciliation of The Governmental Funds Balance Sheet  
 to The Government-Wide Financial Statement of Net Assets  
 June 30, 2004

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Fund balances, Total governmental funds (Statement C)		\$232,533
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Governmental capital assets	\$363,334	
Less accumulated depreciation	<u>(196,496)</u>	<u>166,838</u>
Net Assets of Governmental Activities (Statement A)		<u><u>\$399,371</u></u>

The accompanying notes are an integral part of this statement.

Village of Bienville, Louisiana  
Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Governmental Funds  
For the Year Ended June 30, 2004

	<u>General Fund</u>
REVENUES	
Taxes:	
Ad valorem	\$45,461
Other taxes, penalties, interest, etc.	2,714
Intergovernmental revenues:	
State funds:	
State revenue sharing	50
Interest income	250
Other revenues	4,947
Total Revenues	<u>53,422</u>
EXPENDITURES	
General government	<u>22,789</u>
Total Expenditures	<u>22,789</u>
Excess (Deficiency) of Revenues over (under) Expenditures	30,633
OTHER FINANCING SOURCES (USES)	
Transfers out	<u>(5,204)</u>
Total Other Financing Sources (Uses)	<u>(5,204)</u>
Net Change in Fund Balance	25,429
Fund Balance -- beginning	<u>207,104</u>
Fund Balance -- ending	<u><u>\$232,533</u></u>

The accompanying notes are an integral part of this statement.

Village of Bienville, Louisiana  
Reconciliation of The Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended June 30, 2004

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total governmental funds (Statement E) \$25,429

Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Expenditures for capital assets 0

Change in Net Assets of Governmental Activities, Statement B \$25,429

The accompanying notes are an integral part of this statement.



Village of Bienville, Louisiana  
Statement of Net Assets, Proprietary Funds  
June 30, 2004

	Business-Type Activities - Enterprise Fund	
	2004	2003
<b>ASSETS</b>		
Current assets:		
Cash and cash investments	\$42,819	\$42,276
Receivables	9,363	4,158
Total current assets	<u>52,182</u>	<u>46,434</u>
Restricted assets:		
Cash and cash investments	4,590	4,440
Non-current assets:		
Capital assets (net of accumulated depreciation)	38,190	41,324
Total Non-current assets	<u>38,190</u>	<u>41,324</u>
<b>TOTAL ASSETS</b>	<u><u>\$94,962</u></u>	<u><u>\$92,198</u></u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts, salaries, and other payables	\$5,296	\$903
Due to other funds	29,011	25,454
Customer deposits	4,590	4,440
Total current liabilities	<u>38,897</u>	<u>30,797</u>
Current liabilities payable from restricted assets	<u>0</u>	<u>2,820</u>
Non-current liabilities:		
Loans payable	<u>0</u>	<u>961</u>
Total non-current liabilities	<u>0</u>	<u>961</u>
Total liabilities	<u>38,897</u>	<u>34,578</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	38,190	41,324
Unrestricted	<u>17,875</u>	<u>16,296</u>
<b>TOTAL NET ASSETS</b>	<u><u>\$56,065</u></u>	<u><u>\$57,620</u></u>

The accompanying notes are an integral part of this statement.

Village of Bienville, Louisiana  
Statement of Revenues, Expenses, and Changes in Net Assets  
Proprietary Funds  
For the Year Ended June 30, 2004

	Business-Type Activities - Enterprise Fund	
	2004	2003
Operating Revenues		
Charges for services:		
Water sales	\$15,786	\$16,586
Total Operating Revenues	15,786	16,586
Operating Expenses		
Cost of sales and services	14,060	5,608
Administration	10,747	13,221
Depreciation	3,134	7,255
Total Operating Expenses	27,941	26,084
Operating income (loss)	(12,155)	(9,498)
Nonoperating revenue (expenses)		
Interest earnings	633	1,107
Interest expense	(211)	(255)
Total Nonoperating Revenue (Expenses)	422	852
Income before contributions and transfers	(11,733)	(8,646)
Capital contributions	4,974	0
Transfers in	5,204	7,305
Change in Net Assets	(1,555)	(1,341)
Total Net Assets - Beginning	57,620	58,961
Total Net Assets - Ending	\$56,065	\$57,620

The accompanying notes are an integral part of this statement.

Village of Bienville, Louisiana  
Statement of Cash Flows, Proprietary Funds  
For the Year Ended June 30, 2004

	2004	2003
Cash Flows from Operating Activities		
Receipts from customers and users	\$10,731	\$15,738
Receipts from other funds	3,557	0
Payments to suppliers	(14,170)	(14,647)
Payments to employees	(6,244)	(5,630)
Payments to other funds	0	0
Net Cash Provided by Operating Activities	<u>(6,126)</u>	<u>(4,539)</u>
Cash Flows from Noncapital Financing Activities		
Transfer to other funds	0	0
Advances from other funds	5,204	7,305
Net Cash Provided (Used) by Noncapital Financing Activities	<u>5,204</u>	<u>7,305</u>
Cash Flows from Capital and Related Financing Activities		
Capital contributions	4,974	0
Purchases of capital assets	0	0
Principal paid on capital debt	(3,781)	(2,800)
Interest paid on capital debt	(211)	(255)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>982</u>	<u>(3,055)</u>
Cash Flows from Investing Activities		
Interest and dividends received	633	1,107
Net Cash Provided by Investing Activities	<u>633</u>	<u>1,107</u>
Net Increase in Cash and equivalents	693	818
Cash and equivalents, Beginning of Year	46,716	45,898
Cash and equivalents, End of Year	<u>\$47,409</u>	<u>\$46,716</u>
Reconciliation of Operating Income to Net Cash Provided (used) by Operating Activities		
Operating income	(\$12,155)	(\$9,498)
Depreciation expense	3,134	7,255
(Increase) decrease in accounts receivable	(5,205)	(849)
Increase (decrease) in customer deposits	150	
Increase (decrease) in accounts payable	4,393	(1,447)
Increase (decrease) in due to other funds	3,557	
Net Cash Provided by Operating Activities	<u>(\$6,126)</u>	<u>(\$4,539)</u>
Reconciliation of total cash and cash investments:		
Current assets - cash and cash investments	\$42,819	\$42,276
Restricted assets - cash and cash investments	4,590	4,440
Total cash and cash investments	<u>\$47,409</u>	<u>\$46,716</u>

The accompanying notes are an integral part of this statement.

Village of Bienville, Louisiana  
Notes to the Financial Statements  
As of and For the Year Ended June 30, 2004

## INTRODUCTION

The Village of Bienville, Louisiana is located in the northern portion of Bienville Parish in north-central Louisiana. The Village was incorporated under the provisions of Louisiana Revised Statutes 33:52. The Village operates under a form of government consisting of an elected mayor and a board of aldermen, which has three elected members. The Village, with 2 employees, provides water facilities through the utility fund and general administrative services to its residents. The Village consists of approximately 316 citizens.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Village is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As used in GASB Statement No. 14, fiscally independent means that the Village may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt.

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For the year ended June 30, 2004, the Village has implemented GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. GASB Statement No. 34 creates new basic financial statements for reporting on the Village's financial activities. The financial statements now include government-wide financial statements prepared on the accrual basis of accounting, and fund financial statements which present information for individual major funds rather than by fund type which has been the mode of presentation in previously issued financial statements.

#### A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charge to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Village of Bienville, Louisiana  
Notes to the Financial Statements  
As of and For the Year Ended June 30, 2004

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivables due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Village reports the following major governmental funds:

The General Fund is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Village reports the following major proprietary funds:

The Water fund is to account for the provision of water services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, but not limited to, administration, operations, maintenance, financing, and related debt service and billing.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the governments enterprise operations. Elimination of those charges would distort the direct costs and program revenues reported for the various functions concerned.

Village of Bienville, Louisiana  
Notes to the Financial Statements  
As of and For the Year Ended June 30, 2004

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds and internal service funds include the costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Deposits and Investments

The Village's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the Village's investment policy allow the Village to invest in collateralized certificates of deposits, government back securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities. Investments for the Village are reported at fair value.

D. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectives. The Village calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis.

Property taxes are levied on a calendar year basis and become due on January 1 of each year. The following is a summary of authorized and levied ad valorem taxes:

<u>Taxes due for:</u>	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
General government	14.44	14.44	6/30/04

Village of Bienville, Louisiana  
Notes to the Financial Statements  
As of and For the Year Ended June 30, 2004

The following are the principal taxpayers and related property tax revenue for the Village:

<u>Taxpayer</u>	<u>Type of business</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>	<u>Ad valorem Tax Revenue for Municipality</u>
Bear Creek	storage company	\$2,200,590	69.90%	\$31,777
El Paso Production	oil and gas production	248,060	7.88%	3,582
Total		<u>\$2,448,650</u>	<u>77.78%</u>	<u>\$35,359</u>

E. Restricted Assets

Restricted assets include cash and cash investments in the Proprietary funds which are restricted to their use. These restrictions are principally related to requirements of loan issues and utility meter deposits. It is the Village's policy to use restricted assets before unrestricted assets for their intended purposes.

F. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Village maintains a threshold level of \$250 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land	N/A
Buildings and improvements	33-50 years
Furniture and fixtures	10-20 years
Vehicles	5 years
Equipment	3-15 years

G. Compensated Absences

The Village has the following policy relating to vacation and sick leave:

Employees of the Village do not earn vacation or sick time. Therefore, no liability has been recorded.

Village of Bienville, Louisiana  
Notes to the Financial Statements  
As of and For the Year Ended June 30, 2004

H. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. There are no reservations or designations for the year ended June 30, 2004.

I. Comparative Data/Reclassifications

Comparative total data for the prior year have been presented only for enterprise funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

J. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from the estimates.

K. Reconciliations of Government-Wide and Fund Financial Statements

*Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets* The following reconciles the fund balances of governmental funds to the government-wide statement of net assets.

Governmental capital assets	\$363,334
Less accumulated depreciation	<u>(196,496)</u>
Net adjustment	<u>\$166,838</u>

*Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities* The following reconciles the net changes in fund balance-total governmental funds to the changes in net assets of governmental activities.

Expenditures for capital assets	<u>\$0</u>
Net adjustment	<u>\$0</u>

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

*BUDGET INFORMATION* The Village uses the following budget practices:

The Village adopted a budget for the year ended June 30, 2004 for the General fund. The Village follows the following procedures in establishing the budgetary data reflected in the financial statements. During the June



Village of Bienville, Louisiana  
Notes to the Financial Statements  
As of and For the Year Ended June 30, 2004

meeting, the Village clerk submits to the board of aldermen a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and expenses and the means of financing them. During the June meeting, the budget is legally enacted through passage of an ordinance. The public is invited to attend all meetings. The Village clerk is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures or expenses of any fund must be approved by the board of aldermen. Appropriations lapse at the end of the year. There were no amendments to the original budget.

### 3. CASH AND CASH EQUIVALENTS

At June 30, 2004, the Village has cash and cash equivalents (book balances) totaling \$260,262 as follows:

Demand deposits	\$69,058
Interest-bearing demand deposits	18,514
Time deposits	<u>172,690</u>
Total	<u>\$260,262</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. 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, 2004, the Village has \$260,919 in deposits (collected bank balances). These deposits are secured from risk by \$204,590 of federal deposit insurance and \$56,329 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, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Village that the fiscal agent has failed to pay deposited funds upon demand.

### 4. INVESTMENTS

Investments include 3 certificates of deposit with maturities of 6 months that have been included in cash and equivalents in the basic financial statements. Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the Village or its agent in the Village's name
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Village's name
3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Village's name

Village of Bienville, Louisiana  
Notes to the Financial Statements  
As of and For the Year Ended June 30, 2004

At fiscal year-end, the Village's investments balances were as follows:

Type of investment	Category			Carrying amount			Total Carrying Amount
	1	2	3	Fair Value	Amortized Cost	Cost	
Certificates of deposits	\$172,690	\$0	\$0	\$172,690	\$0	\$0	\$172,690
Total investments	<u>\$172,690</u>	<u>\$0</u>	<u>\$0</u>	<u>\$172,690</u>	<u>\$0</u>	<u>\$0</u>	<u>\$172,690</u>

5. RECEIVABLES

The receivables of \$12,788 at June 30, 2004, are as follows:

Class of Receivable	General Fund	Water Fund	Total
Taxes:			
Ad valorem	\$2,178		\$2,178
Other	1,197		1,197
Intergovernmental - grants:			
State		\$4,974	4,974
Accounts		4,389	4,389
Other	50		50
Total	<u>\$3,425</u>	<u>\$9,363</u>	<u>\$12,788</u>

The Village's policy for bad debt accounting and write-offs is to send a letter to the occupant and owner after the due date. After 90 days, the utility line is sealed close. Reconnection fees must be paid to have service resumed.

6. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2004 is as follows:

Due To/From Other Funds:		
Receivable fund	Payable fund	Amount
General fund		\$29,011
	Water fund	(29,011)
Total		<u>\$0</u>

The balances consist of allocations for insurance and accounting fees, payroll tax penalties and interest, and assisting the Water fund in the payoff of its note. The Village's management will determine an action to take in order to reduce the interfunds in approximately 2 years.

Village of Bienville, Louisiana  
Notes to the Financial Statements  
As of and For the Year Ended June 30, 2004

Advances From/To Other Funds:		
<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
Water fund		\$5,204
	General fund	<u>(5,204)</u>
Total		<u><u>\$0</u></u>

The transfers consist of allocations for insurance and accounting fees.

7. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2004, for the primary government is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$2,000			\$2,000
Construction in progress				0
Total capital assets not being depreciated	<u>2,000</u>	<u>0</u>	<u>0</u>	<u>2,000</u>
Capital assets being depreciated:				
Buildings	132,200			132,200
Improvements other than buildings	205,000			205,000
Machinery and equipment	24,134			24,134
Infrastructure	0			0
Total capital assets being depreciated	<u>361,334</u>	<u>0</u>	<u>0</u>	<u>361,334</u>
Less accumulated depreciation for:				
Buildings	112,810	\$2,180		114,990
Improvements other than buildings	53,813	5,125		58,938
Machinery and equipment	21,791	777		22,568
Total accumulated depreciation	<u>188,414</u>	<u>8,082</u>	<u>0</u>	<u>196,496</u>
Total capital assets being depreciated, net	<u><u>\$174,920</u></u>	<u><u>(\$8,082)</u></u>	<u><u>\$0</u></u>	<u><u>\$166,838</u></u>

Village of Bienville, Louisiana  
Notes to the Financial Statements  
As of and For the Year Ended June 30, 2004

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$300			\$300
Construction in progress				0
Total capital assets not being depreciated	<u>300</u>	<u>0</u>	<u>0</u>	<u>300</u>
Capital assets being depreciated:				
Buildings				0
Improvements other than buildings				0
Machinery and equipment	136,399			136,399
Total capital assets being depreciated	<u>136,399</u>	<u>0</u>	<u>0</u>	<u>136,399</u>
Less accumulated depreciation for:				
Buildings				0
Improvements other than buildings				0
Machinery and equipment	95,375	\$3,134		98,509
Total accumulated depreciation	<u>95,375</u>	<u>3,134</u>	<u>0</u>	<u>98,509</u>
Total business-type assets being depreciated, net	<u>\$41,324</u>	<u>(\$3,134)</u>	<u>\$0</u>	<u>\$38,190</u>

Depreciation expense of \$8,082 for the year ended June 30, 2004, was charged to the following governmental functions:

General government	<u>\$8,082</u>
Total	<u>\$8,082</u>

8. ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$18,820 at June 30, 2004, are as follows:

	<u>General Fund</u>	<u>Water Fund</u>	<u>Total</u>
Salaries	\$303		\$303
Accounts	13,221	\$5,296	18,517
Total	<u>\$13,524</u>	<u>\$5,296</u>	<u>\$18,820</u>

REQUIRED SUPPLEMENTAL INFORMATION

Village of Bienville, Louisiana  
Statement of Revenues, Expenditures, and Changes  
in Fund Balances - Budget and Actual  
General Fund  
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts GAAP Basis</u>	<u>Favorable (Unfavorable) Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes:				
Ad valorem	\$50,000	\$50,000	\$45,461	(\$4,539)
Other taxes, penalties, interest, etc.	2,800	2,800	2,714	(86)
Intergovernmental revenues:				
State funds - State revenue sharing			50	50
Interest income	650	650	250	(400)
Other revenues	1,883	1,883	4,947	3,064
Total Revenues	<u>55,333</u>	<u>55,333</u>	<u>53,422</u>	<u>(1,911)</u>
<b>EXPENDITURES</b>				
General government:				
Payroll and payroll taxes	1,617	1,617	1,642	(25)
Per diem	1,680	1,680	1,590	90
Accounting	7,500	7,500	3,422	4,078
Office expense	1,100	1,100	1,105	(5)
Insurance	3,500	3,500	428	3,072
Utilities	6,000	6,000	9,464	(3,464)
Repairs and maintenance	50	50	1,362	(1,312)
Bushhogging	200	200	73	127
Dues	150	150	157	(7)
Legal and professional	250	250	243	7
Rent - P.O. Box	110	110	90	20
Travel	0	0	542	(542)
Meals and entertainment	0	0	79	(79)
Interest and penalties	650	650	2,542	(1,892)
Miscellaneous	500	500	50	450
Total Expenditures	<u>23,307</u>	<u>23,307</u>	<u>22,789</u>	<u>518</u>
Excess (Deficiency) of Revenues over (under) Expenditures	32,026	32,026	30,633	94,685
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	0	0	(5,204)	(5,204)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(5,204)</u>	<u>(5,204)</u>
Net Change in Fund Balance	32,026	32,026	25,429	(6,597)
Fund Balance (Deficit) at Beginning of Year	<u>207,104</u>	<u>207,104</u>	<u>207,104</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$239,130</u>	<u>\$239,130</u>	<u>\$232,533</u>	<u>(\$6,597)</u>

## Notes to the Schedule

(1) method of budgetary accounting - GAAP

The accompanying notes are an integral part of this statement.

OTHER SUPPLEMENTAL SCHEDULES

Village of Bienville  
Schedule of Compensation Paid Board Members  
For the Year Ended June 30, 2004

Board Member	<u>Amount</u>
Dennis Boston, Mayor	\$600
William Wysinger	360
Dorothy Anderson	270
Effie Bruce	<u>360</u>
Total	<u><u>\$1,590</u></u>

The accompanying notes are an integral part of this statement.



OTHER REPORTS

# EDWARDS & WADE

Certified Public Accountants  
A Professional Accounting Corporation  
Members: AICPA / Society of LCPA'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*

Mayor and City Council  
Village of Bienville  
Bienville, Louisiana

We have audited the financial statements of the Village of Bienville as of and for the year ended June 30, 2004 and have issued our report thereon dated November 4, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether Village of Bienville's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and questioned costs as item 04-1 and 04-2.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Village of Bienville's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control 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 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 no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

Because of a limited number of available personnel, it is not possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records or to all phases of a transaction. Consequently, the possibility exists that unintentional or intentional errors or irregularities could exist and not be promptly detected.

My audit did not reveal any significant errors or irregularities resulting from this lack of segregation of employee duties and responsibilities.

This report is intended for the information and use of management, the Legislative Auditor, and any interested federal and state agencies and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Edwards & Wade*

Ruston, Louisiana  
November 4, 2004

Village of Bienville  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2004

We have audited the financial statements of Village of Bienville as of and for the year ended June 30, 2004, and have issued our report thereon dated November 4, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of November 4, 2004 resulted in an unqualified opinion.

**A. Summary of Audit Results**

1. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses  Yes  No Reportable  Yes  No

Compliance

Compliance Material to Financial Statements  Yes  No

2. Federal Awards

Internal Control

Material Weaknesses  Yes  No Reportable  Yes  No

Type of Opinion On Compliance Unqualified  Qualified   
 For Major Programs Disclaimer  Adverse

Are their findings required to be reported in accordance with Circular A-133, Section .510(a)?  
 Yes  No

3. Identification of Major Programs:

CFDA Number(s)

Name of Federal Program (or Cluster)

N/A

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Dollar threshold used to distinguish between Type A and Type B Programs: \$ 300,000

Is the auditee a "low-risk" auditee, as defined by OMB Circular A-133?  Yes  No

**B. Financial Statements Findings**

04-1. During the test of receipts for the Proprietary Fund, it was noted that the Village clerk has not paid her water bill. This is in violation of Article VII, Section 14 of the LA Constitution of 1974 since the nonpayment of the water bill constitutes a loan. The effect of this loan is the loss of operating revenue. The cause of this situation is the lack of compliance with the Village's cut off procedures.

Recommendation: Village comply with their Proprietary Fund policies and procedures.

Response: Village of Bienville will comply with this policy.

04-2. While examining the general ledger, it was noted that the Village made a \$50 donation to a local high school. This is in violation of Article VII, Section 14 of the LA Constitution of 1974 which states funds, credit, property, or things of value of the state or of any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private.

Recommendation: Village not make any payments that may constitute a loan.

Response: Village of Bienville will make no more donations.

**C. Federal Award Findings and Questioned Costs**

None

Village of Bienville  
Summary of Prior Year Findings  
For the Year Ended June 30, 2004

**A. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS**

- 03-1. During the test of receipts for the Water Fund, it was determined that the monthly bills were calculated incorrectly, according to the ordinance that was adopted for the water usage rates. The effect of this miscalculation is increased user fees.

Recommendation: Village clerk calculate bills according to the approved rates.

Conclusion: Resolved

- 03-2. During the test of receipts for the Proprietary Fund, it was noted that the Village clerk has not paid her water bill. This is in violation of Article VII, Section 14 of the LA Constitution of 1974 since the nonpayment of the water bill constitutes a loan. The effect of this loan is the loss of operating revenue. The cause of this situation is the lack of compliance with the Village's cut off procedures.

Recommendation: Village comply with their Proprietary Fund policies and procedures.

Conclusion: Unresolved, see 04-1

- 03-3. During our test of cash, it was determined that the mayor and aldermen did not approve the closing of debt fund depository accounts.

Recommendation: Mayor and aldermen approve any opening and closing of depository accounts.

Conclusion: Resolved

- 03-4 For the year ended June 30, 2003 budgeted revenues and actual expenditures exceeded actual revenues and budgeted expenditures by more than 5% for the general fund. According to LRS 39:1310, failing to amend the budget when necessary is a violation of the local government budget act.

Recommendation: Village analyze interim budget and actual comparisons and amend the budget as needed.

Conclusion: Resolved

03-5. The Village closed their debt service depository accounts into a general fund non-interest bearing checking account. Failure to invest excess cash does not comply with revised statute 33:2955. The effect of this noncompliance is that the Village is not maximizing their earnings potential.

Recommendation: Village put excess cash into interest bearing accounts.

Conclusion: Resolved

**B. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS**

None

**C. MANAGEMENT LETTER**

None

CORRECTIVE ACTION PLAN  
For the Year Ended June 30, 2004

Village of Bienville hereby submits the following corrective action plan as referenced in the Findings and Questioned Costs:

- 04-1.      See Schedule of Findings and Questioned Costs - Section B.
- 04-2.      See Schedule of Findings and Questioned Costs - Section B.